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Dear Friends,

We hope you enjoy this week's edition of Newsflash!

Sincerely,

The Firelight Team

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(Resource) How to do Strategic Planning: A Guide for Small and Diaspora NGOs
by Rick James, INTRAC

1. Why is strategic planning needed?

Of course an NGO can have a clear strategy without having a strategic plan. A strategic plan is merely a document that puts on paper the long-term chosen direction. While a clear direction may exist anyway, writing it down enables it to be better understood by partners, by donors and even by staff and trustees. This is especially important if people in the organisation leave or new ones join. In addition the process of consulting and agreeing what is put on paper can be extremely valuable.

It offers the opportunity to:

- Reflect back on what has made an impact in the past – learning from experience;
- Look up from the day-to-day issues and try and see the big picture for the future;
- Listen to and build better relationships with a wide variety of stakeholders;
- Build teamwork and expertise amongst staff;
- Bring coherence to different projects and parts of the organisation, ensuring they are pulling together; and
- Prioritise where to focus energies and resources in the future to maximise its potential for achieving its mission.

Furthermore, strategic planning is often difficult for NGOs to do because:

- They face a bottomless pit of need. There is considerable pressure to respond. How can an NGO refuse to help and say 'no' to meeting needs?
- Development is a complex process where sectors are inextricably interconnected. If you are a health NGO, there are good reasons to also work in education (as this is key to better health); there are good reasons to work on income security (as this affects health); there are good reasons to work on...
- They need to secure funding from outside donors to pay salaries. It can be risky to prioritise, if the donors decide they want to fund different things.
- Strategic planning requires predicting the future – something impossible to do perfectly, especially in turbulent global environments. People have different ideas about what will happen and what will make a difference.
- They often feel too busy to stop and think. There may also be strong vested interests and comfort levels in remaining in the status quo.

2. What is strategy?

Strategy is the path that takes us from where we are now to where we want to be. Another useful model is called the 'hedgehog concept', initially developed by Jim Collins' work in the commercial sector. Like a hedgehog that has one very effective strategy when threatened (rolling up in a ball), strategy should be based on identifying what your organisation does better than anyone else, rather than trying to do everything well.

He identifies three sets of questions to ask which can help identify this strategic focus:

- What are we most deeply passionate about? What is the vision?
- What are the unique strengths of our organisation? What can we do best compared to others? What is our 'calling'?
- What drives our resources (human and financial)? The vision should be about the people who the organisation serves. It should not just be about addressing negative needs but developing positive potential. In addition, the resource question should not be simply financial. It is also about what people have energy for. NGOs must avoid being donor driven or strategically delinquent by slavishly following whatever they can get money for.

3. What is strategic planning?

Strategic planning is the process of making these choices and documenting them. An effective strategic plan makes choices based on:

- Knowing who you are
- Knowing what brings change
- Predicting how the environment is likely to change
- Rigorous and honest self-appraisal

A. Knowing who you are

A good strategic planning process connects to the identity and mission of the organisation. It obviously helps to be clear about questions like: Why do you exist? What is the unique contribution you bring to the world? What would be lost if you did not exist? Who are you? Answers might have been clear at the start, but over time this can become fuzzy or obscured. Programmes may not have gone as planned. Different people may be on board. A good strategy process often involves 'cleaning the mirror', so we are clearer about who we are.

B. Knowing what brings change

A good strategy process is based on knowledge of what brings change to beneficiaries or to policy environment. The project system in which we operate encourages us to focus on activities and deadlines, rather than on what actually brings change. Many NGOs are finding it useful to explore their underlying 'theory of change'. In any strategy process it is helpful to engage with the existing assumptions about what actually brings change and why. This can help focus on strategies that really make a difference.

C. Predicting how the environment is likely to change

An essential element of strategic planning is predicting the future and thinking through how this will affect the work. It involves listening out for the roaring lions (the threats) as well as identifying potential new opportunities, sometimes using tools like PESTLE (described later in the text). This is clearly not an exact science, but such future thinking is vital. The most famous ice-hockey player of all time, Wayne Gretsky said the secret of his success was that: 'I skate to where I think the puck will be'. This is what we need to be doing as NGOs. Not skating to where things are today, but predicting where they might be in the future and proactively moving in that direction.

D. Rigorous and honest self-appraisal

To plan well, you have to know where you are starting from. An honest and open discussion about existing strengths and weaknesses is an important element of strategy. Brutal facts may need confronting. Self-delusion does not help anyone.

4. Making hard choices Strategic planning is about making hard choices.

You clearly cannot skate or run in two directions at once. Yet so many efforts at strategic planning fail to prioritise and cut down. NGOs might add one or two new programmes to address future issues, but they do not let anything go. What results is simply a shopping list. It is not an effective strategic plan. As the Dilbert cartoon below shows, the essence of good strategic planning is deciding what you are NOT going to do.

