



**Creative
Manitoba**

Strengthening Manitoba's arts and creative industries

LONG-TERM PLANNING

OR:

Getting comfortable with CHANGE



Long-Term Planning Tools

- Organizational life cycle analysis
- Organizational charts
- Artistic and operational intersection and planning
- Strategic planning
- Long-term budgeting
- Big project management



Long-Term Planning: Questions

1. What is the life cycle of this an arts organization?
2. What in the external and internal environment have an impact on an organization?
3. How can you effect change to move an organization forward?



Continuity & Evolution Aren't Easy



Vancouver Opera to end full season and move to festival format in 2017

[Straight.com](#) - Jun. 18, 2015

It will be the end of a generations-long era at **Vancouver Opera**, and the start of a new one: after next season, the company will switch to a ...



For the Vancouver Opera Festival, the drama is offstage

[The Globe and Mail](#) - Apr. 20, 2017

Gaynor was exactly three months away from launching a brand new **opera festival** in **Vancouver** when she fell from her beloved horse Gin Fizz ...



Organizers sing praises of inaugural Vancouver Opera Festival

[Vancouver Sun](#) - May 27, 2017

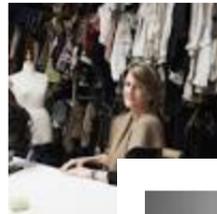
Vancouver Opera's first opera festival was called a success even though attendance for one of the three premiere operas was disappointing.



Protest letter sent after Vancouver Opera staff, contractors asked to ...

[The Globe and Mail](#) - Jun. 28, 2017

Staff and contractors at Vancouver Opera have been asked to take pay cuts ... This year marked the inaugural **Vancouver Opera Festival**, which ...



Vancouver Opera in turnaround mode after disappointing move to ...

[The Globe and Mail](#) - Apr. 27, 2018

After its unsuccessful inaugural year, the second **Vancouver Opera Festival** begins this weekend, condensed and smaller, as Gaynor continues ...

