

SPiN: Strategic Planning in Nonprofits

Stakeholder Engagement Toolkit

A Deeper Dive into Methods for Stakeholder Listening

This kit contains additional things to think about when you are planning your stakeholder listening activities, as well as examples of how other nonprofits have approached the listening and data gathering phase.

Tool #1: SWOT Analysis Strengths, Weaknesses, Opportunities, Threats

What is a SWOT analysis and why is it useful?

A SWOT analysis helps your organization find out what you are good at, what could be improved and it can give you guidance when you think about your organization's future. Conducting a SWOT analysis during your strategic planning process is useful for several reasons, as it helps...

- Explore possibilities for new efforts or solutions to problems.
- Make decisions about the best path for your initiative. Identifying your opportunities for success in context
 of threats to success can clarify directions and choices.
- Determine where change is possible. If you are at a juncture or turning point, an inventory of your strengths and weaknesses can reveal priorities as well as possibilities.
- Adjust and refine plans mid-course. A new opportunity might open wider avenues, while a new threat could close a path that once existed.¹

¹ Community Toolbox: Section 14. SWOT Analysis: Strengths, Weaknesses, Opportunities, and Threats

What are the elements of a SWOT Analysis?

Elements Things to Consider²

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- Strengths what is your organization particularly good at?
- ✓ Weaknesses what could your organization be doing better?
- Human resources staff, volunteers, board members, target population
- Physical resources your location, building, equipment
- > Ability to attract funding/raise revenue
- Programs you run, systems you employ
- Past experiences building blocks for learning and success, your reputation in the community

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- ✓ Opportunities in what contexts can your organization exploit its strengths/ advantage?
- ✓ Threats what elements in the environment can cause trouble for your organization?

- > Future trends in your field or the culture
- Economic factors
- > Funding sources foundations, donors, legislatures
- Demographics changes in the age, race, gender, culture of those you serve or in your area
- The physical environment (Is your building in a growing part of town? Is the bus company cutting routes?)
- Legislation (Do new federal requirements make your job harder...or easier?)
- > Local, national or international events

² Community Toolbox: Section 14. SWOT Analysis: Strengths, Weaknesses, Opportunities, and Threats

EXAMPLE - Make-A-Wish Michigan

Make-A Wish Michigan has conducted a comprehensive **SWOT Analysis**, that looked like this:

	Positive	Negative		
	Strengths	Weaknesses		
Internal	 High level of positive brandrecognition Named a 4-star charity on Charity Navigator Supporters are passionate about the organization Granted more than 8,000 wishes for Michigan kids Unique mission & role in helping children Great use of storytelling on website & social media channels More than 80 cents for every dollar spent goes directly to program services i.e. wish granting 700+ volunteers in Michigan alone 	 Neglects opportunity to connect with Gen X by rarely updating YouTube & Pinterest accounts Social media audience needs to be engaged with more often in two-way conversation Average cost for a Michigan wish to be granted is \$8,000 Traditional and digital advertising efforts are lacking in overall reach & connection with Gen X Signature events are similar to those of the competition 78 percent of Michigan wishes require air travel, which makes it a costly, but required, resource Needs more funding to grant wish 		
		needs		
	Opportunities	Threats		
External	 Gen X is more willing to volunteer time than any other generation The Hispanic community of Gen X donates more than any other generational ethnicity Possible opportunities for partnerships with local sports teams, hospitals, schools, employers, etc. Gen X donates more frequently than other generations, especially to children & health-care causes Social media reach & impact is high for Gen X Online video streaming is popular with Gen X Gen X has a high number of immigrants Passionate employees & volunteers can be brand advocates 	 Increased competition from other nonprofits fighting for donations & volunteers Compassion fatigue from potential donors Information overload from potential donors Outside perception that wishes are "nice," rather than essential Gen X expects to see the impact of their support Economy is still recovering from the Great Recession Gen X deals with economic challenges i.e. debt accumulation, still supporting parents & children, etc. Many Gen X'ers support of a nonprofit is contingent on a personal connection with the organization 		

What to consider when carrying out a SWOT Analysis³:

