

Strategic Positioning

Mind Your Strengths, Focus on the Future

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First Question

Do you have a **strategy** or a **workplan**?

BALANCED SCORECARD					
	1	2	3	4	5
Financial					
Revenue growth and mix					X
Cost reduction/productivity improvement				X	X
Asset utilization					X
Investment strategy					X
Customer					
Market share					X
Customer acquisition and retention					X
Customer satisfaction					X
Customer profitability					X
Internal Process					
Innovation					X
Operations					
Post-sale service					
Innovation and growth					
Employee capabilities					X
Information systems capabilities					X
Motivation, empowerment, alignment					X
Totals					
Comments					

Strategy vs. Work

Strategy

...Is about what the organization wants to **be**.....

Workplan

...Is what the organization is going to **do**.....

QUICKSTART: The Steps in Strategic Positioning

- Create or re-affirm your mission
- Scan your environment
- Scan for internal strengths
- Decide where you want to be in 5-10 years
- Synthesize your desired strategic positions
- Create an implementation plan

White = Board and Staff Together **Blue = Staff only**

The Nonprofit World is Changing

FROM:

TO:

Command and Control

Shape and Influence

Footage

Megabytes

Employee

Consultant

Social Elite Fundraising

Cognitive Elite Fundraising

Growth

Productivity

Standalone

Integrated Service Delivery

Innovation in Program

Innovation in Management

Strategic Planning

Strategic Positioning



Re-Affirm Your Mission

Mission

The public embodiment of the vision. Cognitively stated, intuitively felt and shared

Habitat for Humanity – ‘eradicate rural housing poverty’

A mission statement

“With inclusivity and diversity, we provide the highest quality services to disadvantaged service recipients and those with special challenges. We are committed to maintaining a supportive, open, empowering working environment dedicated to individual choice and the preservation of human dignity.”

Selecting Your Team

Managers vs. Leaders



Cope with complexity

Resolve crises

Cut spending

Spend

Focus on personalities

Control and tinker

Plan

Cope with change

Anticipate crises

Increase revenue

Invest

Focus on concepts

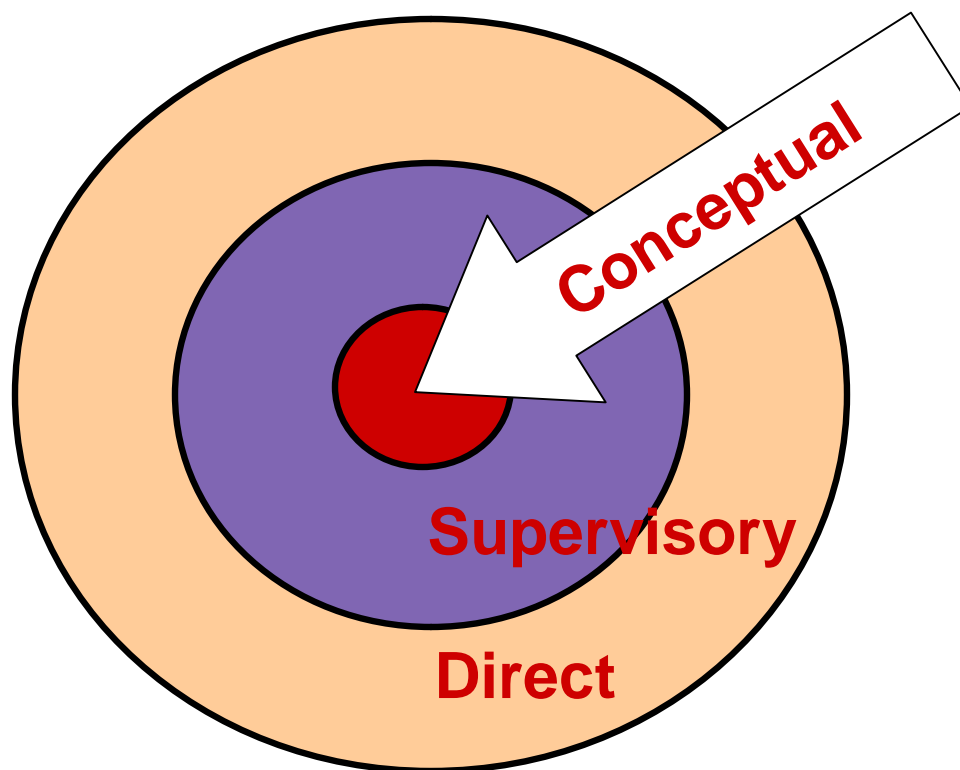
Shape and influence

Strategize

Principles of Strategic Positioning

- **Conceptual** (for strategy formulation)
- Future-oriented
- Diversity of thinking styles
- Strength-based