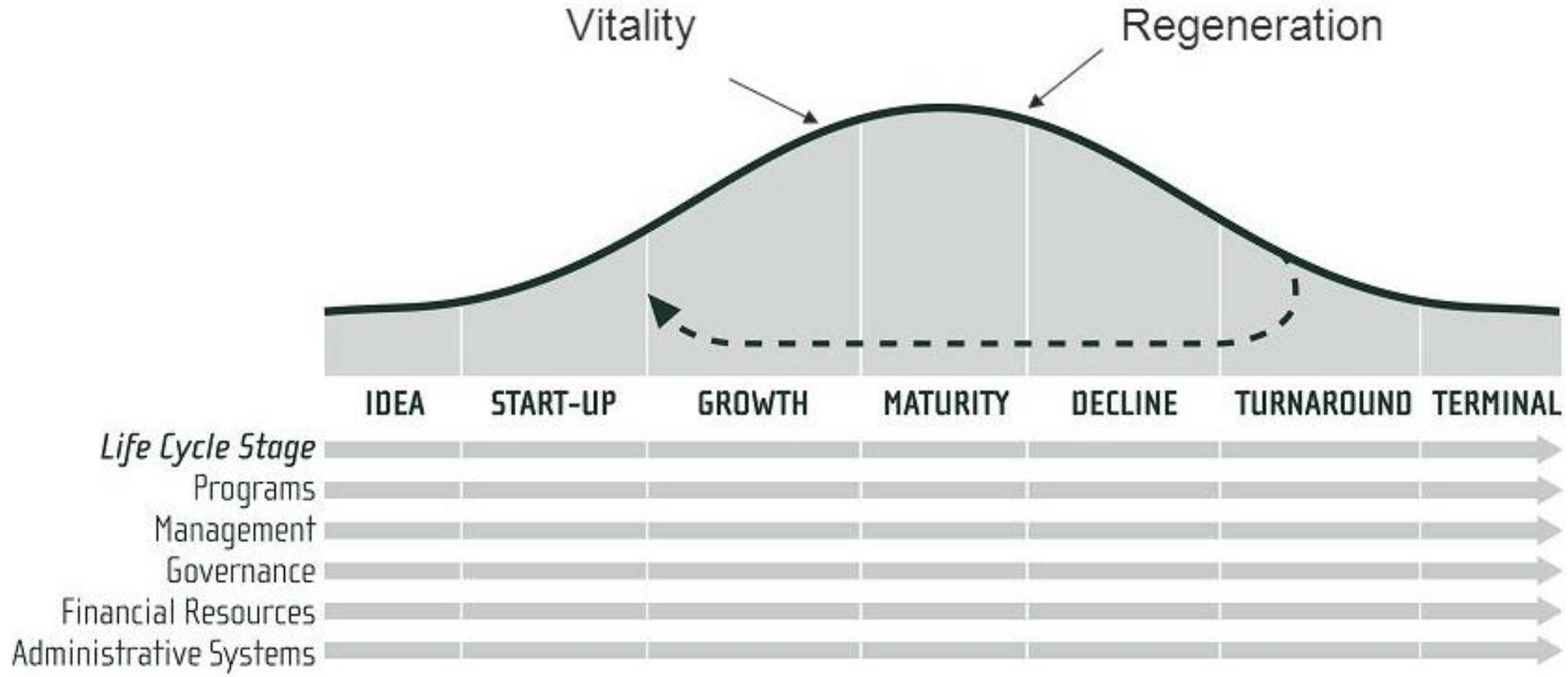


New Vancouver opera aims to change people's minds about ...

[CBC.ca \(blog\)](#) - May 4, 2018

New Vancouver opera aims to change people's minds about ... Opera, and is being performed as part of the 2018 **Vancouver Opera Festival**.





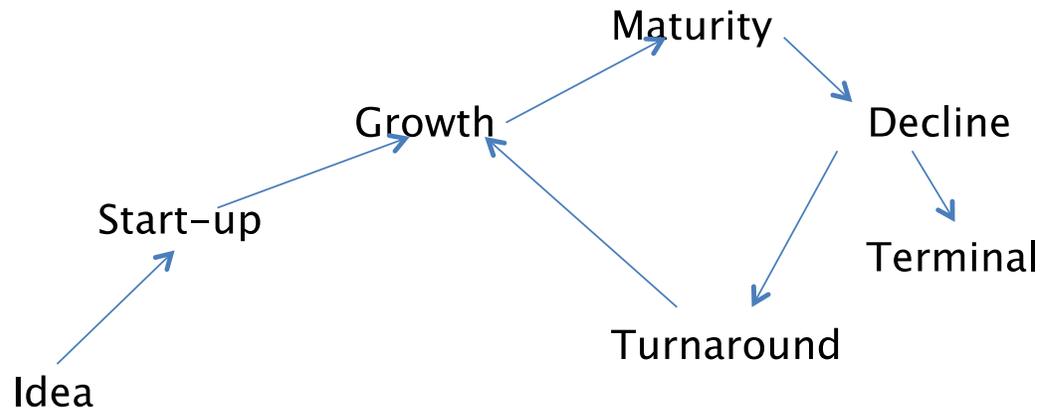
Copyright © 2001 Susan Kenny Stevens, Ph.D.
 Excerpted from the book *Nonprofit Lifecycles: Stage-based Wisdom for Nonprofit Capacity*. All rights reserved.



Life Cycles: Where are you?

Diagnostic Lifecycles of a Not for Profit Board – Susan Stevens

- Susan Stevens, an American studying the lifecycles of not-for-profit Boards uses a diagnostic study of the benchmarks of a Board as it evolves through critical phases. This diagnostic is extremely helpful to identify where a particular Board and Company is in its development of growth or decline.



ADAPTED FOR SM/MED ARTS ORGANIZATIONS FROM “NON PROFIT LIFECYCLES: STAGE-BASED WISDOM FOR NONPROFIT CAPACITY” BY SUSAN KENNY STEVENS

	Start-up Energy and passion are highest but systems generally lag far behind	Growth Program opportunity and audience demand exceed systems and operating capabilities	Mature Org has a reputation for a steady production cycle, a relevant program and a solid operation.	Decline Making status quo decisions based on internal factors	Turnaround Taking decisive action to regain relevance and viability.
Programs	Simple, experimental; doing whatever might prove that artistic program can and should exist	Finding what is distinctive, developing a niche with a specific audience	Balance of favourite programs with audience resonance as well as of artistic renewal with playing it safe	Rigid, status quo; losing audiences to more relevant offerings	Being evaluated and modified in light of market viability; stakeholder input being sought.
Management	Leader is a ‘spark-plug’ and the most experienced staff person; staff wear multiple hats.	Staff battle against lack of time and constant sense of urgency; first intro of staff specialists that require competitive compensation	Second or third gen leadership, mgt perceived as leader among field peers, leader inspires confidence among all stakeholders	Committed to status quo, organizational slippage is ignored, management is trapped by commitment to programs	New leader is strong-willed w clear sense of direction; decisive, able to mobilize resources.
Governance	Directors have personal connection to mission or founder, tend to defer board decisions to founder, do not view themselves in a governance role.	Recruits fr outside friends circle bring higher org. performance expectations; board structure starting to appear.	Board sets direction, leaves mgt to leader; is organized for maximum effectiveness; keeps mandate focussed and vital.	Board only takes action when money starts to run out; not focused on community response to organization.	A core is ready to do what it takes to restore organizational integrity; non-committed members are gone.
Resources	Low-budget, boot-strap operation, budget is the sole financial document, operating on a cash rather than accrual basis	Income sources diversifying; more sophisticated financial management systems are needed.	Multiple sources of income; reasonably accurate financial forecasting and deficits generally avoided	Averse to cutting expenses; income forecasts based on the past, if asset-rich looking to prior earnings to cover current costs	Financial crisis may have been the trigger point therefore often short of cash; willingness to cut expenses to reflect reality.
Systems	Finance and admin functions and systems are generally weak or are outsourced	Systems of all types must now be substantially improved to meet demands of progr expansion, more fundraising, more sophisticated marketing.	Regular communication mechanisms exist within the org and with external publics; admin systems support timely decision-making	Antiquated and physical space may be deteriorating	Existing may be too complicated and expensive for the turnaround stage.



