

How to be strategic in managing a member-based organisation

The word ‘strategy’ can conjure up so many different meanings. It is one of those ‘buzz’ words that people usually treat with respect but often feel unsure about ‘how to do it’.

Unfortunately, managing strategically is indeed rather difficult, but it is a vital concept for all organisations. For member-based organisations, in fact, strategy is doubly important because many such bodies need to think strategically about the *sector* (industry) they seek to promote as well as how they run the organisation itself.

In a nutshell, strategy is about looking at your current situation in a *rounded, fundamental* way using both *analysis* and *imagination* and then using such an assessment to prepare a desired *direction* and *pathway* for the *future*, rather than simply leaving the future to chance.

Strategy is not the same as planning. It is possible to prepare a plan without actually doing any advance thinking or analysis, but this is simply to be naive. To be effectively strategically, first comes strategic thinking and then, secondly, strategic planning.

Unfortunately, most organisations do too little strategic thinking and, if they do any planning, it is usually centred around preparing the annual budget and not much else. In today’s competitive world, though, it is the quality of people’s *strategic ‘awareness’* and *thinking* that is so important, not how well-written their budget or annual plan is. Fresh perspectives and smart initiatives come out of clever thinking, not out of drawing up plans !

The key benefit of ‘being strategic’ is that an organisation can *prepare* for the future better - by being more attuned to its environment, spending time and effort thinking about issues and opportunities in advance and, following from this effort, being better placed to choose more inspired and effective action to deal with the future.

Within this overall concept of strategy, then, it is possible to point to seven key elements of strategic thinking and planning. Let’s look at each one in turn.

i) Strategic analysis

This area of strategy begins with reviewing and assessing the state of the sector served by your member organisation as it is today and identifying, by comparing to the previous few years, what the main general trends, issues, developments, threats and opportunities are that your *members* face.

Typical *statistical* factors to consider, for example, include turnover and volume of sales in the sector, breakdown of the market by product-type, and numbers of suppliers. Other data will depend on the nature of the market and availability of aggregated data but might include, for example, numbers of customers, movements in pricing levels, purchasing or material costs, and levels of complaints.

You should supplement such statistics with a '*qualitative*' assessment of what are the key threats and opportunities facing your members overall in terms of their future. An example of a threat could be a new piece of legislation or a new area of regulation. Opportunities could come from changes in customer tastes or behaviour or arrival of a new form of technology.

Once you have looked at sector level, you should carry out a similar, *internal* 'strategic' assessment of your own organisation – sometimes called a 'SWOT' analysis. This involves considering what your organisation's strengths and weaknesses are as well as what the specific opportunities and threats are that it faces. Do not make the mistake of simply equating the opportunities and threats facing your sector as those applying to your member body: you are running an organisation that has its own more mundane and specific issues which you must worry about as a manager e.g. membership numbers, financial reserves.

ii) **Strategic thinking**

This stage in the strategic process involves developing thoughts and ideas about how the future might look in a few years time, based on projecting forward existing trends or known developments *and* imagining how new 'ways of doing things' might be developed in the market (e.g. new types of product, different marketing methods etc).

It is best achieved by first producing a simple summary of your 'hard' strategic analysis, giving this to a range of people in your sector (at least your elected members and senior association staff) as a prompt and thought-starter, and then asking each of them to '*free their minds*' and make some predictions or give some creative ideas about how they think the market might or could look in a few years time and noting what are the key factors driving their perspectives.

