

# Embracing Strategic Planning in Lean Philanthropy

A Small Foundation's Guide to  
Strategic Planning

---

► **PRIMER SERIES**  
BRIEF PAPERS ON KEY TOPICS

# Table of Contents

<b>I.</b>	<b>INTRODUCTION.....</b>	<b>1</b>
<b>II.</b>	<b>WHAT IS A STRATEGIC PLAN?.....</b>	<b>2</b>
<b>III.</b>	<b>WHY DO FUNDERS ENGAGE IN STRATEGIC PLANNING? .....</b>	<b>2</b>
	A. Find A Focus.....	2
	B. Gather Community Feedback And Evaluate Impact.....	2
	C. Lay Out A Course For Succession And Transition.....	3
<b>IV.</b>	<b>HOW TO DEVELOP A STRATEGIC PLAN .....</b>	<b>4</b>
	A. Identify A Strategic Development Group And Facilitator.....	4
	B. Collect Feedback And Conduct Background Research.....	4
	C. Clarify The Mission.....	4
	D. Clarify The Vision And Develop Strategic Goals.....	5
	E. Assess The Organization’s Capacity And Develop Strategies.....	5
	F. Implement The Strategy.....	5
<b>V.</b>	<b>LESSONS LEARNED FROM DEVELOPING A STRATEGIC PLAN.....</b>	<b>5</b>
	A. Soliciting Feedback Is Key To Success.....	5
	B. A Neutral Facilitator Can Help Navigate Tricky Areas.....	6
	C. It Is Important To Take Time And Space Away From The Day-to-day Work.....	6
	D. It’s Essential To Get Buy-in From Both Board And Staff.....	7
<b>VI.</b>	<b>LESSONS LEARNED FROM IMPLEMENTING YOUR STRATEGIC PLAN... </b>	<b>8</b>
	A. A Foundation That Operationalizes Its Plan Keeps An Eye On Its Goals.....	8
	B. By Tracking Their Progress, Foundations Can Determine When To Adjust Course.....	8
	C. Patience Is A Virtue.....	9
	D. Sustaining Focus On Their Plan Helps Funders To Be More Effective...	9
<b>VII.</b>	<b>CONCLUSION.....</b>	<b>10</b>
<b>VIII.</b>	<b>APPENDICES .....</b>	<b>11</b>
	A. Additional Resources.....	11
	B. Sample Strategic Planning Documents.....	11

# I. Introduction

Managing a foundation is an exciting job with lots of opportunities. But that excitement can sometimes pull a foundation in many directions. For some foundations, a strategic plan can help clarify the foundation's mission and focus as well as create a road map for how the foundation will achieve its mission. From 2018 through 2020, nearly one-third of Exponent Philanthropy members had engaged in strategic planning.

This primer introduces you to the wide world of foundation strategic planning. No two strategic plans are alike, and the process for developing and implementing strategic plans can be just as different. In this primer, you'll discover why funders engage in strategic planning, get an overview of the strategic planning process, and hear what other funders say are lessons they learned from developing and implementing a strategic plan.

An effective strategic plan provides a touchstone for foundations as they navigate an ever-changing world. As one funder put it, "A good strategic plan forces the organization to challenge itself to improve. Any organization can benefit from the mindset of seeking continual learning and constant improvement."

## II. What is a Strategic Plan?

A strategic plan comes in many shapes and sizes, but, in essence, it is an organizational road map. A strategic plan can help an organization think about where it is now and where it wants to be in time. For many organizations, the strategic plan contains a combination of vision, goals, strategies, and outcomes. For example, see [Exponent Philanthropy's strategic plan](#) or the example strategic plans in Appendix B.

## III. Why Do Funders Engage in Strategic Planning?

Strategic planning is key to implementing thoughtful and rigorous grantmaking that's aligned with the foundation's organizational goals and objectives. In the 2021 Foundation Operations and Management Report, Exponent Philanthropy found that 30% of participating foundations had developed a strategic plan in the previous 3 years. Those foundations indicating that racial equity is very relevant to their foundation's mission were more likely to have developed a strategic plan in the preceding 3 years compared to foundations that viewed racial equity as less relevant to their mission.