Start-up

Peak energy and passion, but systems lag	
Programs	Simple, experimental, proof-of-concept
Management	Founder driven, everyone doing everything
Governance	Friends circle, deferral to founder
Resources	Boot-strap, cash vs. accrual
Systems	Weak or outsourced finance and admin



Growth

Opportunity & demand exceed capacity	
Programs	Finding niche and audience
Management	Fight for resources, introduction of specialists
Governance	Recruit outsiders, formalize structure and expectations
Resources	Diversification of income
Systems	Implement systems across org. and formalize marketing, fundraising

Based on work of Susan Stevens and Kathleen Speakman



Mature

Steady production and operating cycle	
Programs	Balanced program of artistic exploration and prudent content
Management	Leadership selected for expertise and confidence of stakeholders
Governance	Board sets direction, not involved in mgmt
Resources	Accurate financial forecasting, avoiding deficits
Systems	Admin systems support strategic direction

Based on work of Susan Stevens and Kathleen Speakman



Decline

Status quo decisions and inward looking programming	
Programs	Status quo, loss of audience relevance
Management	Committed to current model, unresponsive to danger signs
Governance	Bottom-line focus, disconnect from community
Resources	Expenses outpace revenue, start to draw down on assets
Systems	Outdated systems entrench status quo

Based on work of Susan Stevens and Kathleen Speakman



Turnaround

Decide to act, try new things, regain relevance and viability	
Programs	Evaluate and refresh with outside input
Management	New leadership sets direction, mobilizes new resources
Governance	Renewal and buy-in with new direction
Resources	Cash strapped in response to financial crisis, climate of austerity
Systems	Shedding expense, adopting new thinking



Based on work of Susan Stevens and Kathleen Speakman

End-Game

- **DECLINE:** Disconnect from community needs, relevance, and sustainable operation
- **TURNAROUND:** Introspection, revisioning, difficult decisions reconnect with community and build organizational viability
- **TERMINAL:** An organization that has lost its will, reason and energy to exist



Growing Cycle

- **INITIAL IDEA:** Perceived need sparks a founding idea
- **START-UP:** Energy and passion are highest, but no systems
- **GROWTH:** Opportunity exceeds current systems
- **MATURITY:** Providing steady, relevant and vital services



Is this the moment for a Strategic Plan?

Taking the Temperature

- SWOT Analysis
- Research & Inputs
- Environmental Scan
- Stakeholder perspective
- Community perspective



Internal Factors



Graphic: Pat Bovey



Finance, Infrastructure

- Do we have the resources we need?
- Can we address a shortfall?
- What is our business model? What pays the bills?
- Are we building or shrinking?

