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strategic planning

Everyone in it together?

Does your organisation know where it's going? Do you, or your immediate colleagues, have a clear picture of where the work you do fits into an overall strategy? Do the people who access the services you provide or benefit from your activities know the answer?

A sense of direction is as vital to a charity as it is to any other group of people defined as an 'organisation', and sometimes, as we would all probably admit, you can get lost in the day to day pressures of the job, the next deadline, or the next funding application.

Overcoming such short-sightedness and the limitations it places on an organisation's success and development is one of the challenges that the Performance Hub (one of the six national hubs of expertise funded by the Home Office and ChangeUp) is designed to help the voluntary sector address. It suggests one possible solution is to develop a culture of strategic thinking throughout the organisation, and involving all a charity's stakeholders (staff, volunteers and clients/service users) in determining strategy.

This is not some meaningless business rubbish whereby staff and volunteers repeat a mission statement as a mantra until they magically acquire the collective purpose of an aggressive ant colony. This is about the benefits of evaluating the effectiveness of current strategy in relation to overall aims and the outcomes of frontline work. The idea is that consulting stakeholders leads to improvements in morale at the frontline, helps staff to think ahead focusing on outcomes rather than output-based goals, and ultimately helps the charity get closer to achieving its aims.

In November last year, Richard Piper, head of performance improvement at the NCVO, and joint manager of the Hub, introduced the concept at a seminar during the NCVO's Trustees Conference. It is still, he stresses, "just a thesis".

"It's a suggestion based on experience and anecdotal evidence," he explains. "We're talking about the skill of being strategic, and the benefits of people doing that, as distinct from a

For an organisation to thrive and maintain its sense of direction, does it make sense to focus on outcomes rather than output – and for this overall strategy to be determined not only at board level, but by staff, volunteers and the people the organisation aims to benefit as well? David Adams examines the potential for an organisation-wide strategic approach

document or an assumed way of how the organisation is going forward. Being strategic is thinking about things in relation to the whole organisation and thinking in the medium to longer term. The most successful voluntary organisations are more likely to have people thinking in that way."

The idea that focusing on outcomes rather than output can be beneficial is not new, but Piper's thesis is based on recent evidence including the results of an outcomes measurement project piloted by the homelessness charity, St Mungo's, in 2004. It worked with Triangle Consulting to develop an outcomes measurement system – Star – that enables it to measure the progress of individual clients.

"Star offers a consistent measurement scale that could be rolled out throughout the sector to provide organisations and



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fundors with a robust tool for measuring outcomes of our vulnerable client group," says Konni Sanderson, action planning coordinator at the charity. "Men and women who have been sleeping rough have often led very traumatic lives and are incredibly vulnerable. Even small positive measures often take a large amount of courage and dedication.

"St Mungo's Star measures those small improvements and tracks how each small change impacts on the overall improvement of our residents. By measuring outcomes we can track how we support a homeless person to transform their life and be able to work and live independently. We can see what difference we make to our clients' lives and tailor our services to better meet their needs."

"St Mungo's asked users 'if we engaged with you for two years, what outcomes would you expect to see after that time?'" says Piper. "They found many people were less ambitious than they'd hoped, but that others were very ambitious indeed. They realised that too often they were looking at the needs of the first group rather than those of the second. By being output-focused rather than outcome-focused they were being less ambitious than they could be."

Results from the pilot showed that 86 per cent of the charity's clients who took part in the scheme improved against the assessment scales used, particularly in relation to the misuse of drugs and alcohol. Star is now being rolled out across all St Mungo's projects, and Sanderson says the charity is keen for other organisations to follow their lead in becoming more focused on outcomes.

Piper also cites PERFORM, a tool for implementing outcomes-focused assessment of processes devised by the Performance Hub and tested in 2005 by 11 voluntary sector infrastructure organisations, as further supporting evidence. One of the pilot organisations was Action for Communities in Rural England (ACRE). Chief executive Sylvia Brown is convinced of the value of this type of exercise. "Any voluntary organisation that is expecting to thrive has to reassess the way it responds to the needs of its members and to institutions around it," she says.

"The ability to change in response to unforeseen different scenarios and to work out a collective response has become much more important now. If these things are going to happen you've got to have trustees, staff and users on board," she adds.

When Piper presented his ideas at the NCVO's Conference, one of the points raised in the discussions and workshop exercises that followed was that people engaged in output-driven frontline work with deadline targets were not working in an environment conducive to that sort of thinking. "The most important thing is to give people time and space to think," he says. "And that suggests that the old away day idea may not be such a bad thing. Lots of people said they'd been at their most strategic when they were in a situation outside the usual."

But not everyone is convinced by this kind of collaborative, consultative approach. During a seminar on strategic renewal organised last October by the Performance Hub and the NCVO's Third Sector Foresight Project, one contributor (who wished to remain anonymous) expressed their scepticism saying: "In the

voluntary sector we always have this very egalitarian approach to strategy and not an elitist one. There are some times when elitism seems to be a much better approach (i.e. The Monetary Policy Committee)... I would just like to challenge this assumption that as many people as possible should be involved."

Dr Ian Williams, executive director of the development NGO, Concern Universal, and a Visiting Fellow at the Centre for Charity Effectiveness at the Cass Business School in London, attended the event in question, but disagreed with this point of view. He values the focus on input from a charity's users in particular. "In this country we're behind in having a strategic approach to user involvement in the design and implementation of strategy," says Williams. "That's a key challenge for the voluntary sector. You've got to make sure those voices are heard."

And listening to staff and volunteers is just as important. "It can be difficult, but not engaging them is not very smart," says Williams, "not only because they're working at the coalface, but also because that's how you motivate people. Motivation is nothing to do with money in this sector."

Williams says his aim at the seminar was to try and get others in the sector interested in different ways of developing strategy. He believes the message is getting through. "From my understanding, a lot of people are trying to do it for the right reasons, and it's just finding ways of doing it that are attuned to the needs of the organisation," he says.

Of course, there is no single right way of doing things. The key, argues ACRE's Brown, is flexibility: "It's not the product, it's not the toolkit – the process is everything," she says. And Brown thinks it is essential that voluntary organisations go through this vigorous re-examination of strategy if they are going to survive in an increasingly competitive environment. "The sector's existed for years with the idea that as long as they did good work with the same organisational structure and roles then they were bound to be successful," she says. "But that's no longer enough. There are thousands of other people out there, all competing for the same money. I believe in that diversity, but organisations have to ask themselves if some of their activities are actually going to be sustainable in the long run."

Piper, in fact, believes this approach could revitalise an organisation. "Almost everybody in the sector wishes they'd been thinking about outcomes all along," he says. "Everybody comes into the sector wanting to make a difference, but it's easy to get sidetracked." He believes the two most important reasons why so many people working in the sector end up preoccupied with outputs are, first of all, "that it's a very human thing to do", but also because so many funders base evaluations of an organisation's activities on output. Here is a way to get past those preoccupations and connect again with a charity's central purpose. "At its best this can be quite a radical and revolutionary approach," he says. "You get people saying 'my god, this is why we exist.'"

For more information on the work of the Performance Hub see www.performance-improvement.org.uk