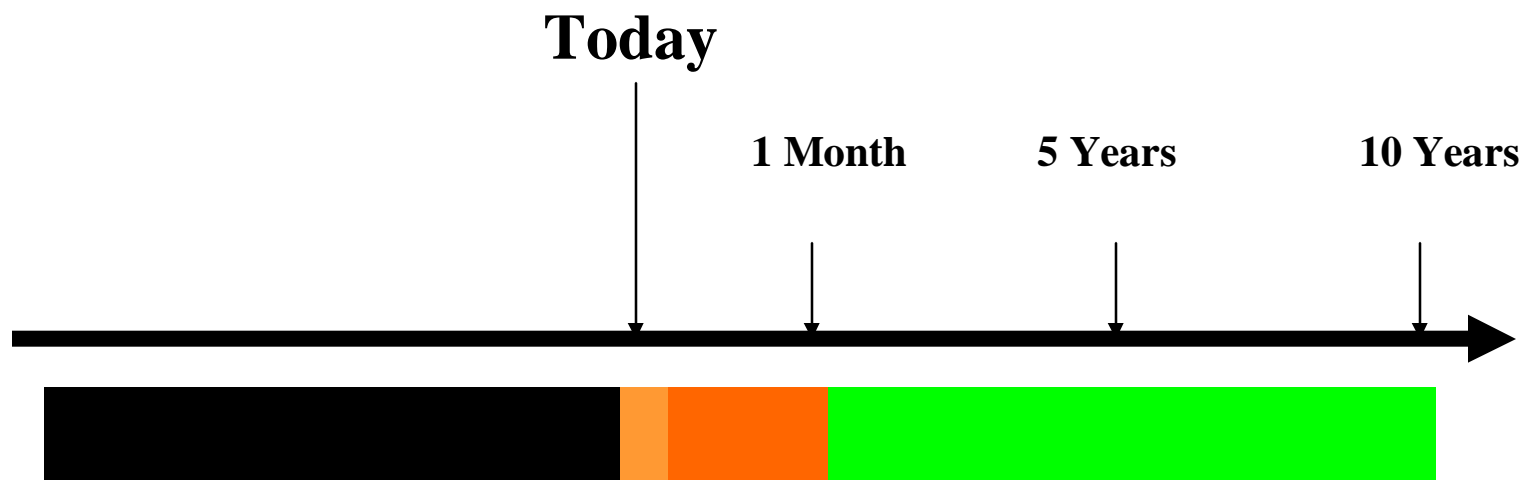
The Three Types of Work



Principles of Strategic Positioning

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What's Your Orientation to Time?



Principles of Strategic Positioning

- Conceptual (for strategy formulation)
- Future-oriented
- **Diversity of thinking styles**
- Strength-based

Sources of True Diversity on Every Positioning Team

- Convergent thinkers vs. divergent thinkers
- Attitude toward risk
- Attitude toward profitability
- Reactive vs. aggressive market approach

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Scan Your Future

Scan Your Future for Trends and Patterns in These Seven Factors:

- Need for your service
- The users you serve
- Your chosen geography
- Your competitors or alternatives
- Your funders
- Your labor force
- Special assets

A Framework for Analyzing Competitors

Nonprofits can be either 'prototypers' or 'industrializers'

- Prototypers are usually smallish organizations that must constantly create new material, new approaches, or new intellectual property
- Industrializers are medium to large size organizations which standardize production

