

# FROM STRATEGIC PLANNING TO STRATEGIC POSITIONING

## CONSERVATION IMPACT & NONPROFIT IMPACT

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### Introduction

Strategic planning has been the mainstay of nonprofit organizational development for decades. Defining mission and vision, setting strategic goals, and creating work plans are the foundation of any professional enterprise. Nonprofits typically go through the strategic planning process upon start up, after a few years of passionately providing services, at a transition point, or as a result of significant industry changes.

In today's complex and competitive environment, however, the traditional strategic plan isn't enough. While defining mission, vision, and goals are sufficient to maintain or grow an organization, it doesn't always capitalize on new opportunities or best leverage an organization's assets. We suggest that sophisticated and successful nonprofits consider strategic positioning to get to the next level.

Strategic positioning is outward-focused, more fully recognizing the competitive and market environment within which an organization operates. Positioning defines an organization's specific niche within its sphere of influence. With a strong strategic position, the organization is poised for ongoing success, sustainability, and distinct competitive advantage.

### Strategic Planning

Since strategic positioning is an enhancement to strategic planning, a review of the fundamentals is useful. Good strategic planning is about focus and choices. Strategic means *deliberate* decisions based on internal, external, and market *context* as well as current and anticipated conditions. It should be an analytical and objective process to define an organization's direction and the strategies to achieve results. To be clear, strategic planning is not a visioning process, nor a brainstorming process meant to generate ideas, nor a long list of strengths, weaknesses, opportunities, and threats.

### Strategic Plan Outline:

- ▲ Mission
- ▲ Vision
- ▲ Guiding Principles
- ▲ Strategic issues
- ▲ Imperatives
- ▲ Goals and Objectives
- ▲ Tasks and Deliverables

The strategic plan is a useful and viable nonprofit management tool, provided it...

- ▲ Is based on external, internal, and market context and objective data and information.
- ▲ Involves a systematic and informed decision-making process, and the plan reflects deliberate choices.
- ▲ Is used as a touch point for programmatic, marketing, resource development, and operational decisions.

### Analysis as Context

Effective strategic planning starts with deliberate *analysis* given specific conditions and parameters. Analysis examines relevant information and data to define the best of various alternatives. A substantive analysis will identify the three or four critical strategic issues confronting an organization at a given point in time.

### Strategic Decisions

The strategic planning process is a means to an end. It is a process that should have a specific outcome. It is only useful if it generates clear, unequivocal decisions and defines the specific strategy to achieve ends.

In addition to producing the plan and getting everyone on the same page, the planning process can yield indirect benefits. The retreat can enhance communication among board and staff, for example. By working through strategic choices and making hard decisions, board and staff develop a greater understanding of each other, the organization, and its mission. Board development takes place by engaging people in real strategic-level work, enabling them to fulfill one of the roles of governance.

### A Touch Point

The plan should reflect the decisions made during the process. The document is a touch point for everyday programmatic, marketing, resource development, and operational decisions.

The plan becomes the agenda for board meetings and all staff meetings. Organizational progress and success is based on asking, “Where are we towards the accomplishment of strategic goals?”

**“Positioning is not what you do to a product. Positioning is what you do to the mind of the prospect.”**

**—Jack Trout**

Once strategic decisions are made, the organization recalibrates around the plan by addressing these questions:

- ▲ What do we stop doing, or what do we do differently?
- ▲ How do these decisions impact or leverage our work with our constituents?
- ▲ How do we organize for success?
- ▲ Do we have the right staff and board—with the right skills, carrying out the right functions—to achieve strategic goals?
- ▲ Do systems, structures, and culture facilitate the accomplishment of goals, and what are the inherent obstacles?

## **Strategic Positioning**

### The Next Level

Strategic planning is a fundamental management tool. Organizations that have mastered the fundamentals or are ready to go to the next level of development will want to consider strategic positioning.

For example, organizations that are clear about mission, methods, and distinctive competence will want to do more than set strategic goals in a planning session. Organizations have also used a positioning process because they have outgrown their niche. Positioning can be useful for organizations with substantial strengths and skills that seek to optimize those assets.

Positioning defines, creates, or re-creates an organization’s niche within a sphere of influence. Positioning is relative to the competition, other players, or constituents. According to Jack Trout in his book *Positioning: The Battle for Your Mind*, it is not about the product, it is about where you are in the mind of your constituent.

