

## **POLICIES**

### **STRATEGIC MANAGEMENT**

#### **PURPOSE**

This document establishes the policies and procedures for the strategic management of the association, which includes strategic planning, implementation, assessment and adjustment of the direction and resources of the association.

#### **BACKGROUND**

NCMA has utilized various strategic planning methodologies over the years, relying on the knowledge and experience of its elected and staff leadership. However, there has been little to no consistency in the methods, approaches, and results, primarily because the strategic processes were not well-defined, and each new President adopted their own approach based on their personal experiences. This resulted in an inefficient and ineffective process over the long-term, with a constantly shifting set of priorities that tended to focus on short-term, annual objectives, tied to annual terms of office.

#### **DEFINITIONS**

Strategic management is an ongoing process of planning, implementing, assessing, and adjusting that drives the association towards its vision.

Planning includes examining and revising the vision, values, and mission of the association, determining strategic objectives, scanning the external environment for opportunities and threats, assessing organizational strengths and weaknesses, developing alternative strategies and selecting strategies in furtherance of the desired objectives.

Implementation is the translation of the strategic direction established in the planning phase into action based on operating plans specifying work tasks, schedules, and resources.

Assessment is the process of routinely and periodically measuring how effective operations have been at implementing the chosen strategies, and how successful we have been at achieving strategic objectives.

Adjusting is the process of revising plans, including strategic and operating plans, to compensate for changed circumstances, which may include new, new technological, competitive, economic, social, financial, or political environments.

## POLICY

NCMA's strategic management process is an ongoing, continuous business process, used to position NCMA to successfully achieve its mission. The process enables the Board of Directors to determine the organization's mission and purpose, ensure effective organizational planning is in place, ensure adequate resources are allocated to meet the mission, and to provide effective oversight through a monitoring and assessment process.

## RESPONSIBILITIES

The Board of Directors is responsible for determining NCMA's mission and purpose, ensuring plans are in place and resources are provided to achieve the mission, and overseeing progress against plans and how resources are being utilized. Specific duties include:

- ensuring the association's strategic management process is in place, is being utilized, is effective, and is adjusted when necessary,
- periodically examining the mission, vision, and values statements for currency and relevancy, and revising them as necessary,
- establishing strategic objectives, overseeing progress made in achieving objectives, reviewing objectives periodically to ensure they advance the vision, and revising objectives as necessary,
- approving strategic plans, operational plans and budgets, and
- overseeing operational and financial performance.

The Executive Committee is responsible for:

- participating in operational planning and budgeting.
- continuously assessing progress towards objectives.
- implementing the Strategic Management Policy.

The President serves as Strategic Planning Committee Chair, and is responsible for:

- appointing up to twelve committee members, including all members of the Executive Committee, the Executive Director, and other persons as appointed by the chair,
- coordinating the work of the Committee, and the participating of other committees,
- conducting a comprehensive review, with participation of the Executive Committee, at the end of the program year and present results at the first Board meeting of the next program year, and
- managing and leading the committee.

The Strategic Planning Committee is responsible for:

- conducting an environmental scan,
- reviewing current strategies, generating and evaluating alternatives, and proposing revisions to the strategic plan, and
- evaluating effectiveness of strategies and measuring progress towards objectives.