- Consider how to facilitate the process a SWOT analysis can encourage many people in your organization to reflect on the work of your organization. It is a tool that, if used in an inclusive process, can collect input from stakeholders with many different perspectives on the organization. It is important to facilitate this process carefully and agree on steps for conducting the SWOT analysis right at the beginning. This session template for conducting a SWOT analysis (see heading: "How do you develop a SWOT analysis?") will give you an idea of how this might look in practice.
- Avoid generalities try to make your points as specific as possible. Example: Do not say "great internal
 communication", but instead note why this is working well, e.g. "team leaders keep everyone informed
 about their work progress."
- Identify causes If f you list a weakness try to understand the deeper cause. Example: If you are always late sending out a printed newsletter to your members, discuss why this happens – do people ignore deadlines? Do you lack human resources?
- Check the facts the traits you note down into the different categories should be backed by solid facts.
 This is important to build a consensus among everyone in the organization about your assessment's validity.
- Use It-Action Plan The important part begins when you are done! After comparing your strengths, weaknesses, opportunities and threats the SWOT analysis can guide your further strategic planning process. Your strategy should aim at capitalizing on what you are already doing well and address the shortcomings you identified. Look at Your SWOT analysis throughout the different strategic planning phases to ensure that your conclusions find their way into decision making.

Learn more about SWOT

- An essential guide to SWOT Analysis
 This guide will teach, prepare, and provide you with all the necessary tools to conduct a SWOT analysis.
- <u>SWOT Analysis in the Community Toolbox</u>
 This guide specifically targets community organizations and gives advice on how to facilitate a SWOT analysis process.

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³ Arneal, L.: Why Most SWOT Analyses Stink and How You Can Make SWOT Work for You, Nonprofit Hub and How to preform a Nonprofit Needs Assessment, Social Solutions

SWOT Analysis Worksheet

	Positive	Negative
Internal	Strength	Weaknesses
External	Opportunities	Threats
Extornal		

Tool #2: Stakeholder Engagement

What do you mean by stakeholders?

Stakeholders are individuals or groups of people that care about your work—have a stake in it. *Internal* stakeholders are already committed to the work of your organization (staff, volunteers, board members etc.), *external* stakeholders are impacted by your organization (service beneficiaries, community members, partners, funders, competitors etc.)

Why is stakeholder engagement important for strategic planning?

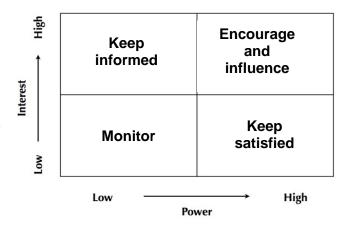
- ➤ To get an outside perspective on your organization's strengths, weaknesses and reputation in the community
- To spot trends that may impact the organization in the coming years.
- > To build relationships and increase community investment in your organization and its mission
- > To hear new and different ideas and encourage out-of-the-box thinking

Know Your Stakeholders - mapping and prioritizing

In order to identify your key stakeholders, brainstorm a list of all stakeholders you can think of. Consider the following groups⁴:

- ☑ **Beneficiaries**: The people who benefit from your services, programs, your "clients" etc.
- ☑ Donors and funding sources: Those who help fund the operations of your organization
- ☑ **Community**: Other actors in the community who hold an interest in your organization. These could be potential partner organizations, competitors, media etc.
- ☑ Employees and volunteers: The human resources directly involved in your organization
- ☑ **Public institutions**: Your organization reports to the government that in turns grants you tax exemption

It is not necessary to engage with all stakeholders to the same extent as part of your strategic planning process. A useful way to illustrate your organization's stakeholders and their role is to develop a stakeholder map, using a power versus interest grid. ⁵ This grid arranges stakeholders according to their **interest** in achieving better outcomes for your cause as well as their **power** to help produce those outcomes. Depending on where you place your stakeholders, you should engage with them in different degrees.



⁴ NPO Central: Stakeholders of a Typical Non Profit Organization

⁵ Bryson, J. (1995) Strategic Planning for Public and Nonprofit Organizations (rev. edn), San Francisco, CA: Jossey-Bass.

For example, your stakeholder map might look like this (although you might want to subdivide some of the groups):

	High	Кеер	Encourage and influence Service users	
	↑	National media	Major funders Local authority	
est		Partner organizations	Local politicians Trustees Local media Staff	
Interest		Monitor	Keep satisfied	
		Mider general public	Individual donors	
Low		Wider general public	Local community	
		Low	→ High	

How to engage with our stakeholders?