Positioning more fully defines the organization’s identity and helps to create distinction in a competitive environment. Organizations that are well-positioned have a presence which allows them to achieve strategic goals in a seemingly effortless manner.

These are the organizations that have a “bigger than life” organizational persona. They are able to command attention, appear ubiquitous, and are always at the right tables.

### The Positioning Process:

1. Complete the situation analysis
2. Analyze the competitive/comparative environment
3. Understand constituent and potential constituent interests and unmet needs
4. Define organization's distinctive competencies
5. Identify gaps, needs, or unsolved problems
6. Create alternative positions and define implications of each
7. Select the most strategically advantageous position
8. Create strategic plan based on position
9. Align organization to fully occupy position in niche

### The Positioning Imperative

In our experience working with hundreds of nonprofits around the country, we have seen the impetus for positioning come from several places. Donors, members, or other stakeholders may define the organization's position for them. River protection groups, for example, are often expected to be the "voice of the river." In another example, an organization's campus designation to the National Register of Historic Places necessitated a repositioning from a relatively small, local attraction to a national player of unique distinction. Sometimes an organization's position emerges from the situation analysis. One analysis revealed that the nonprofit community had expectations that the organization would be the leader in the state, representing the sector in significant policy issues.

Positioning is a useful approach when an organization needs to more clearly distinguish itself or to have a greater impact. A good example is from our work with human service organizations. In addressing the needs of parents, families, or children, human service organizations can find themselves providing a vast array of services. The pressure to create new projects, or to expand programs to meet ever-increasing needs, can result in the organization becoming the proverbial "all things to all people."

Deliberately defining a position helps an organization be more focused and distinct. One human service organization decided to fully own the "family self-sufficiency" position in their community.

They defined the desired results and the processes necessary to achieve those results. They realigned the organization and transitioned out of major programs and facilities to be more efficient in the allocation of resources. The organization has become a model of re-invention and impact.

Positioning is also an imperative when an organization has outgrown the market or has the capacity to expand. One statewide organization outgrew its services to its constituents. Its positioning process helped to define its distinct expertise and highlighted the opportunity to apply those skills in a broader geographic market. In another situation, a large, successful, century-old human services organization redefined its position in order to best leverage its assets and brand. Its distinct assets were under-utilized as a local, direct service provider. It had opportunities to reposition as a national model.

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## The Process

Like planning, strategic positioning is a systematic, objective process based on context, analysis, deliberate decisions, and organizational alignment. As shown in the diagram on page one, positioning enhances and informs the strategic planning process.

## Situation Analysis

The situation analysis for the positioning process expands upon the analysis used as context in planning. It is a more externally-focused, constituent-centered approach to understanding the industry and macro-environment in which the organization operates.

### Situation Analysis

*Comprehensive analysis examines external, market, and internal data and information as the context for decision making.*

#### External Information

- ▲ Nonprofit trends and issues
- ▲ Sub-sector information and data
- ▲ Socio-political-economic trends and issues
  - ▲ Policy and technology impacts
  - ▲ Industry analysis

#### Internal Information

- ▲ Management information, data and measurement systems
- ▲ Organizational structure including reporting relationships and lines of communication
  - ▲ Decision-making processes and lines of authority and responsibility
    - ▲ Human resources plans and capacity
    - ▲ Organizational culture, values, and style

#### Market Information

- ▲ Current constituent data
- ▲ Marketplace trends and issues
- ▲ Related market demographics and psychographics
  - ▲ Competitor information

**The positioning process is a great way to leverage organizational assets.**

**Strategic positioning encourages organizations to go deeper and be more constituent-centered.**

## Competitive Analysis

Most nonprofits are not comfortable with the idea that they compete for market share. Nonprofits are trained to distinguish themselves from one another. Oftentimes funders require collaborative approaches in a competitive funding environment making for a very interesting market scenario! Asking the question, “Who is the competition?” typically yields less than useful results. Most will not admit that there are organizations, companies, or government agencies that provide the same services. In many instances, the competitors are also partners and collaborators.

We have found it more useful to ask, “If your organization went away tomorrow, what organization would likely fill its niche?” This line of questioning typically yields a handful of competitors. Websites with resource links also provide lists of other organizations that occupy a similar niche.

A good competitive analysis provides a detailed comparison of the mission, programs, members, budget size, and funders of similar organizations, at a minimum. An enhanced analysis would assess distinctive competencies and personnel, markets and market penetration, partnerships, board networks, and operating models.

