What is Resource Development Planning?

From the outset, I want to be clear that resource development planning is different that fundraising. Fundraising is action-oriented and is concerned with directly generating *revenues* to keep your program and agency funded. Fundraising is typically event focused. Resource development planning, on the other hand, is *process*-focused and is concerned with ways you engage your community and other stakeholders in deliberately building your program and agency capacity. While *one* of the outcomes of this engagement is fundraising, resource development also includes other outcomes such as developing strong collaborative partnerships with stakeholders in your community, developing an active governance board and advisory committee, cultivating staff members who are committed to growing professionally, and creating a vision for the long-term direction of your program efforts.

With this "big picture" view in mind, I define resource development planning as the intentional process used to set resource development and sustainability goals, as well as the mechanism used to track progress towards attaining those goals.

It would be a whole lot simpler to say resource development planning is the "process of finding money to keep things going." At a superficial level this shorter definition might appear adequate. However, if your agency is approaching resource development planning from this simplistic perspective, I believe that you will find yourselves ill-prepared to compete in an increasingly sophisticated funding landscape that emphasizes accountability and stability. The bottom line is, you have to get organized if you want to achieve your goals, no matter how you choose to proceed, and resource development planning is what gets you organized.

So as I unpack our definition of resource development, it is important to notice three critical elements that are shared by all good plans:

- <u>Promoting Systematic Development</u>
  Resource development is based on a "systems view" of a program and agency. It addresses the development of your mentoring program in terms of the fiscal and administrative structure of what you are doing. In other words, the plan creates and influences the systems you use to actually get work done.

- <u>The Ability to Successfully Navigate Change</u>
  The pace of change in society today demands that nonprofit agencies have the ability to navigate quickly and effectively. Flexibility and adaptation is a critical component to resource development planning. The days of five year plans are over for most nonprofit organizations. But navigating change and being flexible does not simply mean reinventing your mentoring program in response to specific funding opportunities. It does not mean you abandon your mission to pursue the "flavor of the month" mentoring approach. Successfully navigating change is about creating a stable path for your agency to carry out its *unique mission*, in spite of a turbulent external environment.

- Encouraging Sustainable and Rational Growth
  Resource development is only tenable when growth makes sense for the organization. When a program or an agency grows too fast, there is a potential to lose a sense of mission, and often, with staff stretched too thin, program services suffer and the program starts to unravel. As odd as it may sound, sometimes getting a huge pot of money causes more problems than it solves.

One thing programs should *never* do is omit the larger perspective of the youth that they serve. While this workbook will focus extensively on agency planning and capacity building, the *ultimate* success that you will have in resource development can only be judged by what your organization and program contributes to the *positive development of the youth you serve*. In other words, true resource development planning transcends the fiscal health and stability of your program. This is an important concept, because I have seen, on many occasions, mentoring programs (especially small grassroots programs) struggle desperately to remain viable, at the expense of the youth being served. There is no point in keeping your program afloat if you are doing a disservice to your community's youth. So please keep that perspective in all the planning you do, both fiscal and otherwise as you proceed through this workbook.

If you do, your resource development planning will be able to draw the motivation to ask the hard question which is not, "*how do we sustain our program and agency?,*" but rather, "*how do we best serve the kids?*" The answers to these two questions might be radically different.

The Resource Planning Process

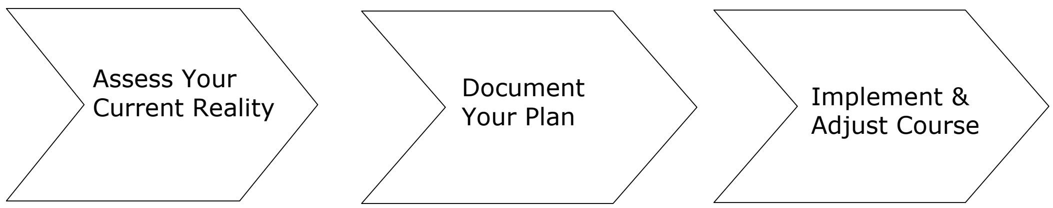
Resource development planning implies a deliberate process to prepare for the future. The process of planning can be complex, time-consuming, and guided by external consultants or, conversely, it can be pragmatic, simple, and built into the existing internal routines of your organization. Which ever approach you take, this section is designed to overview the process of resource development planning and how you can apply this process in your own organization.

As mentioned previously, resource development is a professional and academic discipline unto itself. Not surprisingly, there are a stunning number of commonly used strategic planning models to guide resource development planning. In practice, many of these models are astoundingly complex, requiring the use of detailed flowcharts and software to understand and track. Such models are also very resource intensive (time, staffing, money) to implement with integrity. These models are unlikely to be a good approach for your mentoring program.

Alternatively, this workbook takes a utilitarian approach to resource development planning. I recognize that most small to mid-sized community nonprofits have limited resources to invest in a highly-structured and protracted planning process. So the focus of this workbook is on providing a simple model for planning that can be completed in three stages, as illustrated below. Each stage contains a small number of discrete planning tasks. As you consider this planning model you will see that the emphasis of the process is on the thoughtful development of your plan. Unfortunately, *there are no shortcuts* in the planning process. Well-conceived resource development plans are the result of thoughtful and reflective effort. This should not discourage you; it just means that you'll get out of it what you put in.

In this section of the workbook I will lead you through the planning process. Woven throughout this section are worksheets and other tools to guide you through this process.