During our research, lean funders identified several motivations for engaging in strategic planning. We share their thoughts here.

---

### A. FIND A FOCUS

---

Lean funders have limited resources—such as time and money—at their disposal. By focusing on their work, lean funders can direct those resources more intentionally to create a greater impact. A strategic plan can help bring the foundation board and staff together to clarify their focus and ensure everyone is on the same page.

“We wanted to focus our work and create processes for continued success,” says one funder about their motivation. Another says that trustees “wanted to focus their funding a bit as they were giving in a wide range of areas.”

---

### B. GATHER COMMUNITY FEEDBACK AND EVALUATE IMPACT

---

Developing a strategic plan is a good way to systematically collect community feedback on a foundation's work. This opportunity to step back, hear from the community, and evaluate the foundation's work can help funders identify their strengths and recognize areas for improvement.

One funder says having a strategic plan gave their foundation a chance to understand where its reputation stood in the community so that the foundation could make necessary course corrections. Another says their strategic planning process was motivated by the opportunity to “receive expert objective evaluation on current performance and recommendations on where we could improve.”

Strategic planning can help “gain critical feedback from community members, grantees, and stakeholders,” adds Jenna Wachtmann of the Ball Brothers Foundation. “It is difficult to receive their feedback otherwise, but private foundations must ask for it!”

---

### C. LAY OUT A COURSE FOR SUCCESSION AND TRANSITION

---

Developing a strategic plan can help funders navigate transitions, such as deciding next steps when the founder steps aside, hiring a new executive director, or getting the next generation involved. For example, one funder says that their “founding chairman is retiring at the end of the year. We wanted to honor her legacy by looking back and thinking forward.”

Another funder describes a different transition: “We were hiring a new executive director after 27 years. The trustees decided it was a good time to rearticulate the foundation’s program areas, educate the new executive director about the foundation’s history, and confirm the foundation’s priorities.”

Strategic plans can capture the founder’s vision and give the board and staff an opportunity to get on the same page. The plans also can provide next generation members a chance to offer new insights and ideas.

“The plan facilitated a smooth and successful transition to the next generation leadership,” says Angie Briones of the Castellano Family Foundation. Another says their strategic plan was “the first step in transitioning leadership of the foundation to the next generation of family members.”

## IV. How To Develop A Strategic Plan

Strategic planning comes in an array of forms. Some organizations may choose a formal approach, whereas others may follow a more fluid route. The process funders engage in can depend on the foundation's board size, staff size, asset size, or focus area. The organization's culture as well as its hopes and vision for a strategic plan also shape that process.

No two strategic planning processes look exactly the same. Here, we share common building blocks to help guide your process.

---

### A. IDENTIFY A STRATEGIC DEVELOPMENT GROUP AND FACILITATOR

---

Identify a key group to drive the strategic planning process. This group can comprise board members, staff, and other key stakeholders, as appropriate. Be sure to identify a facilitator to guide the group through the process.

#### **Who facilitates the process?**

Lean funders typically engage a paid consultant to lead their strategic planning process. Outside consultants can bring a fresh view to the process and use their neutral reputation to collect authentic feedback from stakeholders.

A paid outside consultant, though, is not always the path of choice for every foundation. Some lean funders opt to have a staff member or a board member lead the strategic planning process. If a foundation decides to follow this route, it needs to be aware of power imbalances between board and staff members.

#### **Who else is involved?**

In addition to a facilitator—the leader of the strategic planning process—lean funders engage other stakeholders in this process. Foundation board and staff members are the most frequent stakeholders involved. Funders also may engage others in the process, including philanthropic advisors, nonprofit leaders, government officials, family members outside of the foundation, and individuals in the community.