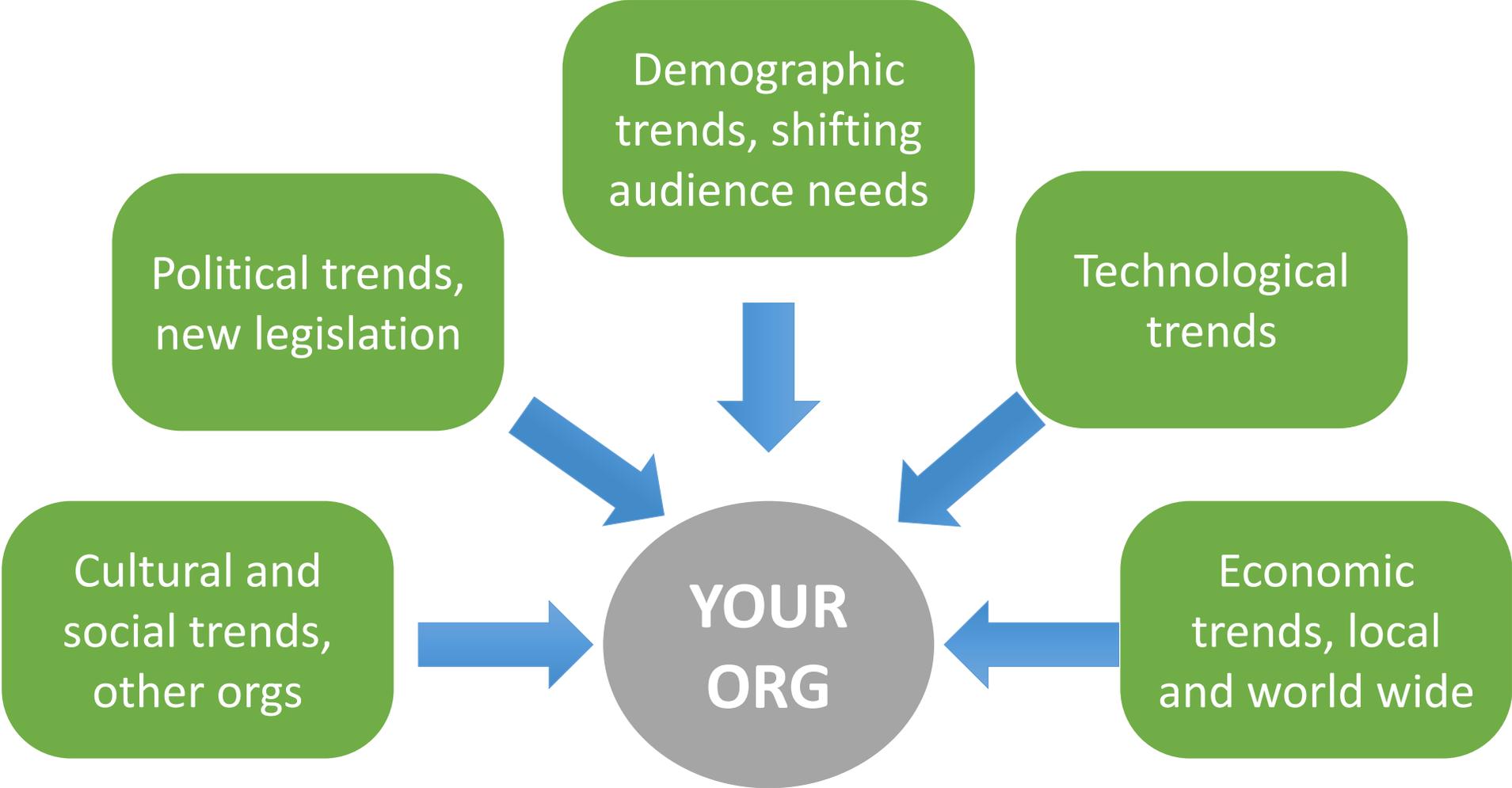


Leadership, Relevance, Priorities

- Is our mission clear and are we delivering on it?
- Do board and leadership priorities connect artistic mission with business needs?
- Will we be relevant in 5, 10 years?
- Do we want or need to change what we do?



External Factors



Graphic: Pat Bovey



Culture, Political, Social

- Are we leading, following or lagging?
- Are we aligned with the political direction?
- Are we creating social benefit? Who sees the benefit?
- Who is our audience? What are they looking at?



Technology, Economy

- Are we taking advantage of new opportunities?
 - Social, VR, Cloud, AI, Projections, Gaming, Travel, Streaming
- Macro-Economic
 - Do we understand the trends and their impact?
 - Inflation, exchange rate, interest, employment
- Local-Economic
 - What are our local economic drivers?



Where are you today?

- Where in your lifecycle?
- What is entrenched?
- Are you trying new things?
- Are you measuring the right things?
- What is happening in your market? How are you responding?
- What is your appetite for change?



Strategic Planning Process



Strategic Planning Basics

Strategic Planning tends to be:

- Big picture oriented (focuses on results and outcomes)
- Methodical (addresses one question at a time)
- Cyclical (continuous and requires feedback)
- Creative (must challenge assumptions)



Consider before you start

- When was a planning process last conducted?
- What records, reports, and results regarding implementation are available?
- What public needs must be met in the new plan?
- What organizational needs should be met in the new plan? Do these needs mesh with the public needs? With the Guiding Principles?
- Is the team appropriate? Is the timeframe correct? Are the financial resources appropriate?