Some examples

Prototypers

Advocacy organizations

Small consulting/TA organizations

Any NPO with just one or two programs

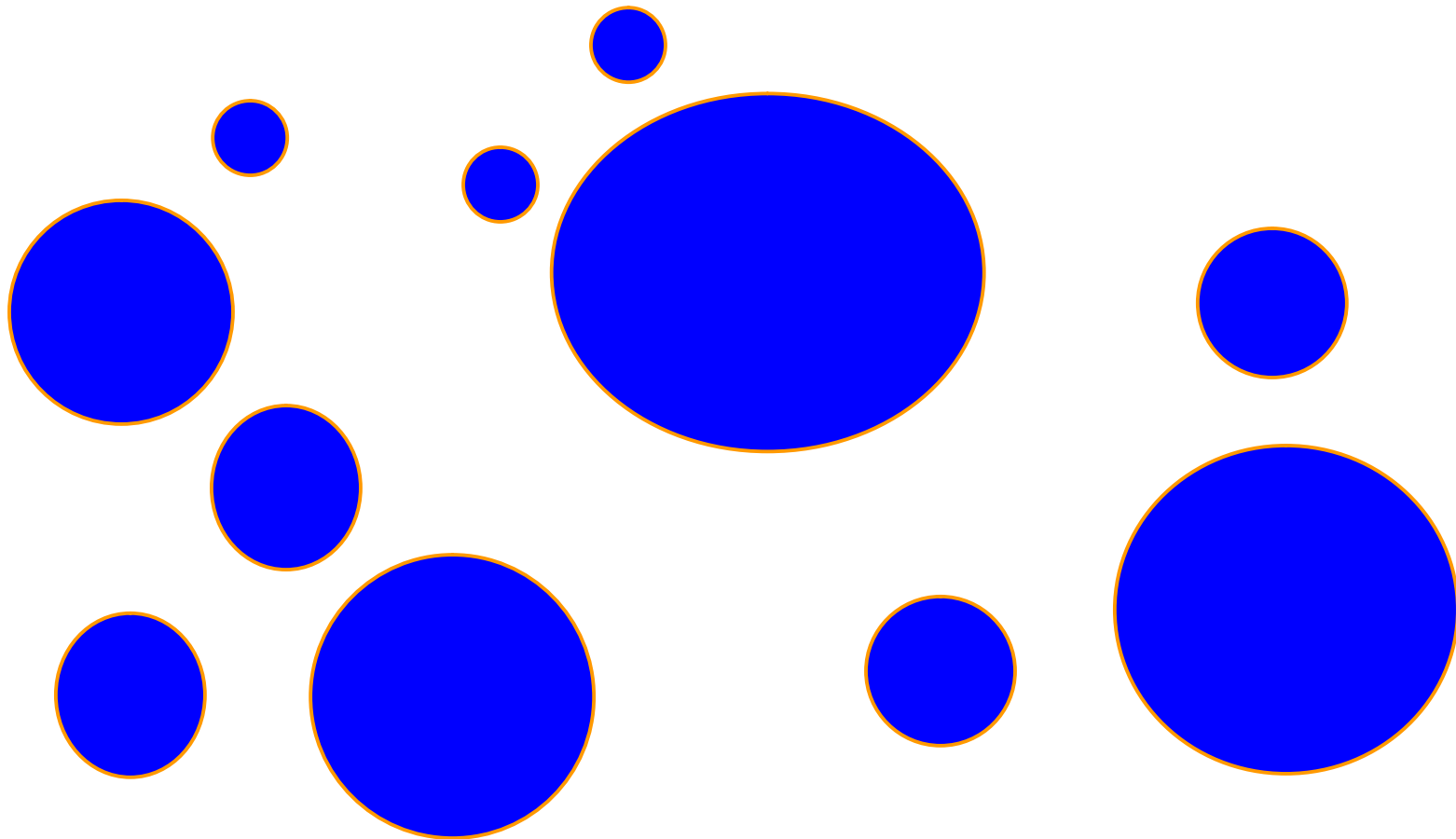
Industrializers

Home health agencies

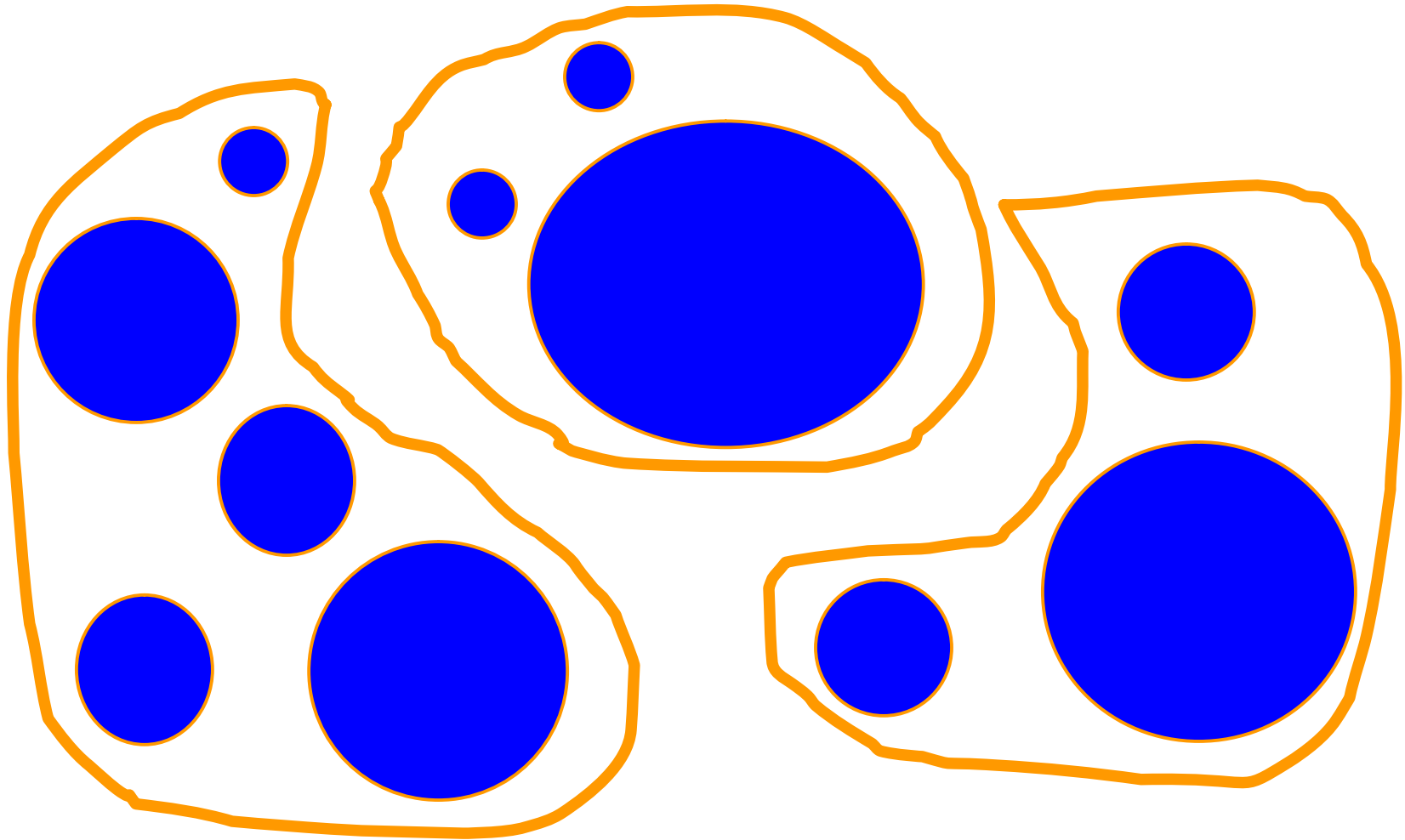
Hospitals

Universities

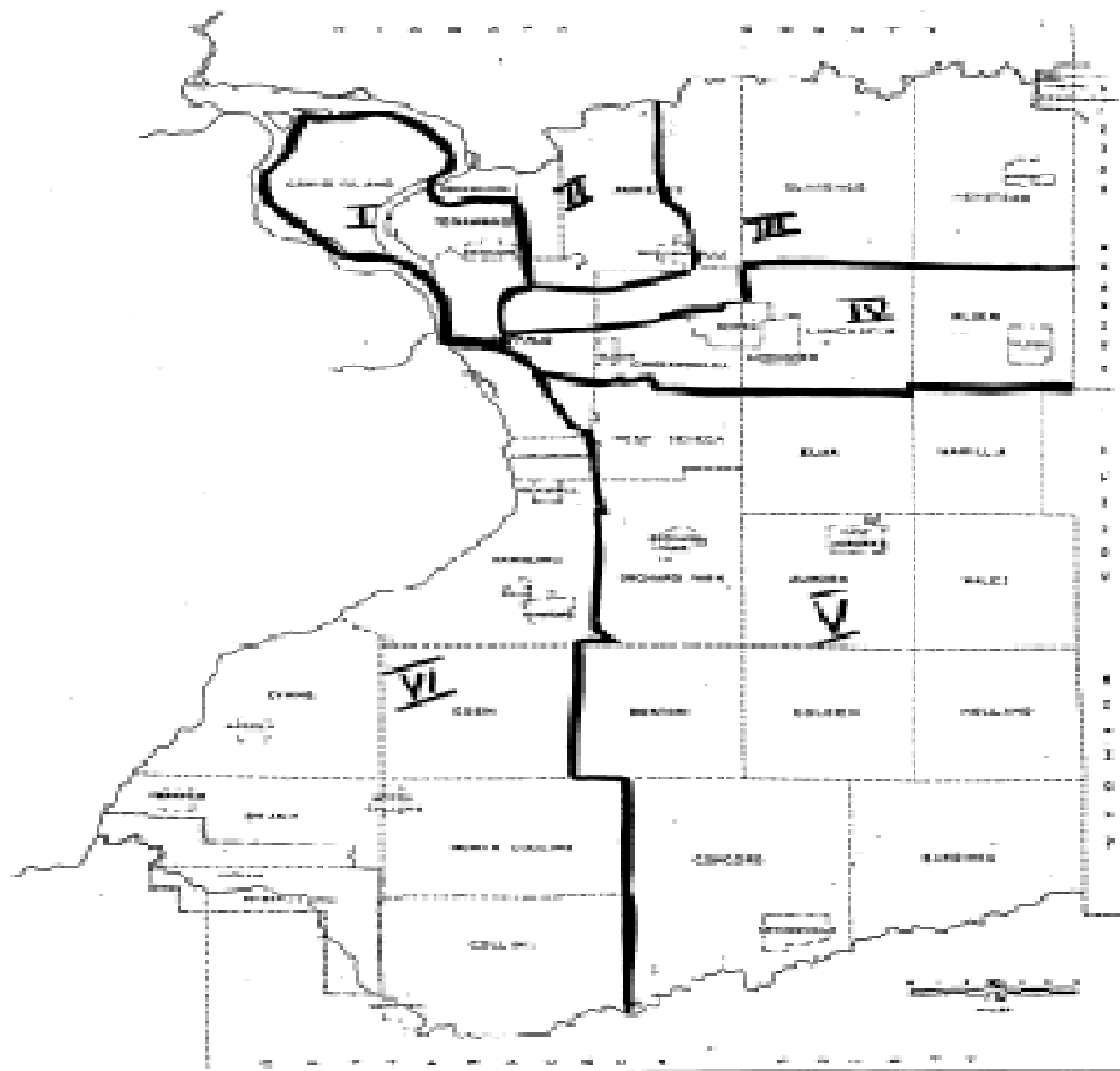
Traditional Service System



Future Service System



ERIE COUNTY ENFORCEMENT AREAS



Nielsen Media Markets

Top and Bottom

Rank	Market Area	% of US	Households
1	New York, NY	6.92	7,301,060
2	Los Angeles, CA	5.03	5,303,490
3	Chicago, IL	3.19	3,360,770
208	Alpena, MI	.016	17,290
209	North Platte, NE	.014	15,260
210	Glendive, MT	.004	3,900

A Sample Approach to Funders – United Way

UW approach	NPO strategic response	NPO marketing tasks	Key NPO administrative tasks
Funds whole agencies	Board-to-board CEO to CEO	Develop strong political relationships, create attractive market presence	PR, limited fiscal reporting
Funds programs of agencies	Board-to-board CEO to CEO Managers to managers	Create attractive program footprint: be prepared to juggle sponsored programs	Cost accounting down to program level; PR at same level; support program ‘brands’