---

### B. COLLECT FEEDBACK AND CONDUCT BACKGROUND RESEARCH

---

Conduct research and engage stakeholders through surveys, interviews, focus groups, or informal conversations. Funders can gather information and insight from grantees, nonprofits, community leaders, or other important stakeholders.

---

### C. CLARIFY THE MISSION

---

Analyze the organization's current mission and decide if it is an accurate depiction of the organization's overall goal. The mission needs to provide the board, staff, and outside parties with a clear understanding of what the foundation is trying to achieve and how it plans on achieving it. As one funder put it, "I think a foundation typically has a basic idea of what their mission is, but a strategic plan really helps to clarify the mission."

---

#### D. CLARIFY THE VISION AND DEVELOP STRATEGIC GOALS

---

Clarify where stakeholders want the organization to be at the conclusion of the strategic plan. With that vision in mind, funders can develop strategic goals to help the organization reach that aspirational vision.

---

#### E. ASSESS THE ORGANIZATION'S CAPACITY AND DEVELOP STRATEGIES

---

Evaluate where the organization currently stands. Then, develop a strategic narrative to move the organization toward the vision and goals established earlier in the process.

---

#### F. IMPLEMENT THE STRATEGY

---

Ensure the strategy is precisely aligned with the day-to-day work of the organization. Identify ways to incorporate progress checks into the organization's everyday work to be sure it is meeting strategic goals.

## V. Lessons Learned From Developing A Strategic Plan

Developing a strategy can be full of obstacles. Four key areas have helped lean funders avoid some of the pitfalls associated with strategic planning.

---

#### A. SOLICITING FEEDBACK IS KEY TO SUCCESS

---

One of the biggest benefits of strategic planning is the opportunity to solicit feedback from grantees, community members, and even other funders. Soliciting feedback can take on different forms, including surveys, interviews, and even informal conversations. "We used a mixed-method, we consulted with Exponent for the survey of grantees and partners, and we used a consultant to conduct interviews," says Jennifer Manise of the Longview Foundation.

Funders can seek feedback on topics like the foundation's processes, its reputation in the community, and broader community needs. "We did a lot of prework," says Lindsay Majer of the Tzedek Social Justice Fund, including "conducting a community research process to determine how we can best be of service to the community, staff relationship and trust building, founder/funder visioning and values statement, and staff research on trust-based philanthropy."

When asked how they could have improved their foundation's strategic planning process, many funders expressed regret that they didn't solicit more feedback from grantee partners and community members.



---

## B. A NEUTRAL FACILITATOR CAN HELP NAVIGATE TRICKY AREAS

---

Lean funders highlight the benefit of engaging a neutral facilitator. “We used an outside neutral party to solicit feedback, which allowed us to get better, more honest feedback,” says Jenna Wachtmann of the Ball Brothers Foundation.

An outside facilitator can also help manage the strategic planning process and keep board members and staff on the same team. “Hiring an outside consultant has been crucial,” one funder says. “We needed a third party who had no ‘skin in the game’ to facilitate our discussions and move us forward.”

“Bringing in a third-party to facilitate removes a lot of bias and barriers from the process,” points out another funder. “They are objective, allow everyone an equal say, and keep the group on task [and] on focus. This is especially important if you have a couple of domineering or conflicting personalities participating in the process.”

Funders highlight the lack of outside advice as one key area in which their strategic planning could be improved. “While our board wasn’t ready for it, having an outside expert rather than the new executive director facilitate the process would have been helpful and likely moved the process along at a faster pace,” says one funder.

Outside advisers can help keep the board and staff on the same page. “Having an external expert conduct an unbiased assessment is so important,” another funder notes. “Then the foundation can take an honest look at where it is—especially relative to comparable local foundations and the foundations leading in admirable practices. This shared understanding of the foundation’s current state is key.”