Strategic Planning in the Arts

Overview of the planning process



Environmental Scan

An objective review of the current and anticipated environmental factors that impact your organization.

External areas to review: educational, political, demographic, economic, social / cultural, geographic, technological, other

Internal areas to (potentially) review: operational model, employee skills and demographics, budget, environment and culture



SWOT Analysis

Strengths, weaknesses, opportunities and threats.

Strengths and weaknesses tend to be associated with the internal environment, or the situation inside the organization (operations, performance quality, infrastructure, governance, etc.). These also tend to be in the present. **Opportunities and threats, therefore, relate to the external environment** – the situation outside of the organization. These tend to be posited in the future (competition, trends, political landscape, etc.).



SWOT Analysis

When you conduct a SWOT analysis, be direct, be concrete and focus on constructive observations. For example, under “strengths,” it isn’t particularly useful to say your staff is committed to your mission.

Many nonprofits share that trait (although the opposite would certainly be a weakness). **Focus on areas that indicate a distinctiveness and that result in action.**



SWOT Framework – Simple

STRENGTHS (internal)	WEAKNESSES (internal)
OPPORTUNITIES (external)	THREATS (external)



◆ **Worksheet 13**

Interplay of SWOT

SWOT grid: Using Worksheet 9, look at the interrelationship of your organization's external opportunities and threats and its internal strengths and weaknesses and assess possible short-term and long-term organizational responses.

Major Opportunities

-
-
-
-

Major Threats

-
-
-
-

Primary Strengths

-
-
-
-

Invest: Clear matches of strengths and opportunities lead to comparative advantage.

Defend: Areas of threat matched by areas of strength indicate a need to mobilize resources either alone or with others.

Primary Weaknesses

-
-
-
-

Decide: Areas of opportunity matched by areas of weakness require a judgment call: invest or divest; collaborate.

Damage Control: Areas of threat matched by areas of weakness indicate need for damage control.

(Source: Adapted from Kevin P. Kearns: "From Comparative Advantage to Damage Control: Clarifying Strategic Issues Using SWOT Analysis," *Nonprofit Management and Leadership*, Vol. 3, No. 1, Fall 1992.

© 1997 Support Center for Nonprofit Management.



SWOT Benefits

- A sense of organizational renewal
- Collective wisdom in reflection
- Discovery or re-discovery of a group strategic focus – a new alignment going forward
- Team building
- Insights into reliance
- Meaningful engagement of Board and staff
- Sets criteria for evaluation and improving resource allocation
- Provides a basis for managerial decisions



Strategic Initiatives – Buckets

- Artistic
- Audiences
- Facility
- Operations
- Financial
- Membership and services
- Branding / marketing / awareness
- And more ...



THE CASCADE OF STRATEGIC CHOICES:



The skills and mindset for today's strategic planning will come from continuously asking ourselves these questions about our organizations, programs, and initiatives. Once we accept Dwight D. Eisenhower's sage advice that "Plans are useless, but planning is everything," we will be ready to adapt to whatever curveballs the twenty-first century sees fit to throw.



Once you have a strategic plan (or clear goals), how does change begin?

You need to know:

1. What is the impetus?
2. Why do we need to change?
3. What are the options available to us?
4. What is required to change?
5. What are the implications and consequences of change?



What kind of problems?

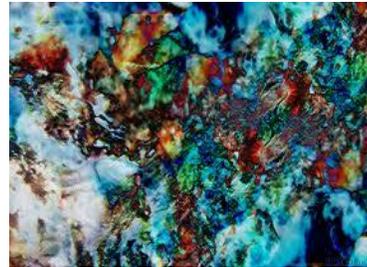
Complex\$



Complicated\$



disorder



Chaos\$



Simple\$



This?



Or this?



SIMPLE

Following a Recipe

- The recipe is essential
- Recipes are tested to assure replicability of later efforts
- No particular expertise; knowing how to cook increases success
- Recipes produce standard products
- Certainty of same results every time
- **KNOWN**

COMPLICATED

A Rocket to the Moon

- Formulae are critical and necessary
- Sending one rocket increases assurance that next will be ok
- High level of expertise in many specialized fields + coordination
- Rockets similar in critical ways
- High degree of certainty of outcome
- **KNOWABLE**