The Planning Process



- Allocate Resources
- Assemble a Team
- Assign Roles
- Assess Internally
- Assess Externally
- Summarize

- Develop Goals & Objectives
- Create Action Plans
- Document the plan

- Manage the plan

Figure 1

Assessing Your Current Reality

Step One: Allocating Resources

There is an old saying that, "it takes money to make money," and in resource development planning that saying could be adapted to read, "it takes resources to create resources." As a result, the logical starting place for resource development planning is the allocation of resources. In general, you will need to dedicate a number of resources to the planning process, including leadership, time, and a variety of physical and fiscal resources.

<u>Leadership</u>
Perhaps the most important resource that you will allocate is leadership. If you look at most organizations that plan successfully, one of the common, and likely *most* important, drivers of success is the presence of a capable leader who brings vision, passion, and skills. This leader, according to one pair of researchers, needs to be adept not only at providing strategy and creating focus, but also must understand the art of "patching," which is the ability to weave together the various parts of a plan into a dynamic, synthesized, and growing whole (Brown, S.L., & Eisenhardt). Our experience as a technical assistance provider to all types of programs leads us to believe that without dedicated leadership most mentoring programs will fail to be sustainable over the long haul. This is true of most things in both business and life. In short, you need a "champion" or a group of people who can play that role and lead this effort.

Time

As you think about assembling your team for resource development planning, the first step will be to allocate time to adequately support the planning process. As mentioned earlier, there are no shortcuts to resource development planning. Planning that is reflective, specific, measurable, and likely to produce results is the end product of dedicated hours, rather than an episodic or ongoing agenda item at random staff meetings. This means that adequate time must be allocated to the process and to each of the staff members serving on your planning team. Depending on the complexity of the plan, it is said that a successful strategic plan will take anywhere from 12 to 20 full days to develop, and that the span of time to implement the plan might require 6 to 12 months (Pfeiffer, Goodstein, & Nolan, 1985). While it is important to remember that this is a *general* rule of thumb for the broader process of strategic planning, an agency should *never* underestimate the time required to create and launch a successful resource development plan.

Space, Equipment and Supplies

In addition to time there will also likely be the need to dedicate other resources, such as space, equipment and supplies. By allocating real resources your agency will convey the importance of developing and implementing this. Keeping track of your plan in a “folder on someone’s desk,” will likely not result in the priority focus that resource development planning requires. So make this a formal process and equip it accordingly.

Financial Resources

Finally, resource development planning will require money. Often, financial resources are required to buy access to information and skills. Typically, this takes the form of hiring consultants (i.e., facilitators or grant writers), attending training conferences and workshops, and purchasing specific resources (i.e., professional association memberships, books, or access to grant and foundation databases). As you implement your plan, there may be other upfront costs associated with specific fundraising strategies such as developing a website, creating marketing materials, or travel expenses related to fundraising.

Step 2: Assembling the Right Team

The second part of getting organized is assembling your planning team. There are no hard and fast rules for who should be involved in resource development planning but there are several considerations to keep in mind when deciding who should serve on your team. In general, planning groups need to possess the skills, knowledge, and decisionmaking authority required to both develop and implement the plan. In addition, your planning group should be inclusive of the key stakeholders involved with your program, or at least have a process of keeping *all* stakeholders informed throughout the process.

As a prerequisite to team-building, I have already identified the resource of leadership, someone who can champion change. This leader will clearly bring expertise to the team, but the leadership function does not necessarily rest in this *single* individual. In his book, *Leading Change*, John Kotter emphasizes the importance of leadership as a distributed function in teams (Kotter, 1996).

He suggests that agencies pull together groups with enough power to lead the change and urges the team to pool their leadership. Kotter suggests that, with the exception of very small agencies, no *one* person has the credibility, expertise, or skills to single-handedly lead a substantive planning or change initiative.

Kotter also suggests that you should focus on creating a team capable of sharing ownership and responsibility based on their expertise, reputations, and relationships. Keep in mind that the team may evolve somewhat over time however, focusing early on the development of a stable team will prevent your planning process from getting stuck in the ongoing orientation of new members.

So the question becomes, especially for smaller organizations, "*where will we find this team?*" A helpful way of looking at it is that expertise can be cultivated, borrowed, and/or rented. Under this hierarchy, the starting point is to look at your own staff and assess what skills and competencies can be used in the planning process. Your current staff may or may not have expertise specific to resource planning, but often your staff *will* possess great general skills such as, organization, planning, information research, communication, and writing talents. These can all be critical to the work of resource planning.

In addition to providing an opportunity to tap into the *existing* skills of your staff, involving them in resource development planning also offers an opportunity for professional development. This point cannot be underestimated. As I will discuss later in this section, resource development planning is an iterative process, and not a linear event with a fixed end point. If resource development is a function of your program and agency then it is also important to consider staff development an important function of your agency. In a recent article in the *Grassroots Fundraising Journal*, Linda Ann Miles argued that nonprofits should adopt a "grow your own" approach to cultivating resource development professionals, suggesting that strong skills in this area can come from within your own staff (Miles, 2005). She suggests focusing on the passion and willingness of your staff, working with them to develop these qualities through direct experience, continuing education, and even the judicious use of consultants as coaches and mentors.

The second source of team members is to "borrow" the expertise of the volunteers in your program, members of your board, and individuals within your community network. Using your board and volunteers in sustainability planning is also an important, if not primary resource.

Finally, there are some instances where it may be important to "rent" expertise by employing a consultant to assist you in your resource development process. Typically, consultants are used to accomplish specific tasks such as process facilitation, grantwriting, marketing campaigns, public relations, or, in some cases, advocacy. Increasingly, however, consultant "coaches" are being used to assist nonprofits in improving management practices, often with fantastic results. If your agency chooses to use consultants, it is important to a) be clear about what the tasks are included in the consultation, and b) be clear that your agency conducts an appropriate process of "due diligence" to ensure a win-win consulting.