On the basis of your stakeholder map and the individual stakeholder priority, you can choose a method to engage with stakeholders. The list of potential engagement methods is long:

- Interviews (in person or via telephone)
- Surveys
- Focus groups
- Community meetings
- Invitation to join strategic planning committee
- Informal consultation
- Social media interaction

The first table below lists the different levels of stakeholder participation (inform, consult, involve, collaborate, empower), their respective purpose as well as suitable methods of interaction.

Try to decide on a method of engagement for each stakeholder you deem important. Just as an example, these reflections can lead to the following plan of action:

- Do an <u>online survey</u> for your <u>volunteers</u>.
- ➤ Do a <u>focus group</u> with your <u>main donors</u>.
- > Do phone interviews with your key partner organization.

Use the second table as a work plan for your stakeholder outreach.

Goals and Methods of Stakeholder Engagement⁶

	Inform	Consult	Involve	Collaborate	Empower
GOAL	To provide stakeholders with balanced and objective information to assist them in understanding the problem, alternatives, opportunities, and/or solutions	To obtain feedback from stakeholders on analysis, alternatives, and/or decisions	To work directly with stakeholders throughout the process to ensure that their concerns and aspirations are consistently understood and considered	To partner with stakeholders in each aspect of process, including the development of alternatives and the identification of preferred solutions	To place final decision- making fully in the hands of stakeholders
PROMISE	We will keep you informed	We will listen to and acknowledge your concerns and ideas	We will work to ensure that your ideas are directly reflected in the alternatives considered	We will incorporate your ideas to the maximum extent possible	We will implement what you decide
POTENTIAL METHODS	 Fact sheets Open houses Newsletters, bulletins, circulars Websites 	 Focus groups Surveys Internal and/or public meetings Web-based meeting and information exchange tools Interviews 	 Solicitation of recommendations and proposals Workshops Interviews Provision of data Web-based meeting and information exchange tools 	 Guiding or advisory bodies Work groups Joint planning and shared projects Standing or ad-hoc committees Facilitated consensus building and decision-making forums Training and capacity building to support joint action 	

 ⁶ Stakeholder Engagement – Tools for Action, p.26
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Plan your Stakeholder Outreach

Туре	Name	Type of Contact	Assigned to contact	Phone	Email	Status	Notes
Staff	All staff	All staff meeting	John				Keep informed throughout and solicit input at all staff meeting (timing?)
Board	Suzanne, Steve, Marc, Christine	Strategic Planning Committee	John				Involved throughout
Clients	Shelter residents	Focus group with staff	Michael				
	Support group participants	Phone calls by board members to selected group	Jenny				Jenny needs assistance
Volunteers							
Donors							
Former donors							
Former board members							
General community							
Partner organizations							

Things to keep in mind:

- Let stakeholders know where they stand: More than anything, stakeholders like to know where they
 stand and what input or decision-making opportunity they will have. What creates tension is when their
 role is unclear.
- Consider your capacity: Involving stakeholders is costly as it may take up a lot of staff time. Consider
 carefully the benefits of involving certain stakeholders.
- One method does not fit all: While social media or newsletters might be effective in reaching some stakeholders, others are better included in personal conversations, phone interviews or focus groups. Choosing your communication tools will largely depend on the types and number of stakeholders and what level of engagement you are looking for.
- Keep track of your stakeholders: Keep a database with contacts, know about key individuals in and prior communication with stakeholders etc.

Learn more about Stakeholder engagement:

- Stakeholder Engagement Tools for Action
 Co-designed by the Western and Pacific Child Welfare Implementation Center and the Los
 Angeles Department of Children and Family Services, this comprehensive toolkit was developed
 for use in implementing the stakeholder engagement objectives in their strategic plan. If you plan
 a much more comprehensive stakeholder engagement process, please look at page 20 of the
 document.
- Community Toolbox Identifying and Analyzing Stakeholders and Their Interests
 This chapter of the community toolbox will help you in the first part of stakeholder engagement identifying who your stakeholders are and how to prioritize their involvement as part of your strategic planning.