---

## C. IT IS IMPORTANT TO TAKE TIME AND SPACE AWAY FROM THE DAY-TO-DAY WORK

---

Time and again, lean funders have emphasized the importance of taking time away from their everyday work to focus on strategic planning. Some funders benefit from physically leaving the office to remove the distractions of the day-to-day work. One funder found that going off-site helped keep all of the participants actively engaged. Another discovered that by getting away from the office, the board and staff could have broader, generative conversations that did not happen in typical board or staff meetings.

Getting out of the board and staff’s usual meeting space can help everyone overcome typical stumbling blocks of strategic planning, such as getting caught in the weeds or continuing the status quo. Some funders report that their planning process was limited because, as one put it, they “spent too much time in the weeds on how to do work versus what work to do.” Another funder says that the board was “too transaction oriented and not impact oriented. They tended to want to stick with the status quo.” Meeting in a different space can put everyone involved in a more creative mindset so they can think big.



---

## D. IT'S ESSENTIAL TO GET BUY-IN FROM BOTH BOARD AND STAFF

---

A critical factor in developing and implementing a successful strategic plan is to get buy-in from both board and staff. Depending on a foundation's board and staff dynamics, the process can look different. Keep in mind that the board needs to be engaged in and supportive of the process.

The individuals who eventually will implement the plan—whether staff or board members—also need to feel like the strategic plan is feasible. And they need the time and resources to achieve the plan's outcomes. “Having staff generate the plan meant we could hone in on critical issues and quickly achieve buy-in,” says a funder.

Funders also point to the importance of ensuring that board and staff are on the same page regarding the scope of the strategic planning process. Is the goal to reaffirm existing priorities? Or to establish new ones? Briones of the Castellano Family Foundation says that in the case of her organization, “it was helpful that the board fully understood that the plan was dynamic and subject to change as conditions changed.”

Having clear communication and expectations about how much change is possible can be a make or break an element of any strategic planning process. “The board's openness to defining strategy was very helpful,” says one funder. “Since this was the foundation's first strategic plan, we started simple and had a shared expectation that we would build upon it in the future. Taking a strengths-based approach and meeting the board and staff where they were worked very well for us.”

When funders achieve strong buy-in from both board and staff, it leads to a more robust strategic plan that everyone can be proud of. “I am very proud of our strategic plan and how it was accomplished,” says a funder. “It is realistic, obtainable, and it has a well-structured timeline. And most importantly, it includes the buy-in from the board and its executive committee, not just the foundation's single staff person.”

## VI. Lessons Learned From Implementing A Strategic Plan

Successfully developing a solid strategic plan is a complicated but gratifying and inspiring process. However, organizations often underestimate the challenge of implementing their newly minted strategic plans.

A strategic plan is only as good as its implementation. We asked lean funders to share the lessons they learned while implementing their strategic plan.

---

### A. A FOUNDATION THAT OPERATIONALIZES ITS PLAN KEEPS AN EYE ON ITS GOALS

---

One of the most frequently cited criticisms of strategic planning is that an organization will put significant time and effort into developing a plan and then fail to actually implement it. Foundations can't let the plan sit on the shelf and expect things to change on their own. Lean funders need to operationalize the plan in a way that fits the foundation's work.

Some funders have found that routinely checking in on their progress can help keep the strategic plan top of mind. For some funders, these check-ins might be monthly or quarterly. "Each quarter, the foundation staff spends a day reviewing objectives set out in the strategic plan," says Alan Solano of the John T. Vucurevich Foundation. "This has helped to keep strategic objectives in the forefront of our work."

For other funders, operationalizing the strategic plan might make more sense on an annual basis. James Aiken of the Tom Russell Charitable Foundation says that the foundation creates an annual operating plan based on its 5-year strategic plan to ensure that the foundation maintains a focus on its strategic goals.

A strategic plan is a living document that reflects the foundation's values. How funders operationalize that plan can help them stay nimble and ensure that progress isn't tied to any one staff or board member. Even though the circumstances around a strategic plan may change, the plan gives the foundation a touchstone to guide its work in a dynamic world. If staff or circumstances change, the strategic plan can help guide current or new staff, giving them goals to strive toward. If funders don't operationalize their strategic plan in a way that can outlive the moment in time when the plan was drafted, the strategic plan will simply become a document representing the things the foundation wished it had done.