Step Three: Assigning Roles

Once you have thought through who will be on your team, it is important to clarify roles and expectations. All team members must understand the part they play in the planning process. The process of delineating roles needs to be completed prior to actual planning so that everyone is clear about the expectations of the roles of the team members. With roles assigned up front, it is more likely that the duties associated with them will be prioritized and completed. In general, there are four types of roles that will be woven into team members' job descriptions: leadership, process, connecting, and action.

> ***Leadership roles***, as noted previously, provide leadership, direction, decisionmaking, and accountability tracking. This role also requires the ability to synthesize and patch the pieces of the plan into a coherent whole. Ideally all team members have a stake in the leadership of the planning process, but regardless of how you structure it, someone has to "own" it.
>
> ***Process roles*** support the structure of the process, ensuring that the planning stays on task and that decisions get made. This can be simple things like meeting facilitation and coordinating those physical and fiscal resources I talked about earlier. Underlying this role is the need for clearly outlined responsibilities related to *deadlines*. Process roles keep the other team members updated and ensure followthrough on tasks assigned.
>
> ***Connecting roles*** are the roles associated with establishing and maintaining the relationships and communications between the planning and program stakeholders. This role relates to the team members' "rolodexes" and the interpersonal connections that can help you successfully develop and implement your resource plan. In defining roles, it is important to understand that everyone has connections that could potentially be useful to the planning process. For example, in one nonprofit agency that I know of, the project's half-time volunteer secretary was the sister-in-law of a professional football player, who ultimately became a strong advocate and a key figure in their resource development plan.
>
> ***Action roles*** are associated with every member of the team. Action roles not only define who does what, but also the expectations and outcomes associated with actions. This differs from process roles in that the main focus is on the outcomes of activities not just the process of maintaining accountability. Action roles are about concrete "doing."

Once roles are assigned, a team should commit expectations to paper in the form of committee member job descriptions. Since each team member will likely have different primary and secondary roles, this might require the development of short descriptions for each team member rather than attempting to create a single generic job description (see sample Job Description). These job descriptions will have details about the process, leadership, and connecting roles and will also be supplemented with very specific action tasks once your plan is more fully developed. These formal job descriptions also will aid in finding appropriate replacement members should you have departures or additions to your team.

Step Four: Conduct an Internal Assessment

At this point you are ready to begin your planning efforts. The first stage of planning is to conduct an internal assessment of the strengths and weaknesses in your current administrative and fiscal operations. In short, you want to determine how resource planning for the mentoring program is currently conducted and how it is integrated into your agency's overall planning process, if at all.

While there are many cumbersome and complex self-assessments available for assessing a nonprofit's organizational capacity, I suggest a simplified approach to learning about and understanding the key existing components in your agency that will influence your resource development plan[1]. In this internal assessment process you should review:

1. your founding principles
2. current agency planning
3. the "drivers" of your agency and the barriers to its success
4. the autonomy and reliability of your funding
5. the fiscal risk profile of your agency and
6. the current (and future) scope and focus of client services

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1. Assessing Your Existing Founding Principles

   Building a shared understanding among the team starts with a review of your vision, mission statement, values, goals, and business/purpose statement. These documents should be readily accessible. *If they are not, you really have some work to do!* In the case where your agency has not taken the time to put these core documents in place, it will be extremely important to take the extra step of formalizing an understanding of "who your agency is" and "why your agency exists." These core documents will be used in very practical ways as you communicate with potential supporters of your program through your outreach and marketing efforts. For resources that can help you with these program essentials, please see the "Additional Reading and Resources" section in the Appendix.

   A review of these documents is not only important for creating a shared understanding of why your agency exists, but it should also help you avoid "mission drift" in your resource

[1]If you do find yourself needing a more complex tool, I recommend something like:

Langford, B.H., & Flynn, M. (2003). *Sustainability planning workbook.* Washington, DC: Finance Project.

Rose, A.L. (2000). *A nonprofit capacity self-assessment workbook for rural community-based housing organizations.* Washington, DC: Housing Assistance Council. Retrieved March 15, 2005, from http://216.92.48.246/pubs/workbooks/saworkbook/contents.htm planning process. Mission drift occurs when an agency becomes too broad in seeking resources to sustain program efforts. For example, consider an agency that has a mission related to adolescent pregnancy prevention and has developed a mentoring program as one of their primary prevention strategies. If the current Federal grants that support youth mentoring relate to mentoring foster care youth and elementary school children (both tangentially related to pregnancy prevention at best) and this agency chooses to apply for these federal grants, then there is a good chance that getting that grant, and taking on all the tasks inherent in it, could eclipse the agency's adolescent pregnancy prevention mission. Mission drift can be an insidious process of an agency losing contact with its founding principles.

2. Assessing Your Current Planning Process

Your team must understand the relationship between your resource development planning process and your agency's *overall* budget planning process. If you are in a smaller to mid-sized agency, these two things may essentially be the same. The mentoring services are likely all you need to worry about sustaining. But if you're housed within a larger agency, it's likely that your team is simply developing *one* component of your agency's overall sustainability effort, and what you choose to do needs to fit in. In either case, it will be important to determine the relationship of your team's planning to your agency's overall resource planning because this relationship will influence the specificity, accountability, and authority that is inherent in what you develop.

For example, if your mentoring program a program housed within a local school district, your resource development plan may focus less on direct fundraising and instead focus on developing strategies to ensure that the local school board understands (and can measure) the value of your mentoring program. In that way, your resource development planning is primarily concerned with ensuring that your program is considered as a priority in the school district's budget process.