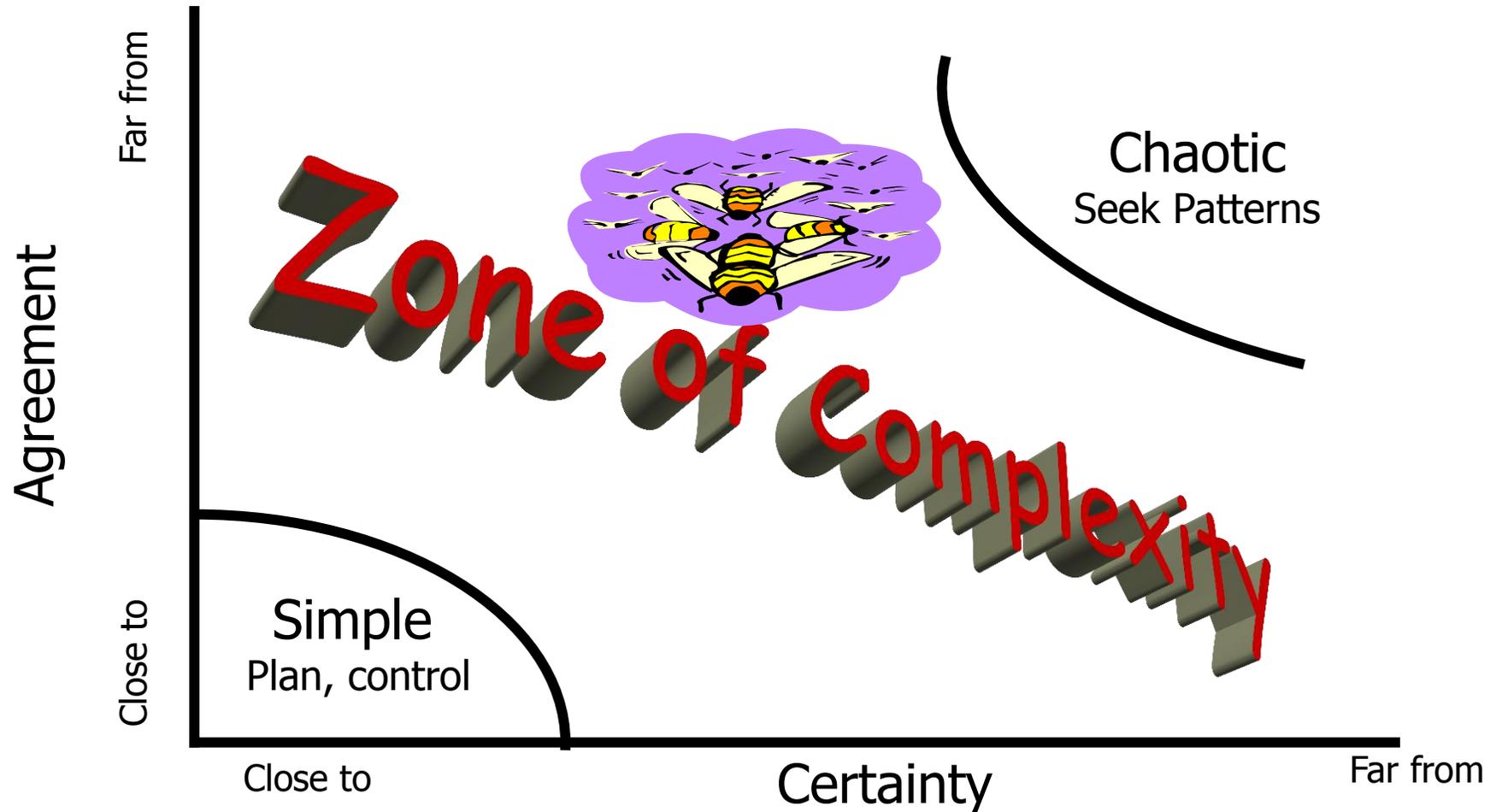
COMPLEX

Raising a Child

- Formulae have only a limited application
- Raising one child gives no assurance of success with the next
- Expertise can help but is not sufficient; *relationships are key*
- Can't separate parts from the whole
- Every child is unique
- **UNKNOWNABLE**



Know When Your Challenges Are In the Zone of Complexity



“Managers would rather live with a problem they can’t solve than with a solution they can’t fully understand or control.”