## Constituent Interests

Typically, nonprofit member, donor, and volunteer research takes the form of customer satisfaction surveys. Strategic positioning encourages us to go deeper and be more constituent-centered. Being constituent-centered focuses on what the organization knows about the constituent rather than trying to discern what the constituent knows about the organization. In addition to what is known about current constituents, what is known about the interests, attitudes, behaviors, and unmet needs of *potential* constituents?

Social marketing research reminds us to understand constituent behavior—what they perceive as benefits and obstacles to changing behavior. Objective, attentive research will provide insights to unmet constituent needs or interests or to the products or services that would bring about desired behavior (whether it is to stop smoking or to donate to your cause).

**Does the organization have a unique business method? Has it excelled at a distinct process? Does it have expertise and skills that the competitors do not?**

## Distinctive Competencies

Organizations with clear and focused mission and identity generally have developed methods, skills, or assets that have allowed them to excel in a particular area. Over time, those skills become distinctive and competitive advantages. The positioning process is a great way to leverage those assets. What does the organization do uniquely or particularly well? Where are its strengths and assets? What does it excel at or where does it have competitive advantage? Distinctive competence is one or two things, not a long list of generic characteristics or styles, such as “collaborates well.”

Does the organization have a unique business method? Has it excelled at a distinct process? Or does it simply have expertise and skills that the competitors do not? An environmental group, for example, has a unique partnership with a renowned law school. It has access to legal expertise that few other organizations can boast.

In other situations, well-established and well-endowed organizations had research capacity that was unmatched nationwide. In the case of a human service agency, it housed a research staff that had become experts on outcome evaluation. In the case of a natural area preserve, their research station had unique longitudinal climate data from over 70 years. In both cases, the distinctive competence provided unparalleled opportunities to position within a broader sphere.

## Gaps and Unmet Needs

Unmet needs and gaps should emerge from the situation analysis, competitive environment, constituent needs, and distinctive competencies. If the needs are not obvious, presenting the data and information to a board, staff, or advisors is a way to elicit response and conclusions. The true value of a board with diverse backgrounds and expertise is that each person sees the situation differently.

In some cases, the overlap between unmet need and organizational competence is quite obvious. In others, gaps may not yet have been defined as a need. However, the enterprising organization will see the opportunity to better achieve mission.

**Positioning can help an organization meet unmet needs and occupy a larger niche.**

**There are usually several potential positioning opportunities.**

### Alternatives and Selection

There are usually several potential positioning opportunities. Options may be to go broader or to go narrower, as in the case of the human service agency that decided to focus solely on family self-sufficiency. A local or statewide organization may have an option to go regional or national.

Selection of the appropriate position is a strategic decision. Decision considerations include the organization’s tolerance for risk or change. Some positions are likely to be more challenging or more radical than others. Funding options and feasibility are strong considerations in position selection. While some alternatives may be most attractive, they may be more difficult to fund. In some cases, to more fully occupy a position the organization may have to vacate another. Each alternative position has its own set of implications. In all cases, however, the appropriate position should be strategically advantageous and align with the organization’s mission.

### Example: Alternative Positions for a Land Stewardship Youth Corps Association

Position	Opportunity	Focus	Brand	Organization Role
Local	Community	Indispensable to a thriving, healthy community; Highly decentralized Local connections	Youth as a community asset	Builds strength of each corps in community
State	Network	Focuses on common themes, values, goals Power, position and clout that no corps individually can muster	Statewide network	Voice of the whole Marketing and fundraising Links the parts
Regional	Franchise	Distributes (sells) the youth conservation corps model: accreditation, projects, teams, wages	Changing kids’ lives through conservation projects	Feasibility assessments, franchise partners, accredits, evaluates, tech assistance Assures consistency and standards
National	Career	Professionalizes conservation corps work Provides career path in stewardship or related fields	Corps work is a viable career ladder	Develop and “institutionalize” certificate, degree and continuing education programs Establish and promote the profession

**The position will influence goals and objectives moving forward.**

It is critical to emphasize that positioning is not necessarily about taking an organization into a whole new area, nor does it suggest the organization become too diverse or unfocused. Positioning is based on distinctive competence and clarity about mission, method, and skills. Being deliberate about the position goes beyond organizational identity to strategic advantage. It goes beyond organizational description to clear distinction in the marketplace and in the minds of constituents.