---

### B. BY TRACKING THEIR PROGRESS, FOUNDATIONS CAN DETERMINE WHEN TO ADJUST COURSE

---

Tracking a strategic plan's progress is an essential step to ensuring funders stick with the plan over the long haul. Setting measurable goals and tracking progress over time can help foundation staff and board to stay motivated during difficult times. Alternatively, monitoring progress over time can also help the foundation realize when specific strategies aren't paying dividends.

Funders emphasize that goals outlined in a strategic plan must be clear. As one funder put it, "Setting goals and assigning tasks tied to those goals at the beginning was really beneficial. And having a clear definition of what is to be accomplished and who has taken ownership regarding that specific item has helped create buy-in from our board."



Tracking progress toward measurable goals can help funders communicate their work more clearly too. “Each of our four major goals has really specific objectives, says a funder. “We then determined which objectives we should meet in Years 1, 2, 3, 4, and 5. We closely track progress for each objective and report on this via a simple dashboard with narrative examples that are updated three times each year. We share this dashboard with our board before each board meeting. And we regularly reference our strategic plan when communicating with our board.”

Another funder echoes this sentiment: “We are taking our time to clarify definitions in parallel with the implementation of our plan,” says Jenna Wachtmann of the Ball Brothers Foundation. “And we are frequently communicating with our partners about what will stay the same and what will change.”

---

### C. PATIENCE IS A VIRTUE

---

Developing a strategic plan is exciting and relatively quick work, but implementing the plan takes more time and can sometimes feel like a slog. Staying patient while both developing and implementing the plan is essential.

Funders also need to realize that even the best strategic plans can only do so much. “Remember: You cannot achieve 20 years’ worth of work within the typical 3- to 5-year window of a strategic plan,” says Lindsay Majer of the Tzedek Social Justice Fund. “Be realistic and humane about your staff capacity and the time lines you set for your goals. Go slow. Do not hurry the process. And bring in the voices you serve.”

Foundations, especially those newer to strategic planning, may be tempted to rush into things. It is crucial, though, to balance the work throughout the strategic plan’s entire window. Strategic plans typically cover a 3- to 5-year window for a reason, rather than 1 to 2 years. “Strategic plans tend to get front loaded with objectives in the first year of the plan,” says Alan Solano of the John T. Vucurevich Foundation. “The real challenge is ensuring a more even workload for completing objectives over the life of the strategic plan.”


Funders also run into problems when the foundation’s board and staff aren’t in agreement about the organization’s time line. One staff member recalls that their foundation was challenged by what seemed to be unrealistic board expectations. For example, the staff member was asked questions like, “When are we going to start the plan?” and “Why aren’t the tools built already?” That individual wished the board had better understood that “a strategic plan is a process over time, not just a list of tasks that are checked off.” It is essential to be realistic about what a strategic plan will and won’t fix. As this staff member put it, “Don’t expect it to solve all your problems and understand [that] implementation takes time.”

---

### D. SUSTAINING FOCUS ON THEIR PLAN HELPS FUNDERS TO BE MORE EFFECTIVE

---

One of the most significant advantages of a strategic plan can also be one of its biggest challenges: staying focused. Lean funders benefit immensely from focusing their work. Focusing helps funders direct their time wisely, communicate more effectively, and provide a framework for decision making. “Having a strategic plan provides a strong framework for all of our decision making, especially our grants work,” says one funder. “Having the plan to reference has been helpful to keep our work aligned with the plan and more focused than it was pre-plan.”



Alternatively, when a foundation loses focus, it can be pulled away from its mission and strategic goals, as one foundation staff member discovered. “Our board can be distracted by the shiny new thing, and gently pulling them back from those distractions to focus on the strategic plan can be a challenge.” Another offers this guidance: “You have to stay focused on the outcomes you want to achieve through your grantees. That’s needs be your first, second, and third priority.”