Conversely, if you are a grassroots or small nonprofit agency, this resource development planning process may be the core (or only) component to your agency's overall budget planning process. In this case, then your plan will need to ensure that your overall agency is fiscally stable. It will need to be more comprehensive and consider such things as resource diversification, equity ratios, surplus margins, and overall agency assets, all things that the school district program would never really think about. To aid in this type of self-audit of your agency's fiscal practices, involve your agency's board, accountants, and other supporting experts as needed.

It is also important to understand that planning the overall budget for an agency may include many aspects that do not pertain directly to your youth mentoring program. For example, if your agency is in the middle of a large capital campaign, your program may not get the resources to concurrently raise funds for the mentoring services. Whatever the case, the level of authority and autonomy you currently have will help you figure out how much you can do on your own, and when you'll need to work with higher-ups to make sure that your efforts mesh with larger agency goals.

3. Assessing Your Drivers and Barriers
   Every organization is wired with a set of "drivers" and "barriers" that enhance and impede performance. Before planning, it is important to carefully consider the drivers and barriers that could potentially influence your resource planning process. Taking this first step helps maximize those things than can positively drive your process and can preempt the barriers that sabotage planning efforts before they ever get off the ground.

   Typical drivers in an agency often relate to the quality of the leadership, the skills that staff members possess, access to outside expertise (like a board members or consultants), a high level of motivation among staff members, and current systems and processes (i.e., databases, electronic files, communication processes) that already exist in your agency. Simply put, drivers are the things that help get stuff accomplished in your agency, and they can be used to help you start the planning process.

   Conversely, common barriers to planning often center on insufficient resources such as time, money and adequate staffing. If strong leadership is absent, it becomes the first barrier to overcome. Other barriers might include low motivation, past planning or development experiences that were less than positive, lack of skills, and a poor understanding of resource development concepts. Understanding and mapping your agency's barriers will assist you in blunting their possible negative effects on the planning process.

   Facilitate this discussion by setting aside time for the team to brainstorm the drivers and barriers that might influence the planning process and how you can capitalize on the drivers and minimize the effect of the barriers.

4. Autonomy and Diversity of Current Funding
   It is also instructive for your team to think about the strength of the current portfolio of resources supporting your mentoring program. For our purposes here, this assessment of the current funding mix is not a thorough review of the financial health of your organization, but rather is a simple "snapshot" to help you understand the resources that you're currently tapped into. To aid with getting a proper handle on your funding health, Jon Pratt, the Executive Director of the Minnesota Council of Nonprofits, argues that nonprofit agencies should consider their funding mix from the perspectives of autonomy and reliability[2] and archetypes[3]. In short, the concepts of autonomy and reliability are defined as follows:

   Autonomy is the degree to which the revenues coming into your program have built in controls. In other words, as the funding comes in to your program what conditions are attached to that money? In the case of private donations or fees for service there may be few, if any, restrictions on the use of the funds. However, at the other end of the spectrum, a federal grant award may require permission from the funding agency for even the most modest deviation in budget expenditures, and will likely involve highly-detailed reporting and restrictions on allowable program activities.

[2] Pratt (2005) Analyzing the Dynamics of Funding: Reliability and Autonomy, *Nonprofit Quarterly, 11(4).*
[3] Pratt (2006) Financial Independence: Six Approaches *Nonprofit Quarterly, 12(3).*

Reliability is the degree to which the revenues coming into your program can be counted on year after year. For example, earned interest from an endowment fund or income from the half of your agency's building that you rent out to others, is more reliable than a one time government earmark or corporate sponsorship.

Pratt suggests that by looking at the composition of an agency's funding through a reliability and autonomy lens[4] that eight revenue archetypes emerge: individual contributions, individual/organizational membership dues, government contracts, United Way funding, earned income, third party payers, and foundation grants. While a thorough discussion of some of these is outside the scope of this guide, you'll note that several are discussed in Section III. Understanding the reality of your current funding mix informs your future resource development planning decisions. If the current mix makes sense going forward, you can create a resource development plan that supports the revenue streams you already have. If your program decides that it needs to change its autonomy and reliability mix, then your resource development plan will need to reflect the intentional efforts required to change what you're doing. If you *do* choose to change your funding mix, remember the mission drift discussed earlier. And be warned that change can be difficult to achieve, especially for agencies that have a deep track record within a specific mix of funding.

5. Assessing the fiscal risk profile of your agency
   For many agencies, the most common measure of its fiscal health is to measure the diversity of funding. The conventional wisdom is that an agency with a diversified funding base is more stable and better equipped to manage during times of economic change. While researchers have validated the importance of diversity of funding to a nonprofit agency, they have also begun to define *other* financial variables place a nonprofit agency at-risk for failure. In a small number of studies[5], researchers have looked at the finances of a group of nonprofits over a number of years and have found several key indicators that were correlated with nonprofit agencies with a declining fiscal health. In addition to the aforementioned revenue concentration, a typical fiscally vulnerable nonprofit is one that carries more debt, has a lower surplus margin, fewer assets, and less equity.

[4] Pratt offered an Excel spreadsheet that allows you to play with your agency's own autonomy and reliability and there is a revised version at: http://www.hhh.umn.edu/centers/wpp/flf/xls/fall2007_revised_reliability_vs_autonomy.xls

[5] Several prominent studies include:

Greenlee, J.S., & Trussel, J.M. (2000). Predicting the financial vulnerability of charitable organizations. *Nonprofit Management and Leadership, 11*(2), 199-210.

