Cass Business School
CITY UNIVERSITY LONDON

5. Direction

Centre for Charity Effectiveness
Enhancing performance, developing talent

About this guide

This guide will help you set a direction for your charity. With clear aims and focus, your funders, staff, volunteers and everyone else with an interest in your work can have confidence that you are all working towards the same goal. Developing your direction requires you to collect the views of a range of people; the frameworks in this guide are intended to help you capture the views of others in meetings and discussions.

The guide covers five main areas:

1. Involving stakeholders

2. How to develop a vision and mission

3. How to understand your organisation in relation to the environment

4. How to prioritise and set objectives

5. Developing a plan.

Involving stakeholders

'Stakeholders' is a generic term for anyone who has an interest in the success of your charity. Typically an organisation's stakeholders include: staff, volunteers, funders, local authority officers, beneficiaries or service users and their families.

Different stakeholders will have different priorities for your charity and different criteria by which they will judge success.

For example, a group of homeless people might measure the success of a homelessness charity by whether it provides hot showers and good food. This would contrast with the charity's funders, who might want to see hot showers and good food, but who might see reducing the number of homeless people on the streets as a higher priority.

Before you start developing your direction you should assess your stakeholders.

Assessing your stakeholders

1. Draw up a list of stakeholders.
2. For each group of stakeholders consider
- How will they measure success for your charity? What is it that they want to see?
- How much influence do they have? Could they stop or seriously undermine your activities if they wanted to?
- How important are they to you? Are they a key group and central to your charity's purpose?

Involving beneficiaries and service users

Of all the people who have an interest in your work, service users and beneficiaries are particularly important in developing your direction. However, this important group of stakeholders can often be overlooked, because it can be difficult to get feedback from them or to get them involved. Here are some tips for effectively involving service users and beneficiaries in setting your direction.

Collecting user views

- **Be clear**: From the beginning be clear about the aspects on which you are seeking their views; design your method and questions accordingly.
- Never consult on anything that you are not prepared to change.
- **Be creative**: As a rule, people don't jump for joy at the thought of filling in a questionnaire or attending a meeting. Collect views whilst service users are engaged with your charity in another capacity - for example, asking questions whilst they're waiting in reception. Consider using pictures and stimuli which help explore and prompt discussion.
- **Be sensitive**: Don't forget your service users' situation; they may be going through a particularly traumatic time and may find it difficult to think about the direction for your charity!
- **Make it enjoyable**: When people are relaxed they will tell you what they really think. Consider providing food and using music to create an environment where people will want to get involved.
- **Invest time in it**: If you get a poor response, don't equate this with a lack of interest. Review your methods.
- **Adopt an open and curious mindset**: Put aside your wishes and what you think is best and listen fully to your beneficiaries or service users.

How to develop a vision and a mission

Developing a vision

Your vision provides an overarching goal of the ideal, which everyone can share and strive towards achieving. It brings everyone together, uniting them in a co-operative effort.

A vision is a statement of why the organisation or group exists and describes the change they want to see in the world. For example, RNIB's vision is:

> …a world in which blind and partially-sighted people enjoy the same rights, freedom, responsibilities and quality of life as people who are fully-sighted.

A good vision is an inspirational picture and a powerful motivator. Bearing this in mind, develop your vision as an ideal picture.

Your vision

To develop your vision, bring together different stakeholders; if necessary, divide them into smaller groups with no more than four in each group.

Pick a date in the future (maybe 20 years ahead) and ask each group to visualise what the world would be like if your charity is successful.

Remind everyone that this is an idealistic view and they should imagine a 'perfect world scenario' not hampered by any constraints which might exist in real life. Ask each group to come up with a description of this 'perfect world scenario'. People may prefer to draw rather than write their description.

('Your vision' continued…)

The kind of questions you will want them to answer for this perfect world scenario are:

- What can you see?
- What can you hear?
- What is happening in the news?
- What is a typical day for your beneficiaries and supporters?

Once each group has developed their vision, each description is shared with the larger group and the common themes are highlighted. These common themes can form the basis for writing your vision.

Developing a mission

A mission statement outlines how the organisation will achieve its goals. It guides the operations of the charity. The best mission statements are clear, straightforward, memorable, demanding but realistic and stable, so you don't have to change them every few years (Barnard and Walker, 1994).

A mission states what the charity or group does and why and for whom it exists For example, RNIB's mission is:

> …to challenge blindness by empowering people who are blind or partially sighted, removing the barriers they face and helping to prevent blindness.

To develop a mission, bring together a selection of materials describing what your group does. These can be from funding applications, feedback from service users or any press coverage you may have received. Make sure you include your charity objects or memorandum of association as registered with the Charity Commission.

With a group of stakeholders, start picking out the common words across all these documents. Once you have a list of words, experiment by putting them in different orders and linking them in different ways until you have developed a draft mission everyone can work with. A useful final step is to check that your mission (and therefore your organisation) stands out in some way from other organisations doing similar work, thus avoiding the risk of duplication.

Understanding the context of your work

Developing an effective direction requires you to understand what is going on in the world around you and how your charity works in relation to this. A SWOT analysis provides a framework to do this.

SWOT analysis

SWOT stands for Strengths, Weaknesses, Opportunities, Threats and is designed to help you plan your direction by assessing your organisation and the environment you work in.

With a group of stakeholders make a list of ideas under each heading. Under each heading consider things such as people you know, services you provide, funding you have secured, the skills, knowledge, motivation of your staff and volunteers and the resources you have access to.