Eric Bonobea, researcher in swarm intelligence and CEO of Icosystems



The role of INQUIRY in analysis

“... Human systems grow toward what they persistently ask questions about”

(Cooperrider and Whitney, 1999)

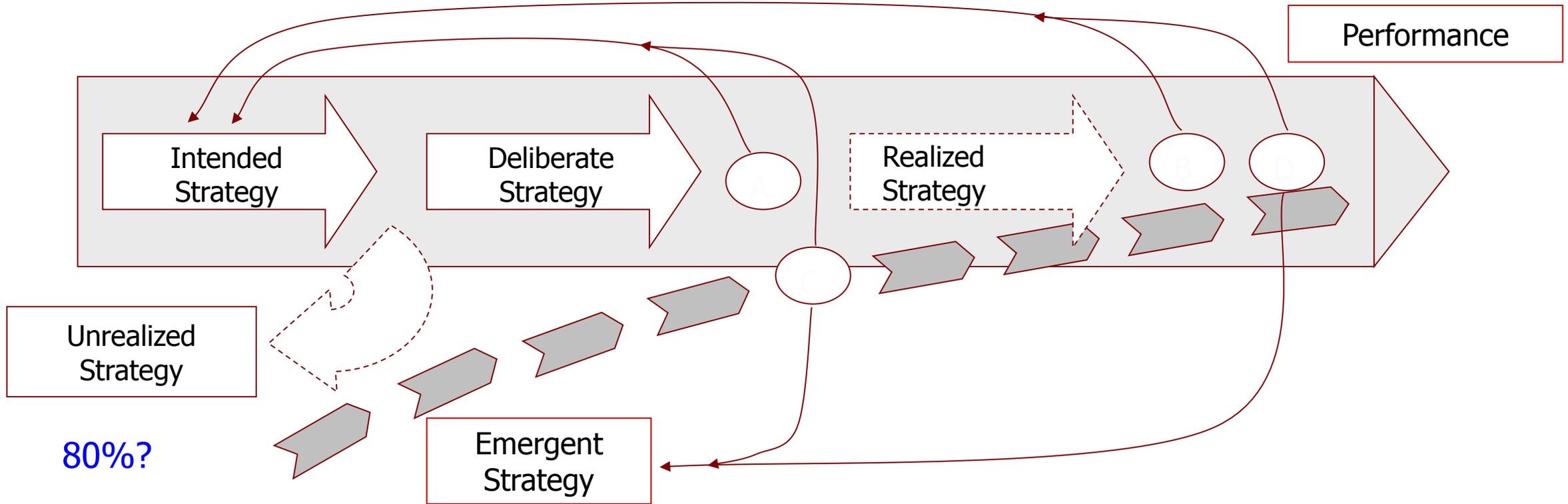


Examining Assumptions

- What stories have surprised you in the last month?
- What trends do you find most troubling for your work?
- Where do you find hope in your work?
- What do people who don't support your work pay attention to?
- Are we planning for probabilities or preparing for the plausible?



Strategy and Change in Practice



Our **intentions**, what we implement, the **actions** of the larger world around us, and **emergence** – together these create impact and bring art and humility to our leadership.

Adapted from Henry Mintzberg

Change: Small vs. Large Org.

Small Orgs

- Nimble
- Quick decision making
- Can change direction easily
- Small resource base
- Limited funding sources
- Difficult to seize the big opportunity
- Can capsize quickly

Large Orgs

- Long-range planning process
- Diversified funding
- Entrenched processes
- Long-term stakeholders
- Changing course takes long time
- Even big projects may not change organizational direction



Change Goals

- What are the goals for the potential change?
- Do you know your constraints (time, money, human)
- Are the goals:
 - Achievable – set out in a plan so you do reach each step
 - Directional – know the path of change, road map analogy
 - Measurable – so you know if you've made the right change?



Change Outcomes / Timeline

OPERATIONAL 6 months (?)	TACTICAL 6-12 months (?)	STRATEGIC 12+ months (?)
Organizational structure	Clarify long-term plans	Clarify strategic plans
Organizational change management	Ensure plans link to vision & guiding principles	Ensure plans link to Strategic Initiatives
Establish policies & principles for new initiatives	Define benchmarks for measuring success	Define time-lines for ongoing measurements



Build Your Change Partners

- Need for collaborators – internal and external
- Identify them through an exchange of ideas and goals – internally and communally
- Listening to responses – honestly
- Deal with issues as they arise, don't wait until the change is complete



Trends & Change

- Contagious behaviour
- Terrifying and exciting
- Plan for a balance of “quick wins” and long term strategic changes
- Analyze consequential benefits



Change – The Hard Part

- Critical to:
- Analyze process along the way
- Keep to the path – there will be difficult patches – keep the reasons and outcomes of change uppermost for all involved
- Understand the timing – at the right time change will work; at the wrong time it won't.