Funds outcomes	CEO to UW board	Create or adopt persuasive metrics	Develop tracking systems beyond fiscal
Builds communities	CEO to UW board	Define community; establish value	Broaden research and tracking capacities

Sample Scan: Need for Dementia Care

- About 3% of men and women 65 to 74 suffer from dementia
- After 65, this percentage doubles with every decade of life
- Women are more likely to be caregivers than men (58% to 48%)
- One third to one half of caregivers reported a significant impact on their lives
- The over-85 population is the fastest growing group in America
- The baby boomer generation will swell the aging population (65 or older) beginning around 2012
- The elder population, which was 13% of the total population in 2000, will be 21% of the population in 2040

Scan For Strengths

Scan Your Internal Environment for Strengths in These Factors:

- Your services and programs
- Your users
- Your geography
- Your funding
- Your labor force
- Your special assets

What is a Strength?

A combination of all these factors:

- People
- Systems
- Formalized knowledge
- Dedicated resources

. . . . producing a verifiable outcome

Decide Where You Want the
Organization to Be in 5 -10 years

Decide Where You Want Your Organization to be in 5-10 Years

Answer this question according to each of the seven factors in the external scan

(Message to the board of directors: *stop right here*)

Craft a Succinct Statement of Strategic Position

Create a desired position for each of the relevant strategic factors:

Need

Users

Programs and services

Competitors

Funding

Geography

Labor

Special assets

Craft a Succinct Statement of Strategic Position (examples)

Be the primary funder of school system-wide projects
(community foundation)

Be the front door to services for all MR/DD clients in
region (provider)

Become a niche provider of spiritual instruction to
non-ministerial helping professionals (divinity
school)

The End Product – a Strategic Position

- Concise statement of strategic position
- 3-7 strategic objectives