Keating, E.K., Greenlee, J., Fischer, M., & Gordon, T.P. (2003). *Assessing models of financial vulnerability for the nonprofit sector* [Working paper]. Retrieved March 15, 2005, from Harvard University, John F. Kennedy School of Government Web site: http://web.hks.harvard.edu/publications/getFile.aspx?Id=151

Trussel, J.M. (2002). Revisiting the prediction of financial vulnerability. *Nonprofit Management and Leadership, 13*(1), 17-31.

Tuckman, H.D., & Chang, C.F. (1991). A methodology for measuring the financial vulnerability of charitable nonprofit organizations. *Nonprofit and Voluntary Sector Quarterly, 20*(4), 445-460.

Thus, a higher revenue concentration from a small number of sources is *one* indicator a financial risk, but a lack of fiscal diversity by itself is not *the* single predictor. In short, some nonprofit agencies *can* use a concentration of revenue to their advantage, but only in certain circumstances. What's important is that you are looking at *all* of the factors that could impact your fiscal health *beyond* simple diversity.

It may be important to get professional assistance in assessing your agency's strengths and weaknesses in this area. It is also important to remember that this assessment is not being conducted as part of your agency's fiscal accountability governance, but is rather for the purpose of guiding your resource development planning. The goal of this assessment is to consider those variables *beyond* revenue diversity that might influence your course of action.

6. <u>Assessing your current and future client service focus</u>
The final facet of your internal assessment is looking at your current and future client services and how these may influence your resource development plan. Having a clear focus what you provide clients *now* will guide your team as you make decisions related to the wide range of resource development options available to you. In practical terms, this assessment should determine if your resource development plan should focus on program *sustainability*, *growth*, or *expansion*.

<u>Program Sustainability</u>
This focus assumes that a planning team is seeking to continue to provide mentoring services to an existing program base. For example, a smaller community-based mentoring program that serves 50—75 youth might appropriately focus on generating revenues that are reliable and consistent, thus guaranteeing continuity of the existing level of services with perhaps, an incremental growth beyond the 50—75 range.

<u>Program Growth</u>
This focus assumes that an agency has a reliable and consistent stream of revenues that support existing program levels, and that the planning team is ready to grow the existing program model and provide similar mentoring services to significantly more youth. The critical aspect of this client focus is that it builds on an *existing* program rather than entering into a new area of services. Growing a program builds on your current success, and bumping from 50—75 to 100—150 is predicated on expanding existing systems rather than creating new ones.

<u>Program Expansion</u>
The final client focus seeks to expand your current program focus. Expansion differs from growth in that expansion suggests the need to develop new competencies and infrastructure in addition to your current program activities. For example, an agency wanting to expand a site–based "lunch buddy" program to include a new community-based program element would likely require changes in screening, training mentors, and supervising the match. Even more complicated, is the agency that wants to add an entirely new service area, such as mental health counseling, in addition to mentoring.

It should be apparent by now that the focus of your client services might have profound implications for your resource development plan. At one end of the spectrum is the small program seeking to sustain a defined program. They may focus their resource development on building a stable constituency of small donations to support their program focus. At the other end of the spectrum, is the successful agency ready to branch out. Say they are already providing mentoring for pregnant and parenting teen girls. They may seek to increase their range of services to include family and mental health counseling, or even clinical services. Their resource development plan might not be concerned not with raising fiscal resources, but rather with pursing a merger with a local community health clinic.

It might be tempting for your team to want to focus is concurrently on two, or possibly all three, of these areas at once. However, each program focus requires a substantial resource commitment. Many small to mid-sized agencies simply cannot manage going in more than one direction at a time. The overall strength of your resource development plan depends on your team adopting a shared understanding of the program focus that is both narrow and realistic.

Once you have conducted your internal assessment, your resource planning team will want to summarize your findings. As you summarize these findings you will begin to generate initial priorities and directions. Your plan may focus on changing your funding mix to ensure a more reliable funding base, addressing program expansion, or might include simply reducing the internal barriers to resource planning. What is important to remember is that resource development planning is long-term and cyclical. Based on your internal assessment you might create a staged approach to addressing several internal factors over time. And as you go along, remember that the summary of your internal assessment are tentative and will be influenced by the next step in the planning process: conducting an external assessment.

Step Five: Conduct an External Assessment

Until now you have been gathering objective information about where your agency currently stands relative to your internal resource development planning. Your team has a general understanding of: a) why your agency exists, b) what will drive or impede your planning, c) a general profile of your current revenue's reliability and autonomy (as well as other fiscal risk indicators) and finally, d) the influence of client services on resource development. However, it is also important to remember that your agency does not exist in a vacuum, and thus, your planning team needs to spend time looking at your external environment as well.

One tool for conducting an external assessment is through the use of scenario planning. Scenario planning differs from the more commonly known analysis of Strengths, Weaknesses, Opportunities and Threats (the SWOT analysis). Scenario planning focuses on trends and "potentials" that can be used to create realistic portraits of the future, while the SWOT focuses more on the current environment and capabilities. While the two planning models are not mutually exclusive, scenario planning can really help agencies anticipate future changes that might fall outside of the immediate context of a SWOT analysis.

Briefly, scenario planning is a series of exercises to help you envision plausible futures based on your understanding of the current trends. These scenarios about the future allow an agency to generate more proactive strategies. Scenario planning can be a highly structured and professionally facilitated process addressing complex national and international policies[6]. But for our purposes scenario planning can also be a more simplified process of structuring a series of "what if" questions to help you define a more realistic sustainability plan. The fundamental premise of scenario planning is that what happens next year or in the next five years is shaped by the trends of today and that with careful consideration your agency can position itself for the future.