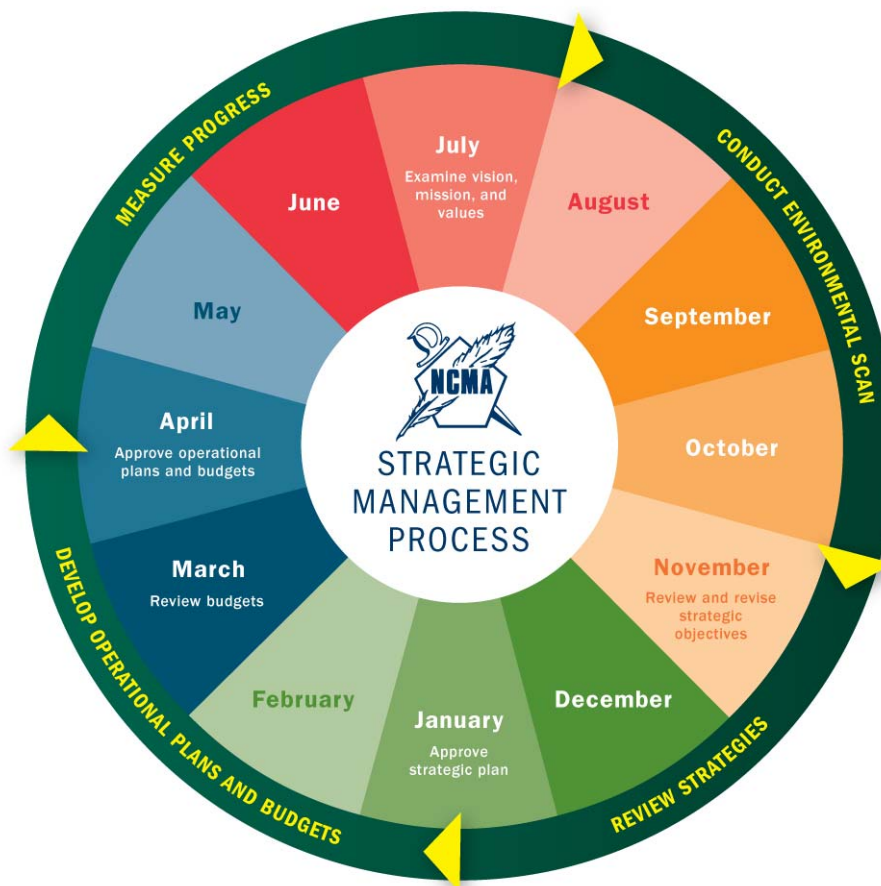
The Executive Director is responsible for:

- training and orienting Board Directors, the President, the Strategic Planning Committee Chairperson, committee members and staff on this policy,
- conducting research and assessments to ensure the committee has necessary information to effectively conduct environmental scans,
- conducting research as necessary to enable the committee to develop alternative strategies for consideration,
- developing operational plans and budgets,
- providing information to enable the committee to evaluate the effectiveness of strategies and measure progress towards objectives,
- providing assessments at each Board meeting, describing progress against the strategic plan, and
- participating in committee activities.

The Finance and Budget Committee's role in strategic management is to oversee operating and capital expenditure budgets and financial reporting, and recommend reserves levels.

## PROCEDURES

Figure 1. NCMA Strategic Management Process



The NCMA strategic management process is shown in Figure 1 above. The process includes the following steps:

1. **Examine mission, vision, and values statements for currency and relevancy.** One of the primary purposes of strategic management is to reaffirm a shared understanding of why NCMA exists and to define its aspirations for the future. The articulation of these concepts and understandings are contained in the mission, vision, and values statements. According to BoardSource, one of the ten basic responsibilities of not-for-profit boards is to “determine the organization's mission and purpose. It is the board's responsibility to create and review a statement of mission and purpose that articulates the organization's goals, means, and primary constituents served.” Therefore, this task is accomplished by the Board of Directors at its first meeting of the year (usually July).
2. **Conduct environmental scan.** No organization exists within a vacuum – there are many circumstances that exist in the world that will directly or indirectly NCMA, now and in the near future. In addition, NCMA’s current condition must be understood in order to complete a picture of the environment. The purpose of environmental scanning is to obtain data to help NCMA make important decisions about objectives, strategies, resources, and programs. While the Strategic Planning Committee is responsible for conducting the environmental scan, the Executive Director will conduct much of the external research and internal assessments for the committee. Key stakeholder groups, including members, Board of Directors, Board of Advisors, advertisers, and more provide essential feedback during the scan process. The environmental scan process begins in August and should be complete by October 31<sup>st</sup>. The information contained in the scan positions the Board of Directors to review and revise strategic objectives using a more informed and fact-based view of the world.
3. **Review and recommend revisions, as necessary, to the strategic objectives.** This task is accomplished by the Strategic Planning Committee between July and November. Recommendations are presented to the Board of Directors at its second meeting.
4. **Review strategic objectives, and revise as necessary.** This task is accomplished by the Board of Directors at its second meeting of the year (usually November).
5. **Review current strategies, generate and evaluate alternatives, and revise strategic plan.** This task is accomplished by the Strategic Planning Committee between December and mid-January. The output is an updated document 1-4, Long Range Plan and Strategic Objectives, for distribution to the Board of Directors prior to the third Board meeting of the year (usually January).
6. **Approve revised strategic plan.** The strategic plan is published as NCMA 1-4, Long Range Plan and Strategic Objectives, upon approval. This task is accomplished by the Board of Directors at the third Board meeting of the year (usually January).