5. How to do strategic planning

Every organisation is different. It is therefore arrogant and unrealistic to say, this is 'how to' do strategic planning in every situation. There is no set process or template. I have been involved in strategic planning processes that have lasted between three hours to

others that have taken more than 12 months. I have seen strategic plans from one page to more than 100 pages. But despite the situational differences there are important 'how to' principles to follow and adapt to the specific context.

In every strategic planning process there are:

- Important ingredients to consider in the process;
- Key stakeholders worth listening to;
- Common dilemmas to address
- Useful tools for making decisions This section explores each of these in turn, concluding with five principles of good practice in any strategic planning.

The mission, identity, theory of change, strengths, weaknesses and opportunities and threats are mixed together to identify the key strategic issues facing the organisation over the next few years. From this analysis strategic priorities and objectives can be made. Clearly a critical factor in any such process is whose voice gets heard and who makes the analysis and final decisions.

Who needs to be involved?

Strategic planning provides an excellent opportunity to gather the views and wishes of the NGO's beneficiaries, staff, managers, donors, other NGOs and other stakeholders of the organisation. Indeed, acknowledging the views of different stakeholders during the process of strategy development, even if they are not accommodated, can lend some legitimacy to such an exercise. A participatory approach to strategy development can also have significant 'spin-offs' such as team building, improved organisational communication, and can even signal a commitment to changing the organisational culture. Participation creates a sense of ownership in the process of strategy development and ownership encourages commitment. Commitment to the strategy makes its achievement more likely.

Any strategy development process should involve the partners (or beneficiaries or clients) of the NGO in some way. All too often their voices are excluded when deciding what the NGO should focus on and how it should work. If this is the case, then development remains a top-down donor-driven initiative, where 'we know best what you need' prevails. The critical question is how to involve partners/beneficiaries in a meaningful, but cost effective way? Obviously it is impossible to say what would work in every situation, but it is essential to ensure that this voice is clearly heard.

There is also the question of the role of the board in developing strategy, vis a vis management, vis a vis staff. It is important for ownership and governance that the board should be involved from the outset, but the degree of involvement will depend on the situation. In the end the board have to approve the strategy, but this does not mean they have to develop it themselves. There is a risk that a board, which is too distant from the realities on the ground, will develop something unrealistic and out of

touch. Field staff probably have the best view of what would work, but may be too intimately involved to think outside of the box. In the end, taking hard strategic choices is a leadership decision. It takes leadership to say 'no' to things and create boundaries. How much this leadership is practiced by staff throughout the organisation will depend on the particular NGO.

It may also be worth considering how other external stakeholders can give their ideas, whether it be government, donors, key informants, or other NGOs. Clearly it is important in any strategic planning process to think through clearly who needs to be involved, when and how.

Core principles for effective strategic planning

Ensure leadership driving

Nothing will happen if the NGO's leadership are not driving the process. Acquiescence to a suggestion from outside is not enough. Leaders have to be fully on board as strategic planning usually involves organisational change. This can be a profoundly sensitive process, as an organisation's past strategies are often a reflection of what the leadership thinks is best. To bring authentic strategic change may require leaders to change their views; their priorities and even themselves.

Get staff ownership

Any organisational change, including strategic planning, is a human process of change. It can be emotional and painful. Some people will see themselves as winning; others losing. Staff need to be encouraged to look to the interests of the whole organisation, not just their particular departments. In the end, it is the staff who will ensure the new strategy is implemented (or not). They have to believe in its value, if they are to go through the pain of change.

Listen and learn (particularly to beneficiaries)

Strategic planning is about listening and learning. It is essential to learn from past experience – basing future decisions on the findings of past evaluations. Evaluations and strategic planning should always be interlinked. It is also particularly vital to take the opportunity to listen to beneficiaries. It is also about learning from others' experience. There is often no need to reinvent wheels, as other NGOs may have already learnt a lot about what works. For many faith-based organisations, they may also leave space for reflection and spiritual discernment about the way ahead.