There are many excellent resources available to guide a complex scenario planning process[7] but in general, the process of scenario planning involves a) looking for trends that are currently influencing and could potentially influence your agency's future, b) exploring which trends are predictable and foreseeable, and which trends present the most uncertainties, c) creating scenario matrixes that represent the key trends, d) creating stories of the most compelling and plausible alternative futures and e) creating strategies that would best enable you to get from your current reality to your envisioned reality. As an overview of the process let's discuss each of these steps.

1. <u>Identifying trends</u>
   The starting place for scenario planning is to look at the trends of the larger environment in which your agency is operating. These trends could be specific to youth mentoring, relate to the broader socio-economic factors of your community, or relate to the cultural or geopolitical realities of the nation.

2. <u>Categorize trends based on certainty</u>
   Once your planning team has generated a list of trends the next step is to consider the certainty of each trend. Some trends seem to have long-term momentum, while other trends have less certainty of affecting you. For example, through the CDC Youth Risk Behavior Survey[8], we now have over a decade of trend data for youth risk behaviors. Looking at these data we can see a fairly certain trend that a significant number of youth will, unfortunately, continue to engage in risk-taking behaviors that can compromise their health. We *know* this trend is legit and ongoing. Things like the nation's economy, the level of support by the government for youth mentoring, and the cost of program liability insurance are less certain

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[6] For example, the Institute for Alternative Futures uses scenario planning for national and international policy initiatives: http://www.altfutures.com

[7] Further Study

Scearce, D., & Fulton, K. (2004). *What if? The art of scenario thinking for nonprofits*. Emeryville, CA: Global Business Networks. Retrieved March 15, 2005, from www.gbn.com/ArticleDisplayServlet.srv?aid=32655

Schwartz, P. (1996). *The art of the long view: Paths to strategic insight for yourself and your company*. New York, NY: Currency Doubleday.

[8] An excellent source of youth data, found here: http://www.cdc.gov/HealthyYouth/yrbs/index.htm

trends, with many factors that will influence their future directions and their potential impact on you.

3. Create scenario matrixes that represent the key trends
The next step is to compare and contrast the trends you've identified. It may be helpful to represent this visually. For example imagine that your group has identified two uncertain trends: government and foundation support as one trend, and liability insurance costs as the other. Plotting these two variables on a scenario matrix might look like this:

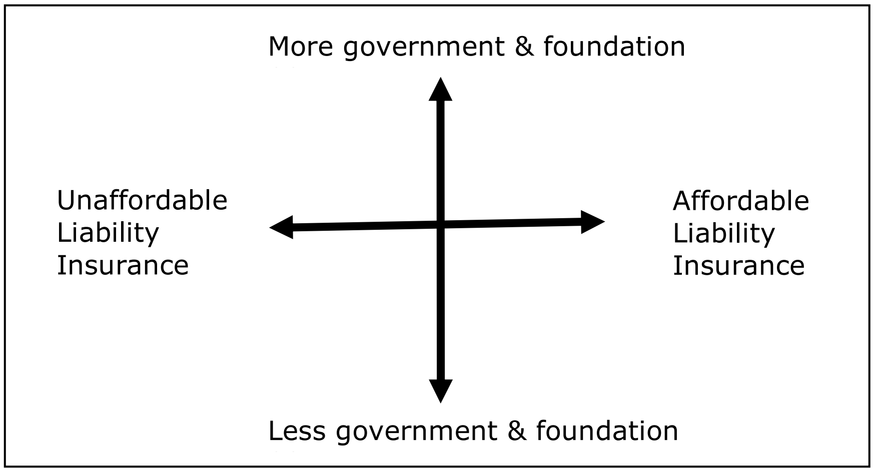


Figure 3

As you can see, four cells emerge, each with a different scenario. One scenario is a future where there is more government and foundation support for mentoring and liability insurance stays affordable. A more ominous scenario would be the cell representing less government and foundation support and pricey insurance. When completed, each of these cells is an alternative story about a potential future.

4. Create "stories" for the most compelling and plausible alternative futures
Your planning team may end up creating several scenario matrixes, which generate a number of alternative futures that, together, create a more robust future scenario. At that point you are ready to tell or write stories that describe the most compelling and plausible alternative futures. When developing scenario stories, it is recommended ones that reflect: 1) the predictable "business as usual" future, 2) the good news/best case future, 3) worse case future. Scenarios can range from local to global, but should always be geared towards what might impact your agency and the kids you serve. The challenge is to create a diversified set of future scenarios that can be used to help you in resource planning.

An example of a scenario based on the above matrix might sound something like this:

The future for youth mentoring will include less support at the federal level due to increasing pressure to cut discretionary social service programs or convert them into state block grants or earmarks. Coupled with this will be an increasingly hostile *environment for securing liability insurance due to the perception of increased litigation related to child abuse in volunteer programs. Together, these two trends will make it increasingly difficult for small youth mentoring programs to operate as independent 501(c)3 organizations.*

5. Create strategies based on your scenarios
   Your final task in the scenario planning process is to discuss the implications of these stories. Some of the implications will relate to monitoring the trends that you have identified as important, while others will relate to the tactical steps you take to become sustainable.

   Continuing the above example, your planning team might generate a range of potential strategies such as:

   - *Consider teaming with other smaller nonprofits to create a cooperative, which increases our ability to collectively purchase insurance.*
   - *Consider merging with a larger youth development organization*
   - *Hire a consultant to assist us in pursuing a federal earmark.*
   - *Shift our program focus from a community-based mentoring program to a site-based mentoring program.*

Step Six: Summarize Your Current Reality

At this point, you are ready to summarize your current reality. This involves bringing together the data from your internal assessment and the strategies you developed from your external scenario planning. You will notice that, when looked at side by side, your internal assessment and external scenarios might be entirely congruent, or the may have some degree of divergence. For example, you could end up with an internal assessment which suggests your plan should be built around pursuing federal funding, but, as a result of your external scenarios, your team might have little confidence in the future federal support for youth mentoring.