EXAMPLE: Stakeholder Engagement of the Davis Foundation⁷

In 2001, at least one-third of those younger than age 9 in Springfield, Mass, were living in poverty, 20 percent of babies were born to teenage mothers, and students regularly ranked among the lowest academic achievers in the state. For the Davis Foundation, a local grantmaker established "to improve the lives of individuals and families" in Springfield and surrounding Hampden County, the persistence of child poverty and related problems prompted a reassessment of their strategies and mission. "There was a feeling on our part that we were giving out all this money, and so what?" said Mary Walachy, executive director of the Davis Foundation.

At the same time that the grantmaker was reevaluating its role in the community, national researchers were producing compelling data on brain development and the payoffs that come from investments in early childhood education. "All of a sudden, it became clear that maybe we could make more of a difference if we started earlier with these children," Walachy said. It also became clear to Walachy and others that the foundation could not tackle this problem on its own. The Davis Foundation needed to work with a wider range of community stakeholders - everyone from business leaders and childcare providers to doctors and parents. "We knew that if we developed a plan on our own and presented it to the community, they would say to us, 'Who in the world do you think you are?'" Walachy said.

The Davis Foundation therefore launched Cherish Every Child, an initiative that enlisted hundreds of Springfield residents and dozens of organizations in a collaborative process to create a plan to improve the health, education, and social and emotional needs of children age 5 and younger.

Although improving the lives of Springfield's children will take time, Cherish Every Child has already shown results. For example, more families of newborns are participating in home visits where they receive information about such topics as child literacy and nutrition, and more children are receiving dental care, thanks to a newfound understanding of the connection between oral health and overall child well-being. In the last two years, the Davis Foundation's \$489,000 in grants leveraged an additional \$1,054,000 from other sources.

Equally important, more Springfield residents and organizations now recognize that children's welfare is a critical issue. Bill Ward, executive director of the Regional Employment Board of Hampden County (a nonprofit established by federal and state legislation as the primary workforce development agency in the county), was involved in Cherish Every Child from the start. Ward said his organization had never paid much attention to early childhood issues. Now, however, his organization has been given \$500,000 by the state of Massachusetts to create a program to develop the professional skills of early childhood providers in Hampden County. It is also leading a five-year initiative to improve and expand the delivery of literacy services in Springfield. "We now see early education and literacy as workforce development issues in a way that we didn't in the past," Ward said.

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⁷ Enright/Bourns (2010): <u>The Case for Stakeholder Engagement</u>, Stanford Social Innovation Review, Spring 2010

Appendix

Preparing for a large-scale stakeholder engagement process8:

PURPOSE	Engagement Results	Why is stakeholder engagement vital to the solution? What are the desired results, tangible products, and criteria for success for the process? How do they relate to Strategic Plan Objectives?	
WHO	Stakeholders	Who are the stakeholders that should be included in the effort? What is known about these groups such as key characteristics, behavior, values, cultures, needs?	
	Stakeholder Roles	What roles will stakeholders play? How will they contribute to strategic planning?	
	Outreach	Have the relevant stakeholders been identified? Has an outreach plan been developed? Who will execute the outreach?	
HOW	Proposed Method of Engagement	How will stakeholders be engaged? Why would this method work best for this group of stakeholders at this point in the process?	
	Timing	What is the schedule and timeline for this effort?	
	Resources	What resources will you need to conduct the engagement process? (e.g. staffing, funding)	
	Responsibility	Who is responsible for ensuring successful engagement of stakeholders?	
	Key Message to Communicate	What are the key messages you want to convey and communicate to stakeholders?	
OTHER	Risks and Opportunities	What risks and opportunities are involved in undertaking this stakeholder engagement effort? What benefit will stakeholders get? What is the cost or potential risk for their participation?	
CONSIDERATIONS	Success Measures	What evidence or indicators will be used to measure stakeholder engagement? Of the success of the project or initiative?	

⁸ Stakeholder Engagement – Tools for Action, p. 20

Tool #3: Sample Questions for Stakeholders

Stakeholders are individuals or groups of people that care about your work—have a stake in it. *Internal* stakeholders are already committed to the work of your organization (staff, volunteers, board members etc.), *external* stakeholders are impacted by your organization (service beneficiaries, community members, partners, funders, competitors etc.)