7. **Develop and/or revise operational plans.** This task is accomplished by the Executive Director between mid-January and early-March. The output is a budget strawman presented to the Finance and Budget Committee.
8. **Review proposed operating budgets, capital investment budgets, and reserves plans.** According to BoardSource, two of the ten basic responsibilities of not-for-profit boards are to “provide proper financial oversight” and “ensure adequate resources”. These responsibilities are met in part in the development of the annual budget. At NCMA, the task for preparing the budget has been delegated to the Finance and Budget Committee through Policy 3-3, Finance and Budget Committee. With the participation of the Executive Committee and the Chair of the Asset Management Committee, the Committee reviews the strawman operating budgets and plans developed by the staff to ensure they effectively implement the chosen strategies in furtherance of the strategic objectives.
9. **Approve operational plans and budgets.** This task is accomplished by the Board of Directors at its fourth meeting of the year (usually April).
10. **Measure and evaluate effectiveness of strategies and progress towards objectives.** In executing its responsibilities for establishing the organization's mission and purpose, the Board of Directors must conduct oversight to ensure the organization is accomplishing its strategic objectives. This includes assessment of the strategies chosen, as well as the effectiveness of operations in implementing chosen strategies as planned. This task should be continuous to some degree, with feedback provided by the Executive Committee at each Board meeting during the year. However, the Strategic Planning Committee will conduct a comprehensive review, with the participation of the Executive Committee, between May and June, culminating in a report to the Board at the first Board meeting of the new program year (usually July).

#### PERFORMANCE SCHEDULE

<u>Task</u>	<u>Schedule</u>	<u>Responsible</u>
1. Examine vision, mission and values statements for currency and relevancy.	July (at ADC Board Meeting).	Board of Directors
2. Conduct environmental scan, including surveys of stakeholder groups.	August-October	Strategic Planning Committee
3. Review and recommend revisions, as necessary, to the strategic objectives	August-October	Strategic Planning Committee
4. Review strategic objectives, revise as necessary.	November (at GCMC Board Meeting)	Board of Directors

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| 5. Review current strategies, generate and evaluate alternatives, and revise strategic plan. | November - January  | Strategic Planning Committee   |
| 6. Approve revised strategic plan.   | January (at Mid-Year Conference Board Meeting)  | Board of Directors   |
| 7. Develop and/or revise operational plans (3 yr, 1yr) to implement revised strategic plan.  | January - February  | Executive Director   |
| 8. Review proposed operating budgets, capital investment budgets, and reserves plans.        | March (budget meeting held at national office)  | Finance and Budget Committee, with assistance of Executive Committee and the Chair, Asset Management Committee<br>Board of Directors |
| 9. Approve operational plans and budgets.  | April (at World Congress Board Meeting)   | Board of Directors   |
| 10. Measure and evaluate effectiveness of strategies and progress towards objectives.        | Discussed at each Board meeting.<br>Comprehensive review done May - June culminating in report to BOD at first BOD meeting. | Executive Committee conducts continuously.<br>Strategic Planning Committee conducts comprehensive.                                   |