All participants should be brought together – ideally with the support of an independent facilitator - to share and discuss their thoughts and from this a number of common, major points of agreement about the future will emerge. No predictions or ideas, of course, can be seen as correct or certain, but the exercise will produce a *richer* set of perspectives than just relying on hard analysis and, within that set, will be some powerful, insightful views that your organisation can think about further and build on.

iii) Stakeholder consultation

Wide involvement of people is not just helpful for strategy development but, of course, in member-based bodies it is often expected – especially amongst members. Helpful tools include postal questionnaires, telephone questionnaires, internet-based polls, a survey on the back of your association’s website, and a questionnaire given out a well-attended member event (e.g. annual conference). As well as these ‘quantitative’ tools, try and arrange also some dedicated workshops or seminars and 1:1 meetings for people to discuss points in more detail.

iv) Strategic direction

The next step is to define some key priorities and *intentions* for the future. To achieve this your association’s Board / senior team will need to spend time discussing the range of key points and ideas that have been gathered, weighing up the merits of different options, and then judging what set of intentions makes most sense. Again, an external chairman / facilitator will be very helpful at this stage.

For clarity and ongoing reference, you should express key intentions in precise, written terms – ideally in three key ‘*statements*’. Firstly, define an overall ‘*Vision*’ for your sector – a broad description of how you would like to see your sector look like in a few years time and what changes or developments will be needed from now to achieve that vision. Paint a picture which is *aspirational* and stretching but not totally idealistic and impossible.

Secondly, define an updated ‘*Mission*’ for your member organisation – a succinct description of the core role and purpose of your organisation (its *raison d’être*). Thirdly, define a list of ‘*Medium-term Goals*’ for your organisation – a set of specific developments and achievements your association should work on and deliver on over the next few years which will help foster the Vision defined for your sector *and* address particular internal weaknesses or issues facing the organisation itself (e.g. need to boost reserves).

v) Business (operational) planning

This area of the strategic process – more familiar to most managers – involves thinking about and defining exactly what *action* your organisation is going to implement over the next year (or two) in furtherance of the particular medium-term goals and mission that have been defined.

Key elements to include are a priority set of top-line goals, an overall budget, a set of specific goals for each area or function of your association, an outline of action intended under each goal, major action milestones/deadlines, and an organisational chart with a list of action responsibilities. Be sure to include action for your support services e.g. human resources, IT, and facilities. Other useful elements are a list of key assumptions made in preparing the plan, what key risks exist in the plan and contingency action that would be taken, and an outline of how performance of the plan is going to be tracked and reported.

vi) Performance management

This stage in the strategic management process is about *implementing* your operational plan and seeing it through to completion. Most plans actually are very poorly implemented, so it is worth giving this area extra effort.

Effective implementation includes five key principles: early briefing and discussion with all staff about the overall contents of the plan (so they feel involved and see where they ‘fit in’); division of planned action amongst individual leading staff members; working up a specific set of performance objectives for every staff member; close tracking and comparison (at least monthly) of actual performance against each primary set goal; and taking corrective action where performance is not good enough or making a change to the original plan if it is not longer appropriate.

vii) Ad-hoc issue management

Being strategic is as much about thinking effectively about *ad-hoc* issues and opportunities (e.g. an unexpected court ruling or negative media publicity around a new academic study) that come up during the year as about doing an overall annual strategic assessment and preparing an annual plan.

Managing ad-hoc issues strategically involves in a compressed way essentially the same core approach outlined above. Foremost, however, is the critical need for an organisation to have in place a continuous ‘eyes and ears’ *intelligence* system for actually spotting ad-hoc issues. Such a system ranges from staff monitoring relevant news media and scientific and public affairs sources to talking regularly to industry experts and opinion formers and members raising points at your committee meetings and events.

The other core elements in an effective issue management system are: assessing which issues are potentially significant and which are not; looking into and analyzing facts and background information relating to selected issues; thinking about in more detail the future implications of those issues for your sector (association); and then planning appropriate action in advance to deal with those issues. Consideration of issues is best handled by a small team of people that meets regularly, rather than rely just one individual.

These, then are seven key principles of sound strategic management. If you keep them in mind and apply them, your organisation will certainly be much better placed for preparing effectively for the future and achieving the influence and success you want.

Written by Mike Owen of Owen Morris Partnership. If we can help YOUR organisation with any of the issues covered above, do get in touch. Tel: 01494 761811. Web: www.owenmorrisconsulting.com.