### Strategic Planning and Organizational Alignment

With clarity of position, the organization can move into the strategic planning process. The position will influence goals and objectives moving forward. Upon completion of the planning process, it is necessary to align and develop the organization to achieve goals and support position. In its simplest form, for example, an organization cannot be the “voice of the sector” if it has no research or advocacy capacity.

An organization cannot promise to be the leading source of accurate and current information without the systems and technologies to handle that information. At a more complex level, organizations may have to undergo comprehensive redesign and resource reallocation. This was the case of the human services organization that sold off assets that were not within its more focused position and transferred entire programs to other organizations.

### The Benefits of Strategic Positioning

Organizations seeking to advance to the next level will want to embrace strategic positioning. The next level can mean different things to different organizations. A mature organization seeks rejuvenation, a growing organization endeavors to broaden their reach, or a young organization wants to strengthen its identity.

#### Rejuvenation

Positioning was key to the revitalization of a statewide association. A positioning analysis validated a gap in leadership sector-wide. The organization’s donors, clients, and stakeholders, as well as the external and market conditions, highlighted a need for the organization to better fulfill its potential and live up to its brand.

**Organizations seeking to advance to the next level will want to embrace strategic positioning.**

**The appropriate position should be strategically advantageous and align with the organization's mission.**

**A viable position implies being strident and true.**

The positioning analysis, and subsequent decisions made by the board, rejuvenated the organization as it redesigned programs, created a stronger public image, hired staff to fill needed services, and positioned itself in a new arena. Positioning literally defines the tables at which one sits (who one talks to and what names are on the speed dial). To fulfill the sector-wide leadership position, the organization needed to be comprised of leaders who interacted with other leaders.

### Broader Reach / Greater Impact

Positioning can help an organization meet unmet needs and occupy a larger niche. One organization had successfully met its goals. The savvy director understood that simply doing more, or incremental growth, was not a sustainable business model. A positioning exercise defined significant opportunities in a broader geographic marketplace that built on distinct organizational assets and filled an unmet need. A subsequent business plan and financial projections proved that this was a viable next level for the organization.

### Stronger Identity

Positioning sometimes means that an organization's identity needs to catch up with its image (how it is perceived by others). It is not unusual for small organizations to reach a point in which they need to more fully occupy their position.

We have seen several situations in which the organization's image demanded that it step up to the plate and have much greater capacity to do the job. In one case, constituents perceived a regional organization as the leader in their field. The organization's self-image was much more humble. The organization needed to more fully occupy their position or risk losing it.

There are many examples of nonprofits that operate with a resource-poor perspective and are unwilling or unable to invest in the infrastructure to support the organization they have built. Organizations need the capacity and infrastructure to successfully own a position.

Positioning strengthens an organization's identity. It is not possible to "sort of" position. A viable position implies being strident and true. Being weak, not filling the position fully, or not living up to identity undermines the ability to position and leaves the niche open to others.

## Conclusion

Strategic positioning is an enhancement to good strategic planning. It is a tool to take an organization to its next level, and to significantly leverage success and assets for greater potency and sustainability. Strategic positioning fulfills mission, but more importantly, it is what the constituents expect and what the environment demands. A positioning process is a tool that may uncover significant opportunities. Strong and successful organizations will want to be well-positioned to have impact and to achieve results.

## About the Author



Shelli Bischoff is the president and founder of Conservation Impact and Nonprofit Impact. She has 30 years of experience in nonprofit and public management, planning, marketing, and organizational development. She has provided technical assistance and consulting services to thousands of nonprofits, public agencies, and small businesses throughout the country.

Shelli is a much sought-after consultant and trainer known for her focus on outcomes, her passion for organizational impact, and her dynamic and candid style. She is a strategic thinker who gets to the core of issues, creates practical solutions, and inspires clients to achieve greater impact than they could have ever imagined.

Shelli is currently an adjunct faculty member at the Colorado School of Public Health, previously served as adjunct faculty in the Regis University Master of Nonprofit Management Program, and has been a visiting professor at College of the Atlantic. She has held several nonprofit management positions, created successful, revenue-generating nonprofit ventures, and has served on nonprofit boards. She holds a Master's of Public Administration from the University of Colorado.



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For more information about our practices, our team, and our work, please visit us online at [NonprofitImpact.com](http://NonprofitImpact.com) and [ConservationImpact.com](http://ConservationImpact.com) or call us at 303-223-4886.