Make hard choices

Strategic planning is about prioritising. It is about letting things go; about avoiding the temptation to simply add to the shopping list. There may be a need to close

down programmes and perhaps have strategic funerals to celebrate elements of your work that have been good, but are no longer a priority. It may be important to mark endings. In a changing environment, prioritisation is crucial so that we can 'take change by the hand and lead it where we want to go, rather than waiting for it to grab us by the throat and drag us where we don't want to go.' (John Adair 2002:221)

Keep it simple

A good strategic plan is accessible and succinct. It often helps if you are able to characterise strategic choices with some sort of metaphor or image. Some NGOs have been able to characterise their strategy as being 'bridge'; others as 'yeast' helping the dough to rise... Others represent their strategy in a simple diagram or even flow chart. What is important is that this image makes sense to the NGO and to those with whom it is trying to communicate. There is obviously no one right answer about length, though for most 10-15 pages should be enough to convey the essence of the direction. While there is no universal template for a strategic planning document, some of the key elements we would expect to read in a good plan are listed overleaf.

To read more, visit: <http://bit.ly/19V0PUu>

(Accepting Applications) NED Grants to NGOs Advancing & Strengthening Democratic Institutions

Deadline: 19 June 2015

The National Endowment for Democracy (NED) invites civic organizations, associations, independent media, and other similar non-government organizations around the world to apply for 2015 grant funding. NED yearly funds hundreds of projects of organizations that are working to advance democratic goals and strengthen democratic institutions.

The foundation provides more than 1000 grants per year to NGOs promoting democracy in more than 90 countries. Funding decisions are made on a quarterly basis by the NED Board of Directors. Grant amounts vary depending on the size and scope of the projects, but the average grant lasts 12 months and is around \$50,000.

Focus Regions

- Africa
- Asia
- Central & Eastern Europe
- Eurasia
- Latin America & Caribbean
- Middle East & North Africa

Focus Areas

- Promote and defend human rights and the rule of law
- Support freedom of information and independent media
- Strengthen democratic ideas and values
- Promote accountability and transparency
- Strengthen civil society organizations
- Strengthen democratic political processes and institutions
- Promote civic education
- Support democratic conflict resolution
- Promote freedom of association
- Strengthen a broad-based market economy

Eligibility Criteria

- Applicants can be civic organizations, associations, independent media, and other similar non-government organizations.
- Applicant organizations should be working in diverse environments including newly established democracies, semi-authoritarian countries, highly repressive societies and countries undergoing democratic transitions.
- Individuals, governmental bodies, or state-supported institutions such as public universities are not eligible for the fund.

Application Procedure

- Application can be made via online application system, email or regular mail to reach the application materials by the deadline.
- Complete application materials include – proposal cover sheet, proposal narrative, interim assessment, proposal budget and registration documents (if applicable).
- Non-registered organizations should clearly mention the reason behind it not being registered and the status of any pending applications for registration.

For more information and a link to apply, visit: <http://bit.ly/19grpz8>

(Funding Opportunity) The Queen’s Young Leaders Grants for Organizations in Select Commonwealth Countries

Organizations working with young people in Bangladesh, Sierra Leone, Zambia, Jamaica, Solomon Islands and UK have good news. The Queen’s Young Leaders Grants will be available for their organizations if they meet the eligibility criteria. Projects that provide opportunities for young people to learn new skills, secure employment, create enterprises or have a say in decisions affecting their future. Supported projects will be those that place young people at the heart of

their communities, working with them to help solve the issues that affect their lives.

Primary objectives of the grant program are to:

- Ensure young people are better qualified, get decent jobs and training, and create thriving businesses
- Enable young people to articulate their needs in order to influence key decision makers
- Provide evidence and stories describing how young people have succeeded in creating lasting change in their communities.

The Scheme will make Grants of between £60,000 and £1 million lasting for two to four years.

Smaller grants will also be provided in each country through our brand new Small Grants Fire-starter Initiative which will support smaller youth-led organizations and groups.

Eligibility Criteria

- Applicant organization should be registered in one of the six eligible countries, or be registered in a Commonwealth country and will work through a named partner who is registered in one of the six eligible countries.
- Applicant should have independently audited accounts within the last two years.
- Applicant should have managed grants of equal size before.
- Applicant cannot be a Company limited by shares or a Public Limited Company.
- Applicant must have a governance structures that involve, or are made up of, young people and beneficiaries of youth-focused projects
- Has demonstrable experience of working with young people.
- Applicant should be able to demonstrate where young people have played a clear role in the planning of projects and activities
- Applicant must have a child protection policy.

For more information, visit: <http://bit.ly/1ye7i23>

As part of the Firelight Foundation's Capacity Building Program, Firelight provides "Newsflashes" to share relevant resources and information with our active grantee-partners via weekly emails and via post on a monthly basis. We hope that by facilitating access to information for grassroots, community-focused organizations, programming for children and families, as well as organizational development, is enhanced. Past editions of the Firelight Newsflash can be found on our website:

<http://www.firelightfoundation.org/resources/newsflash>

We welcome your comments, feedback and ideas for upcoming Newsflashes at newsletter@firelightfoundation.org

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