Change Process Guides

- Do you know your / your organizations non-negotiables when entering a period of change?
- **Ensure SMART:**
 - **Specific** – clear, quantified objectives
 - **Measurable** – targets set for objectives
 - **Attainable** – realistic objectives yet challenging
 - **Relevant** – objectives must link to the Guiding Principles and goals
 - **Timely** – dates are included in the change plan



Change considerations

- Key question for stakeholders: How will the change affect me? Must give the right message at the right time
- Public perception to be managed
- Levels of authority to be balanced
- Remember: A secret can only be kept by two people



Change Communication (1 / 2)

- Need to identify parts of the process that are being done well – not only the challenges and those that are still being worked out
- To ensure buy-in it is critical to focus on the positive and highlight the successes – try to quantify them where you can
- Training is critical for all affected – everyone must be empowered with new approaches and technical requirements.



Change Communication (2/2)

- Must relate all change to strategic initiatives and guiding principles:
 - Eg. new initiatives need funding: new money? Redeployed staff and \$ from cost savings and staff reallocations? These are the reasons must be communicated to all affected: TRANSPARENCY
- Goals must recognize capacity.
- The champions of change / change team need to send out clear and non-conflicting messages internally and externally



Change Follow-up

- Need to ensure policies are reviewed to relate to the change implementation
- Need to check the road-map and ensure the tools are in place, relevant and effective
- Need to ensure timelines are monitored, met or adjusted with reasons – the plan must be timed



Measuring Change

Effective change is measurable.

- What has the change accomplished, define your targets
- How has the change been accomplished?
- Monitor and amend your progress relative to the plan
- Monitor your progress relative to your objective



Discussion

What change is happening around you?

What changes do you want to effect?

Who will be your collaborators and supporters?

What obstacles will you have to overcome?



Down the rabbit hole:

The MacMillan Matrix is a tool that is especially designed for nonprofits to assess their programs against trends of increasing demand for smaller resources, to avoid duplicating services, and to increase collaboration.

The MacMillan Matrix helps nonprofits assess each current or prospective program based upon four key criteria: fit, program attractiveness, alternative coverage, and competitive position.

Mission “Fit” - Macmillan

- Fit is the degree to which a program "belongs" or fits within an organization.
- Criteria for "good fit" include:
 - congruence with the purpose and mission of the organization;
 - ability to draw on existing skills in the organization; and
 - ability to share resources and coordinate activities with programs.
- How do new projects “fit”?
- What are implications of “mission drift” for fit?

MacMillan Matrix – Evaluating What We Do

NonProfit Program “Portfolio” Planning		High Program Attractiveness: "Easy" Program		Low Program Attractiveness: "Difficult" Program	
		Alternative Coverage <i>High</i>	Alternative Coverage <i>Low</i>	Alternative Coverage <i>High</i>	Alternative Coverage <i>Low</i>
GOOD FIT with Mission and Abilities	Strong Competitive Position	1. Aggressive Competition	2. Aggressive Growth	5. Support or Build up the Best Competitor	6. "Soul of the Agency"
	Weak Competitive Position	3. Aggressive Divestment	4. Build Strength or Get Out	7. Orderly Divestment	8. "Foreign Aid" or Joint Venture – Work Collaboratively
POOR FIT with Mission and Abilities		9. Aggressive Divestment		10. Orderly Divestment	

Program Attractiveness - MacMillan

- The degree to which a program is attractive to the organization from an economic perspective, as an investment of current and future resources (i.e., whether the program easily attracts resources)
- Any program that does not have high congruence with the organization's purpose should be classified as unattractive.
- No program should be classified as highly attractive unless it is ranked as attractive on a substantial majority of the criteria below:
 - high appeal to groups capable of providing current and future support
 - stable funding
 - market demand from a large client base
 - appeal to volunteers
 - measurable, reportable program results
 - able to discontinue with relative ease, if necessary (i.e., low exit barriers)
 - low stakeholder/public resistance to program services

Alternative Coverage - MacMillan

- Alternative coverage is the extent to which similar services are provided elsewhere in your location or sector
- If there are no other large, or very few small, comparable programs being provided in the same region, the program is classified as "low coverage." Otherwise, the coverage is "high."

Competitive Position - MacMillan

- The degree to which the organization has a stronger capability and potential to deliver the program than others - a combination of the organization's effectiveness, quality, credibility, and market share or dominance.
- Criteria for a strong competitive position include:
 - good location and effective systems
 - large reservoir of community and advocate support and loyalty
 - past success securing funding
 - superior track record (or image) of program delivery
 - large share of the target audience currently served
 - better quality program and/or program delivery than competitors
 - ability to raise funds, particularly for this type of program
 - superior skill at advocacy and stakeholder communications
 - superiority of technical skills needed for the program
 - most cost effective delivery of service.



**Creative
Manitoba**