Setting Strategic Goals at a Board Meeting
This document augments *Boards on Fire*, page 44
By Susan Howlett

In order to set strategic goals, board members must have essential information about the organization's current situation and the landscape within which it operates. To prepare for a goal-setting conversation, I usually ask each board member to do a homework assignment ahead of time and share their findings with the others, so that their fellow leaders can make informed decisions based on real data, rather than impressions, opinions, or personal agendas. The assignments will vary each year, based on what's "up" for you that year. You can find a list of the types of assignments I suggest on my website -- www.susanhowlett.com.

Once reports from board members have been shared, the goal-setting exercise described below usually takes about three hours. (It's called an Affinity Grouping Exercise.) The desired outcome is that leaders arrive at three or four goals that will prioritize everyone's behavior for the foreseeable future. If there isn't currently a strategic plan dictating behavior, you might start with one-year goals. Then the following year, when they've had some practice working within the construct of goals, they can extend their vision to a three-year window.

If you're trying to engage a board that hasn't been deeply involved in governance, you might have only the board members participate in this exercise so they feel more ownership of the process. But if there are key management or program staff at the meeting, you might let them participate too.

Give each leader a 3x3 pad of sticky notes and invite them to write down – in silence -- three goals, based on what they've heard – one goal per sticky. The first goal should be about program, the second about infrastructure and the third about money.

The first goal (The Program Goal) should concern what you do to carry out your mission.

The second goal (The Infrastructure Goal) should be about whatever you need in place to make sure the program goal can happen, such as:

- People (board / staff / volunteers / committees / relationships with partner organizations
- Physical plant (buildings / equipment)
- Systems (databases / technology / accounting, etc.)
- Plans or policies   whatever you need in place to make sure the program goal happens.

The third goal (The Money Goal) should be about finances / investments / fundraising / revenue / sustainability.

Stipulate that each stated goal must include a verb and an object. So rather than a single word like "fundraising" or "board" you might put "increase donor retention rate" or "create and implement a strategic board recruitment and assimilation process."

Discourage people from suggesting a money goal that's about dollars raised. Some more strategic ideas might be to 1) focus on major donor retention, or 2) decrease the cost per dollar raised, or 3) create a fund development plan that moves you toward a more sustainable funding model or 4) decrease your reliance on grants or events.

When they've had a few minutes to think about what they want to prioritize, have them post their three goals on a wall or window, easel or whiteboard, under the headings, **Program, Infrastructure** and **Money**, clustering theirs with others that seem similar in nature. Tell them they can rearrange any stickies they think belong under another heading or with another cluster, until everyone is satisfied enough to return to their seats.

Once they've sat down again, you should be able to see visible patterns. Under each goal there

may be six or seven stickies about one idea, and two or three other clusters that have only one or two stickies in them. This process is called "making the group mind visible" and it saves you from having an endless conversation only to realize that most people had the same basic priority. Assign one person to read all the stickies under one goal heading and prepare to synthesize the responses for everyone else when you reconvene. After hearing the synthesis of the program stickies, ask someone to call out some suggested wording that captures the intent of the largest cluster. I often say, "Someone give us a starting place, even if it's lame." Write the suggested language on an easel sheet and let the group discuss it, modify it, and distill it down until they arrive at one goal statement that everyone can agree with. Give yourself 60-90 minutes to determine the program goal. The other two will fall like dominoes after that. Hopefully, the infrastructure and money goals will align with the program goal, and respond to the findings of the earlier reports.

Sometimes, groups simply can't narrow their priorities down to only three goals, so it's okay to choose four. It's best not to have more than that or no one will be able to remember them months later. The main point is to prioritize your work for the year ahead so you know what you can say NO to, thereby focusing your energy and resources on the most important work!

Ultimately, you'll want to make sure that each goal is a SMART goal (see page 44 of Boards on Fire) including measurables or deliverables for each one. A pattern I often see is the goals end up landing in the lap of staff, and the board doesn't have a clear role to play in achieving them. Be sure to clarify the role of the board in accomplishing those deliverables, distinct from the role of the staff, so both parties can take responsibility for their unique role. Here are two examples of the distinctions between board and staff roles in achieving the goals.

One nonprofit's infrastructure goal was to assess all the property the organization was using for administration and program delivery to determine if they were using those properties in the most propitious and cost-effective ways. The role of staff was to document which buildings they owned or rented, the costs associated with each, and what types of legal arrangements affected each. The board then determined what criteria they would use to analyze the relative value of each property, and consulted with experts to ascertain the highest best use of each property.

Another organization's infrastructure goal was to ensure that every person who called their crisis line got a live response, which was not currently happening. The job of the staff was to produce the call records for the last couple of years, showing what percentage had been answered in what way, detailing the reasons why it had been so difficult to provide live responses, what alternative approaches other organizations were using and the costs related to each methodology. Once the board and staff had decided what to do, the board was responsible 1) for deciding how to adjust the budget to include the increased costs from then on, 2) for participating in generating the extra money and 3) for holding themselves and the staff accountable for this new effort.

See page 45 of *Boards on Fire* for four ways to keep those goals alive and driving behavior all year long.

Examples of Goals:

Here are some sample goals arrived at by organizations who used this process:

Program Goal Example: Reduce the use of toxic chemicals in health care facilities and homes, with a focus on phasing out phthalates in 3 neonatal intensive care units and eliminating PBDEs through legislative action.

Infrastructure Goal Example: Develop a succession plan for key board and staff roles.

Money Goal Example: Engage the board in deepening current stakeholder relationships to convert them into advocates.