Engaging your stakeholders during your strategic planning is important. Here you find a list of questions you should consider when reaching out to stakeholders.

Questions for internal stakeholders (officer, board member, committee member, staff, volunteer, advisor, etc.)⁹

- What topics or matters do you hope we can address at the planning session? Or, what would you like us to focus on in the [year/months] ahead?
- In your opinion, what are the most important services that we currently provide?
- In your opinion, are there any services that we do not currently provide or constituents that we should consider offering or focusing on?
- What do you consider to be our strengths?
- What do you consider to be our weaknesses or areas to be improved upon?
- What would you like to see us do in order to become a better or more effective organization? Think in terms of opportunities.
- What should we do differently or change in order to remain a relevant and effective organization?
 Remember to consider "competing" organizations.
- Is there a special function or role you would like to play in terms of our development, e.g. finances, fundraising, marketing, communications, planning, etc.
- How do you envision the organization in 2018? How should we be different than we are now?
- Other comments, suggestions, or ideas

Questions for external stakeholders¹⁰

Major donors

- Why did you first get involved with us?
- What are the particular projects and programs that most interest you?
- Are there some other projects and programs that you would be interested in having us support if resources were available?
- How would you prioritize our possible efforts to raise discretionary endowment funds versus using resources to raise funds for specific projects?
- What ideas do you have about how we might increase our membership and/or fundraising efforts?
- How do you best like to be communicated with? How might we best keep you informed of our progress?

Foundations

 How do you think we are doing? How do you see us fitting in the overall service delivery system and what do you think makes us unique?

⁹ Nonprofit Works: Board Survey - Strategic Planning

¹⁰ International Federation of Red Cross and Red Crescent Societies: Example guestions to ask to external stakeholders

- What are the prospects for funding from your organization? Are there funders who might be interested in funding our work?
- What do you think are most important issues facing our organization today?
- Who else should we be talking to and could inform our strategic planning process?

Media

- What major issues and challenges are affecting the constituencies served by our organization?
- How would you like us to keep you informed about what is happening in the field?
- Do you have any ideas about how we might increase our visibility? How can we raise our image and name?

Organizations that do similar work

- What services do you offer?
- How are you funded?
- How many clients do you serve?
- How do you measure success?
- How are you structured?
- What are the main challenges you experience in delivering services?
- Where do you see the National Society fitting in within the matrix of service providers?

Things to keep in mind:

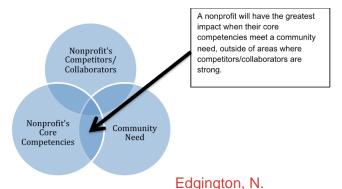
- Survey fatigue and response rate: Try to make sure that your survey doesn't overlap with other surveys or reporting duties of your stakeholders. Otherwise response rates might be lower or the quality of the responses poor.
- Anonymity: Stakeholders may be reluctant to giving authentic information if their responses could be traced back to them. Ensuring anonymity is important to getting valid and reliable results.

Tool #4: Market Awareness and Competitor Analysis

Why market analysis?

For any strategic decision affecting the future of your organization, it is important to have a solid understanding of your current position in the community. Analyzing your organizational environment will help you:

- Identify where your program fits into the broader environment
- Identify the forces that cause consumers not to choose your product/services or attend your programs
- Understand the gap/s in needs of consumers or clients, and work to fill those gaps
- Define your niche, your "competitive advantage" 11
- Seize opportunities of collaboration with organizations in a different niche



Who are your competitors?12

Do You Understand Your Nonprofit's Place in the Market?

Try to think broad when identifying your competitors. Other organizations will not be identical with yours and usually differ in terms of their services, beneficiaries served or geographical scope. Try to create a list all other organizations that have as many as these three criteria with you in common.



Specifically think about these questions:

- Who is providing the same product or service to the same customer (but potentially in different geographies)?
- Who is providing the same product or service in the same place (but potentially to different customers)?
- And who is providing the same product or service to the same people in the same place?

