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# Ensuring Nonprofit Impacts through Strategic Planning

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# Cornhusker Economics

## Ensuring Nonprofit Impacts through Strategic Planning

Market Report	Year Ago	4 Wks Ago	4-22-16
<b>Livestock and Products.</b>			
<b>Weekly Average</b>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight. . . . .	158.63	*	125.00
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb. . . . .	284.70	193.84	180.56
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb. . . . .	229.80	158.93	150.18
Choice Boxed Beef, 600-750 lb. Carcass. . . . .	259.20	226.62	222.27
Western Corn Belt Base Hog Price Carcass, Negotiated. . . . .	64.57	61.97	66.45
Pork Carcass Cutout, 185 lb. Carcass 51-52% Lean. . . . .	67.83	76.02	79.54
Slaughter Lambs, woolled and shorn, 135-165 lb. National. . . . .	137.67	132.01	132.70
National Carcass Lamb Cutout FOB. . . . .	361.53	346.31	340.05
<b>Crops.</b>			
<b>Daily Spot Prices</b>			
Wheat, No. 1, H.W. Imperial, bu. . . . .	4.52	3.87	3.77
Corn, No. 2, Yellow Nebraska City, bu. . . . .	3.51	3.42	3.44
Soybeans, No. 1, Yellow Nebraska City, bu. . . . .	9.45	8.56	9.12
Grain Sorghum, No.2, Yellow Dorchester, cwt. . . . .	7.41	5.61	5.30
Oats, No. 2, Heavy Minneapolis, Mn, bu. . . . .	2.76	2.42	2.53
<b>Feed</b>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton. . . . .	190.00	200.00	150.00
Alfalfa, Large Rounds, Good Platte Valley, ton. . . . .	72.50	77.50	80.00
Grass Hay, Large Rounds, Good Nebraska, ton. . . . .	120.00	85.00	85.00
Dried Distillers Grains, 10% Moisture Nebraska Average. . . . .	178.00	127.50	128.00
Wet Distillers Grains, 65-70% Moisture Nebraska Average. . . . .	58.00	52.00	47.00
* No Market			

Like most states, Nebraska has a vibrant non-profit sector that fulfills a very important role in our rural and urban communities. Nonprofits contribute to the health and welfare of our communities, build social capital through education investments, and enhance the quality of life through new recreational facilities, low-income housing, museums and numerous other ways that benefit community members.

According to the National Center for Charitable Statistics, Nebraska had a total of 13,336 registered nonprofit organizations in 2015. Combined, the nonprofits had nearly 35.5 billion in assets and garnered 13.2 billion in revenue between 2003 and 2013. Nonprofits also provided employment across the landscape. In 2012, nonprofit organizations accounted for 10.7% of Nebraska's total private employment (BLS, 2014).

Nonprofits are organizations that are driven by a social mission, rather than for profit. Although nonprofits can earn excess revenue, the "profits" must be used toward the mission and sustainability of the organization. There are 26 types of nonprofit organizations that are tax-exempt under the Internal Revenue Code (26 U.S.C § 501 (c). The most common nonprofits fall within the 501(c)(3) category and are classified as charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, or preventing cruelty to children or animals. Other

nonprofits within a community may include, but are not limited to, 501(c)(6) chambers of commerce and 501(c)(7) recreational and social clubs.

Statistics emphasize the impact that nonprofit organizations have nationally as well as locally. However, like for-profit businesses, a nonprofit organization can veer from its original mission causing misdirection between staff, board and volunteers. This can lead to ineffectiveness, limited impacts and potentially, the death of the organization.

Strategic planning can help the nonprofit stay on target and enhance its community impact. Strategic planning helps to clarify a vision and mission, identify goals and set priorities. Ideally, staff and board engage in the process and once completed, commit to revisiting the plan to measure progress and pivot priorities as needed.

Strategic planning can be as simple as answering four key questions:

1. *Where are we today?* – What is the current reality of the organization
2. *Where do we want to be?* – What is the future vision for the organization
3. *How do we get there?* – What are the steps needed to get us from today to the future
4. *How will we monitor our progress?* – What can we do to track our progress

More in-depth strategic planning may be appropriate for larger, more impactful organizations. The planning should be a purposeful and thorough process that involves key decision-makers and those most impacted by those decisions (or their representatives). This strategic planning process includes the same four sections as listed above and goes beyond to gather more assessments and environmental analyses that lead to greater understanding of the current conditions facing the organization.

The Drivers model provided by Leadership Strategies (2007) provides a framework for nonprofit Strategic Planning. The Drivers Model has seven principles of planning:

1. *Be clear on purpose:* Why are we doing this? Determine that everyone is on board and prepared to provide input into the process.
2. *Start with an accurate assessment of today:* Conduct organizational analyses on finances, products/services, markets, and prior performance. Look at competitors and alliances. Analyze the organization's internal and external threats and opportunities.
3. *Create a shared vision of success:* Determine the organization's preferred future. Make it a logical extension of today's reality and stretch the organization.
4. *Identify critical success factors and barriers:* Identify key conditions that must be created for successful implementation of plan. Know what could derail the process.
5. *Define the drivers - the strategies, priorities and deliverables:* Make sure all strategies are aligned with the vision, mission and goals of the organization. Prioritize around levels of importance and urgency.
6. *Monitor and report results:* Create the detailed steps needed to implement a strategy. Determine what needs to be completed, by when, by whom and allocate the needed resources. Monitor and measure results.
7. *Build accountability:* Prepare staff, board and volunteers for success. Create incentives that encourage plan implementation.

Once completed, the organization will have a planned course of action that guides staff, board and volunteers as they implement the plan. The plan becomes an internal management tool that should be periodically revisited and monitored. Externally, the plan can be used to entice potential donors, create new alliances, and recruit individuals to help move the vision forward.

Like for-profit businesses, nonprofit organizations are just as vital to local and state economies. Through strategic planning, nonprofits can be better positioned to meet its goals, stay relevant, secure funding and fulfill its mission for the betterment of the community.

Resources:

Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Nonprofits account for 11.4 million jobs, 10.3 percent of all private sector employment on the Internet at [http://www.bls.gov/opub/ted/2014/ted\\_20141021.htm](http://www.bls.gov/opub/ted/2014/ted_20141021.htm) (visited April 27, 2016).

Internal Revenue Services, Exempt Purposes – Internal Revenue Code Section 501(c)(3) on the Internet at <https://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Exempt-Purposes-Internal-Revenue-Code-Section-501%28c%29%283%29> (visited April 27, 2016).

Leadership Strategies, Facilitation Guide for Strategic Planning, Atlanta. 2007

National Council of Nonprofits, America's Nonprofits, What is a "Nonprofit"? on the Internet at <https://www.councilofnonprofits.org/what-is-a-nonprofit> (visited April 27, 2016).

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