At this final step of assessment, the critical factor is for your planning team to come to a *shared* understanding of the priorities and directions for your resource development plan. In cases where the team is aligned in their thinking, the priorities and directions may emerge relatively quickly. However, for other planning teams, there may be a broad range of opinions relating to priorities and directions. This may require a facilitated process to attain agreement.

Your assessment work is done when your team has produced a set of agreed upon priorities and directions from which you will develop the goals, objectives, and timelines needed to operationalize your plan. However, before moving on, your team should create a formal written summary of your assessment process. By creating this formal summary you accomplish three things: 1) you ensure that there is a shared understanding among the planning team by restating the outcomes of your assessment, 2) you create an anchor for your written resource development plan, and 3) you provide an opportunity to recognize and celebrate the fact that you completed these steps in the process, which are never easy tasks.

Document the Plan

Step Seven: Develop Goals and Objectives

As a result of your assessment, you have created a set of priorities and directions to guide your resource development plan. The next step in the planning process is to move from general priorities to *creating specific goals and objectives*. Moving from priorities to goals and objectives provides your team one more opportunity to think through alternative strategies. In other words, if your planning team has the board priority of replacing an $80,000 annual Federal grant with local resources, now is the time to tactically define that process. Cultivating local resources could mean a range of activities, from pursing financial support from local businesses and individuals (or both) to developing local fundraising events or pursuing United Way funding. In narrowing in on these specific goals and objectives for your resource development plan, your team will want to consider using a group process like brainstorming, followed by the nominal group process.

However you choose to approach it, give the process of creating goals and objectives the attention it deserves. Put them in writing! They are the foundation for everything that follows.

In order to create meaningful goals and objectives it is important to keep the following definitions in mind:

Goals are generally broad statements, which describe the long-term change you hope to achieve in your resource development plan. Goals do not have to be specific enough for you to act on, but they should help define the destination. Examples of goals include:

- *Achieve a funding mix that includes 50% of revenues from local community members.*
- *Increase our agency's cash reserve to the equivalent of 25% of our annual budget.*
- *Merge our agency with Youth Development, Inc.*

Objectives are the more tactical steps that will help you achieve your goals. Objectives are typically guided by the S.M.A.R.T. acronym. Objectives should be:

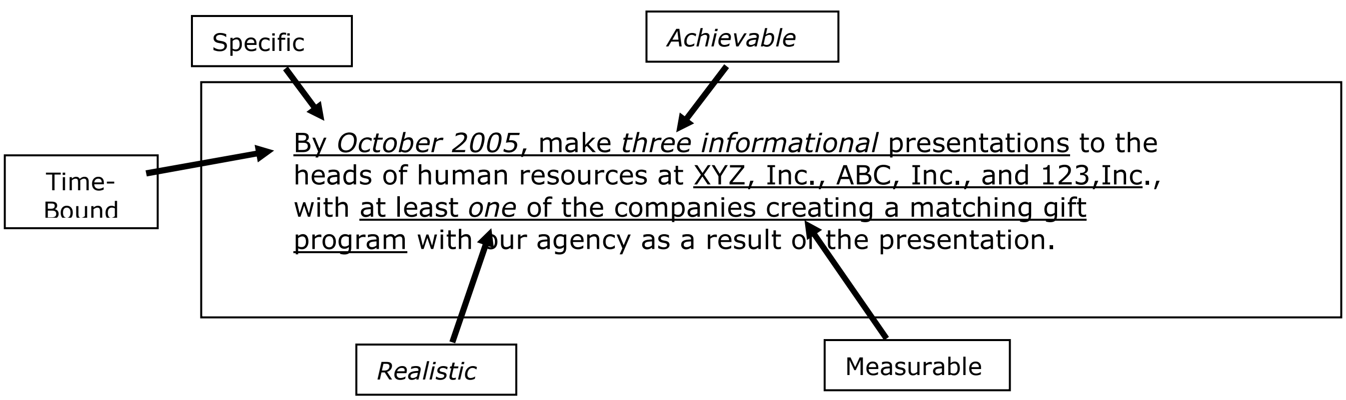
Specific, and address the "who, what, and how much" questions
Measurable, so that you know what it looks like when you get there
Achievable, and within the capacity of your organization
Realistic, which is the cousin of achievable
Time, measured in a way that the objective has an ending point

While your goals should be stable and reflect where you want to be at the end of the development cycle, objectives are more dynamic tactics subject to revision and change. In other words, goals represent the destination while objectives capture an initial roadmap that gets you to there. As you start following the roadmap you may encounter detours, short cuts and other alternative routes to get you to the same place.

Examples of objectives include:

- *By December 2005, using the donated web design and hosting services of Webdesign Inc., create an interactive website with an online interest form, an online donation form, and a companion e-newsletter that is disseminated monthly to an electronic mailing list.*
- *By June 2006, using the proceeds from the sale of our existing facilities, purchase a 5,000 square foot facility in our service area and sublet 3,800 square feet to generate a monthly cash flow of $1,200.*
- *By October 2005, make three informational presentations to the heads of human resources at XYZ, Inc., ABC, Inc., and 123,Inc., with at least one of the companies creating a matching gift program with our agency as a result of the presentation.*

To further the example, let's deconstruct one of the objectives to see if it is SMART:



Step Eight: Creating Action Plans and Timelines

If your goals and objectives are the brains of your resource development plan, then action plans and timelines are the arms and legs of your plan. They give your plan the mobility and strength required to carry out the goals and objectives. Creating clear action plans and timelines is likely one of your most important tasks, because documenting your course of action is the primary means of creating accountability for your team members.