¹¹ Brenner, S. (2011): Why Competitive Advantage Matters. Even for Nonprofits, Community Wealth Partners

¹² Frumkin, P. & Sosa, S. (2014): Competitive Positioning: Why Knowing Your Competition Is Essential to Social Impact Success, Nonprofit Quarterly

Another way to think about your competitors by categorizing them: 13

Direct Competitors	Substitutable Competitors	Indirect Competitors	
same market focus: they provide the same services /	Those organizations that meet the same need(s) as your organization but in a different way.	not compete with you for	

How do you analyze your own position against your competitors' position?

Once you have a list of your competitors you can go ahead and analyze each organization's position in different domains. This is commonly done by means of a **Competitive Analysis Matrix** that lists the different categories for comparison. If your list of competitors is too long, try to narrow it down and try to collect credible data on those organizations.

The following table shows such a matrix with made-up input for the different competitors as an example. This will give you a better overview of what your organization is already particularly good at or what shortcomings there are in the current service provision.

¹³ La Piana, D. & Hayes, M. (2005): <u>Are You an Effective Competitor?</u>, Philanthropy News Digest

Competitive Analysis Matrix – with example input¹⁴

Resource	What makes your nonprofit strong in this area?	What makes these competitors strong in this area?			How does your nonprofit compare?
Organizations	Your Nonprofit	Competitor A	Competitor B	Competitor C	
Customers (number, satisfaction, retention etc.)	1,500	2,000	1,200	800	Good
Media attention or publicity	Better than most; positive	Good	Not good	Average	Better than others
Human Resources (staff board, volunteers)	Committed	N/A	Weak	Experienced, loyal	Good
Funding (diversity, amounts, availability)	Includes federal, state and county money; foundations	More government sources, less private	N/A	Government funding	Similar
Programs or services	Residential focus	Clinical expertise	Nonresidential, quality issues	Good clinical quality	We need more diversity
Mission-related impact	Very good	Not clear since for- profit	Not clear	On target	Very good
Comments	Long history, good reputation	Not collaborative	Lost credibility due to quality issues	Residential is its strong point	Good – strong solid agency

¹⁴ La Piana (2008): The Nonprofit Strategy Revolution, Tool 3: Competitor Analysis

EXAMPLE - St. Martin de Porres High School¹⁵

St. Martin de Porres High School was founded in 2004 to provide high-quality college-preparatory education to young people in Cleveland, OH, who would not otherwise be able to afford such an education. The school leverages an entrepreneurial Corporate Work Study Program – that places students as part-time employees at local businesses – to both provide skills training for the schools' students and to generate revenue for the school.

Richard Clark, the school's President, cites the Collaborative's lessons on markets as the most revolutionary for St. Martin. In Clark's words, "We looked at our market in a whole 'nother way! We had been thinking other schools were our competitors, but we realized that groups like the American Staffing Association saw us as a competitor."

In the case of St. Martin de Porres High School, the Collaborative helped the organization understand how they could best partner with the local businesses participating in the Corporate Work Study Program. Previously, they had emphasized in all of their marketing materials the "win-win" nature of the Corporate Work Study Program: the businesses get dependable, low-wage employees, the students develop valuable work skills, and St. Martin earns revenue necessary to keep the school in operation. By conducting interviews with potential business partners, St. Martin learned that this value proposition was too complex and really not very compelling for the businesses.

The team learned that success truly hinged on pulling the heart-strings of potential employers; businesses joined the program because "it was the right thing to do." They won over businesses by emphasizing the social impact they could have by collaborating with each other. In order to retain these businesses in subsequent years, however, the school has learned that they need to emphasize their competitive advantage in pricing: "it makes financial sense to choose St. Martin de Porres over other staffing agencies."

As Richard Clark explains, "The Collaborative opened up for us all these tools that businesses have been using to make money which we've used to increase our social impact." After participating in the Collaborative and engaging in additional business planning, the school's revenue from the Corporate Work Study Program grew by \$750,000, the school was able to support over 150 new students, the evaluation of study performance by employers grew from 83% to 90% and student attrition dropped by over 10%.

This toolkit was developed for SPiN by Peter Shubert, University of Washington Evans School of Public Policy and Governance, in Spring 2016.

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¹⁵ Brenner, S. (2011): Why Competitive Advantage Matters. Even for Nonprofits, Community Wealth Partners