About your charity

Strengths	Weaknesses
■ What are the best things about your charity? ■ What do you know you are good at? ■ What are your recent achievements? ■ What is it that you do that no-one else can do? ■ What positive feedback have you received? For example, knowledgeable and committed volunteers could be a great asset.	■ Consider what you're not so good at, what has not gone so well and where there have been disappointments. For example, a series of rejected funding applications would suggest a weakness in developing a case for funding.

About the world in which you operate

Opportunities	Threats
■ Think about what is happening in the outside world which might be an opportunity for you to develop, perhaps in terms of developing services for your beneficiaries, increasing your funding or developing your networks. For example, if you provide care for older people, the ageing population and increased government investment in this area may provide an opportunity for you to grow a wider range of services.	■ List what is happening in the world which might be a threat. ■ Are there potential legislative changes which could negatively impact on your work or on your beneficiaries? ■ Is your funding insecure? For example, changes to government policy which could lead to a reduction in funds available to support refugees may be a potential threat for a refugee advice centre.

How to set objectives

Having undertaken a SWOT analysis you can start thinking about what is really important for your group.

Group your ideas from the SWOT analysis according to:
■ What we must do
■ What we could do
■ What we must not do

The resulting themes then form the basis for developing objectives.

Objectives

Objectives are expectations which a group or organisation is seeking to achieve. They cover all areas of the organisation, and are usually set for about a 3-year duration. You can develop objectives using the themes arising from your prioritisation of the SWOT. These objectives will then guide the work of your organisation. The operations guide tells you more about turning objectives into action.

You are more likely to succeed with your planning if you develop objectives which are 'SMARTA'. This is an acronym and stands for:
■ **S**pecific. Your objectives state exactly what will be achieved.
■ **M**easurable. You can measure what is different as a result of achieving these objectives.
■ **A**chievable. The objectives are achievable. (Unachievable objectives are demotivating and can discourage people from taking any action at all.)
■ **R**elevant. Your objectives are relevant to your overall mission and vision.
■ **T**imed. You have put a timescale on your objectives and know by when you will you have achieved them.
■ **A**greed. Your objectives are agreed by all parties involved.

How to develop a plan

A plan sets out the steps between where you are now and where you will be when you have achieved your objectives. A plan is a useful shared document for staff and volunteers. By setting out the shared direction it prevents people from being pulled in too many different directions and provides a useful reference to ensure work is on track. Some organisations develop 'business plans' which demonstrate to funders and other stakeholders the business case for objectives.

Your business plan

A business plan includes all the information relevant to how you have developed your plan as well as detailing your objectives and how you will achieve them.

Different organisations write plans to different levels of detail but most importantly a good plan will demonstrate that the ideas and thinking behind your plan are sound. Plans should therefore be evidence-based, incorporating supporting research and evidence wherever appropriate.

A plan will usually include:
- ☐ Where you are now (for example, an overview of your organisation, its activities and a SWOT analysis)
- ☐ Where you are going (vision, mission and objectives)
- ☐ What you need to do to get there (what you need to do to achieve your objectives, a description of activities – see the operations guide for mapping activities)
- ☐ Key milestones (the key stages in achieving your objectives, important dates and timescales – see the operations guide)

- ☐ How will you know you've been successful (what measures you will set and how will you collect evidence to show you have been successful. See monitoring and evaluation in the operations guide)
- ☐ Financial implications (how much it will all cost, see the finance guide and how you expect to fund this.)
- ☐ Staffing implications (what staff you'll need with which skills, see the people guide)

Showing evidence of your achievements

Having set your direction, you need to be able to demonstrate your thinking and keep hold of the evidence which shows how you came to your conclusions. This is particularly important if staff, volunteers and trustees in your organisation change, if you are applying for funding or if you decide to use a quality assurance system.

Evidence can include notes of meetings and discussions, reports and any relevant e-mails or correspondence.

Signposts

Publications

Adirondack S (2006) *Just about managing* (London: LVSC)

Barnard H, Walker P (1994) *Strategies for success* (London: NCVO)

Copeman C, Bruce I, Forrest A, Lesirge R, Palmer P, Patel A (2004) *Tools for tomorrow* (London: Cass Business School and NCVO)

Copeman C, Griffith M (2007) *Looking out: how to make sense of your organisation's environment* (London: NCVO)

Evans E, Garvey B ed (2006) *Mission impossible* (London: NfP Synergy). Download from the NfP Synergy website: www.nfpsynergy.net

Lawrie, Alan (2001) *The complete guide to business and strategic planning* (London: DSC)

Websites

NCVO Third Sector Foresight. This website includes guidance and discussion on all aspects of strategic planning in the voluntary sector: www.3s4.org.uk

Volresource. This website includes free briefings, guidance and information on all aspects of charity management: www.volresource.org.uk

Courses

The Centre for Charity Effectiveness runs training in many aspects of management including project and strategic management: www.cass.city.ac.uk/cce/courses/shortcourses

Directory of Social Change training courses in project management, strategy planning and change: www.dsc.org.uk

Links to PQASSO

PQASSO is the practical quality assurance system for small organisations designed by Charities Evaluation Services. Independent data suggest PQASSO is by far the most widely-used quality system in the voluntary and community sector (VCS). For more information, see www.ces-vol.org.uk

Following this guide will take you to the first stage of PQASSO; helping you to meet several of the requirements of PQASSO area 1 (Planning) in the second and third editions of the standard.

Tools for success:
doing the right things and doing them right

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