## VII. Conclusion

Strategic planning can be a powerful tool to help a foundation stay focused and increase its impact. Although no two strategic planning processes will be the same, the steps and advice outlined in this primer can give funders a solid introduction to strategic planning. Remember that developing and implementing a strategic plan is a long process; not everything will work out as expected. The key is to stay motivated, focused, and flexible, and to keep a learning mindset.

“We are doing our best to implement our strategic plan, but not everything works out as we anticipated,” says Florine Luhr of the Cullen Foundation. “We have to adjust as we go. Just because something is in your strategic plan doesn’t mean it will work, but you can learn as much from those instances as anything else.”

As you head out on your strategic planning journey, we encourage you to reach out to your fellow Exponent Philanthropy members through our [Member Discussion Community](#). If you are looking for an experienced facilitator, our [Directory of Advisors](#) is a great place to find respected and vetted professionals who regularly work with leanly staffed funders.

# Appendixes

## Appendix A: Additional Resources

[Put Your Plans Into Action—Not on the Shelf](#): Creating a strong strategic plan is a big investment of both time and money, but that doesn't always guarantee that a foundation will successfully put the plan into action. This blog post provides excellent advice to help you avoid having your plan end up on the shelf—unrealized.

[Focus Your Giving: A Key to Impact](#): All philanthropists have at least one thing in common: the desire to make a difference. Desire alone, though, is not enough to achieve impact. Getting to impact requires good planning, intentional work toward a goal, and a drive to keep learning and improving. This resource is designed to equip you with the information and inspiration needed to find your focus and achieve even more with your gifts.

[Scanning the Landscape](#): Scanning, or taking time to learn how your foundation can be most effective in a community or field of interest, is a seldom discussed but powerful strategy for small foundations. Scanning can be done in ways that fit your time, budget, and operating style. Some foundations scan just once when settling on a mission or focus area; others scan on a smaller scale once or twice a year to inform their strategies.

[Leadership Succession Planning](#): What's Success Have to Do With It?: Leadership succession has many dimensions, from board transitions to staff turnover, to the engagement of next generations. In every case, succession is fundamentally about the orderly transfer or sharing of power. Planning for leadership succession is a process—a conversation and exploration to generate shared understanding and clarity of roles and responsibilities.

[Getting to Impact Through Planning](#): All foundation leaders share one thing: the desire to make a difference. But achieving impact requires good planning, intentional work, and a drive to continuously learn and improve. This primer helps you undertake a thoughtful planning process that answers two important questions: What do we want to accomplish with our limited resources and what is the best way to do so?

## Appendix B: Sample Strategic Planning Documents

[Abbreviated Version of Strategic Plan](#): This document is an overview of the Ball Brothers Foundation's four main strategic plan goals, with the foundation's general objectives listed under each strategic goal.

[Strategic Plan Progress Tracking Document](#): This document provides an example of how the Ball Brothers Foundation tracks its progress towards its strategic objectives. This matrix provides a picture of one of the foundation's goals and just one of the objectives and action items.

*We thank the [Ball Brothers Foundation](#) for these sample resources.*

*Exponent Philanthropy amplifies and celebrates the vital work of a diverse group of givers who give big while keeping their operations lean, including foundations, public charities, donor advised funds, giving circles, and individual donors. We're a vibrant membership organization, and we provide resources and valuable connections to help funders make the most of the minutes they have and the dollars they give. We welcome all philanthropists who work with few or no staff to join our organization and benefit from our nationwide network, wide range of resources, and high-quality programming.*

**Exponent Philanthropy**  
**1720 N Street, NW**  
**Washington, DC 20036**  
**Phone: 202-580-6560**

Web: [www.exponentphilanthropy.org](http://www.exponentphilanthropy.org)  
Twitter: [twitter.com/ExponentPhil](https://twitter.com/ExponentPhil)

© 2021 Exponent Philanthropy. All rights reserved.





**exponent**  
philanthropy