Action plans and timelines have four basic components that: 1) define the specific outcome, 2) assign responsibility for action, 3) list major milestones for action, and 4) outline the timeframe. A sample action plan might look like this:

Sample Action Plan

Objective: By October 2005, make three informational presentations to the heads of human resources at XYZ, Inc., ABC, Inc., and 123, Inc., with at least one of the companies creating a matching gift program with our agency as a result of the presentation.		
Action Plan Outcome: Establish at least one employer matching gift program		
Action Steps	**Owner**	**Due Date**
Meet with Jon Hughes (board member) to learn about how the matching gift program works in his company.	*Angela with noted assistance*	March 15
Conduct an online search for other models on setting up a matching gift program		March 15
Draft a matching gift plan proposal and present to the planning committee.		April 10th meeting
Revise document and create a 10-minute PowerPoint presentation to explain the plan.	*Becky assists*	April 30
Pilot test the presentation with Jon and Linda Jones (a colleague of Jon in a company without a matching gift plan).		June *(TBD)*
Revise presentation and develop final copy of materials to use in presentation.		July *(TBD)*
Review, edit, proof and produce presentation packets for XYZ, Inc., ABC, Inc., and 123, Inc.	*Becky assists*	August *(TBD)*
Set up appointments with XYZ, Inc., ABC, Inc., and 123, Inc. through board members Jon and .	*Jon & Rachel*	September *(TBD)*
Make presentations to XYZ, Inc., ABC, Inc., and 123, Inc. with Jon and Rachel	*Jon & Rachel*	September *(TBD)*
Celebrate success and follow through with negotiating employer matching gift programs.	*Board*	September-October *(TBD)*

Step Nine: Create and Document a Final Resource Development Plan

To this point, your planning process has likely been captured on reams of meeting minutes, chart paper, and yellow sticky notes. Before going forward it will be important to decide at what level you want to formalize the results, the "stuff," of your resource planning efforts. Regardless of the level of complexity, it is vital that you create an actual *written* plan (see Figure 5 for a sample outline). How you develop this written summary or report will depend largely on the learning style of the team, the future use of the assessment data, and the time and resources available to creating the document. While some planning teams may choose to write a very formal written report, other teams might choose to represent their plan in a series of PowerPoint slides, or as a shared electronic document, while others may distill their plan down to a large poster prominently displayed at the office. The ways to document a plan are only limited by your imagination. What is important is that you actually document your plan *somehow* and *somewhere*.

Sample Outline of a Resource Development Plan

1. Executive Summary
2. Summary of Assessment
   - Internal
   - External
   - Scenarios/Stories
3. Goals and Objectives
4. Action Plans

Appendices

- Planning Team Job Descriptions
- Planning Meeting Minutes
- Other Planning Documents

Figure 5

Implement and Adjust Course

Step Ten: Manage Your Resource Development Plan

As I have reiterated throughout this section, resource development planning is a team effort that will succeed or fail in direct proportion to the ongoing investment in the process. A written plan that sits on a shelf, or that is squeezed in as an agenda item at periodic staff meetings, will yield very little compared to a plan that has a structured process to manage the activities and outcomes. To this end, a planning team should create a process that ensures the ongoing implementation of the plan. Bringing us full circle to the first step in our planning process, your agency will need to ensure that sufficient resources—leadership, time, physical/fiscal resources—are available to implement the plan you've created. A typical management process should include: 1) dedicated meeting time for reporting on progress, 2) a process for managing change and 3) celebration of successes along the way.

1. Implementation Meetings
   The need for dedicated meeting times for reporting on progress cannot be overemphasized. These meetings should focus on reviewing progress on action plans (tracking), ensuring coordination and communication, and problemsolving. One way to facilitate progress tracking would be to have a written progress log for each objective (see Sample Progress Log). Regardless of what you do, make sure that team members are filling their action, leadership, process, and connecting roles.

2. Managing Change
   One of the challenges to implementing a resource development plan is that reality may, at times, conflict with outlined goals and objectives. When your plan and reality collide, it may become necessary to change specific objectives or strategies. These changes need to be *managed* in order to preserve the integrity of your plan. One approach to managing change is a four step process that involves: 1) describing the need for change, 2) developing alternative strategies, 3) agreeing on a new strategy, and 4) implementing and monitoring the new strategy (see Figure 6).

3. Celebrating Success
   Too often the ongoing management of a resource development plan can focus on problems and next steps without taking a moment to pause and consider your accomplishments. It is important not to let this happen to your team as you implement your plan. Stop, and take the time to celebrate your success. Celebrating success is a fundamental element in reinforcing your progress and creating motivation. It recognizes the hard work of your team and promotes cohesion as a group. Celebrating success can be as simple as bringing in a cake when milestones are reached, occasional “thank you” cards from the board chair, or more significant celebrations, such as a big party or group outing. Whatever form it takes, celebrate your accomplishments. Mentoring is a profession that is all about growing and building, so share the joy as you grow and build the program itself.

Last Thought

There is no magic formula that states that your funding should be one part government grants, two parts foundation, and one part local events. No standardized model will be able to chart a resource development course for your agency. There are many paths to sustainability. In the absence of a panacea, I have simply outlined a structured approach that you can modify to meet your needs. What matters is that you and your program stakeholders work together to analyze where you’re at, where you’re going, and how you’ll make it happen. That process *is* the “magic formula.”

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