Presenting:

Not-for-Profit Strategic Planning: A Junior Achievement Case Study

William Klimack

DAAG Conference 2013

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Not-for-Profit Strategic Planning
A Junior Achievement Case Study

William K. Klimack
Chevron
April 11, 2013
Agenda

• What is Junior Achievement?
• Strategic Planning Challenges
• The Analysis Plan
• Results
• Conclusion

Study Contributors

• David Skinner
• William K. Klimack
• Eric Johnson
• Paul Wicker
• Ron Behar
• Rocky Gay
• Chang Yan

• Richard W. Franke
• Jennifer Anderson
• Kevin R. Hattery
JASET

JA: largest organization dedicated to teaching students about entrepreneurship, workforce readiness and financial literacy

Strategic Goal

Achieve 20% student penetration (260,000 students) annually by 2012

Short Term (2008-09) Goals

- 209,000 Students
- 10,000 volunteers
- $5.2 Million Dollars

Long Term (2011-12) Goals

- 260,000 Students
- 12,000 volunteers
- $6.2 Million Dollars

- 2009 – 2010 Strategy
  • Hurricane Ike
  • Economic Downturn
    • Donations
    • Volunteers
## Stakeholder Analysis

### Stakeholders
- JASET Professional Staff
- JASET Board Exec Committee
- Board of Directors
- Donors
- Educators
- Volunteers
- Students

<table>
<thead>
<tr>
<th>Impact of the decision on the Stakeholder</th>
<th>“Have a Voice” (Address Concerns)</th>
<th>“Ownership” (Address Concerns &amp; Active Involvement)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&quot;Educators&quot;</td>
<td>&quot;Professional Staff&quot;</td>
</tr>
<tr>
<td></td>
<td>&quot;Students&quot;</td>
<td>&quot;Board Exec Comm&quot;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact of the decision on the Stakeholder</th>
<th>“Awareness” (Keep Informed)</th>
<th>“Get Buy-In” (Some Involvement Required)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&quot;Volunteers&quot;</td>
<td>&quot;Board of Directors&quot;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&quot;Donors&quot;</td>
</tr>
</tbody>
</table>

### Influence of stakeholder for success of decision

**Process Flow / Timeline**

- **March**
  - Professional Staff
  - Executive Committee of the Board

- **April**
  - Metrics
  - Influence Diagram
  - Strategy Table

- **May**
  - Quantitative Value Model
  - Expert Interviews
  - Data Gathering

- **June**
  - May 20: Review Results
  - Set Strategic Plan

**Full Board**

- Interviews
- Survey

- Apr 23: Approve Metrics & Strategy Table

- June 24: Approve Strategic Plan
Board Interview Results

Interviews of:
• Executive Committee
• Key Members

Others:
• Survey
• Offer to Interview

Issue Categories
• Volunteers
• Funding
• Purpose of Standing Fund
• Messaging and Communications
• Follow-through and Execution
Volunteers

**Insights**
- Need tracking and retention program
- Need to set goals for volunteer expectation
- Create volunteer database
- Buddy / Mentoring system
- Need an internet site for volunteers
- Get volunteers to augment staff (non-teaching role)
- Volunteers from school system, teacher database

**Possible Actions**
- Seek different sources of volunteers
- Ask the school administration
- Seek younger instructors
- Collaborate with organizations with interests in young people
- Recruit volunteers for life
- Recruit parents
- Companies "own" a school
- Pair experienced teachers with new ones
- Use web-based recruiting
- Identify organizations wanting to teach, & encourage participation
- Focus on companies with more educated work force
- Develop incentive for volunteers
- Recruit people earlier

**Decisions:**

**Now:** Who, How and How to Retain

**Future:** How to implement programs; incentives that will help attract as well as retain volunteers

**Key Risks:**
Volunteers are critical and the key to successfully achieving the JA objectives
Volunteer base affected by economy
Process Flow / Timeline

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**Full Board**
- Interviews Survey
- Apr 23: Approve Metrics & Strategy Table
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**CONFIDENCE THROUGH CLARITY**
Value Hierarchy

- Inspire and Prepare Young People
  - Resource Programs
    - Volunteers
    - Donations
    - School Access
  - Educate & Inspire
    - Student Contacts
    - Scholarships

Metrics:
- Volunteers
- Donations
- School Access
- Student Contacts
- Scholarships

- Operating Fund
- Reserve Fund
- Scholarship Fund
- Classroom
- Capstone
Decision Hierarchy

**Done Deals:**
Decisions already made; policies

**Strategic Decisions:**
Decisions to be made based on analysis to be done

- Curriculum
- Growth Target is 260k students = 20% penetration
- Maintain a contingency fund and a cash flow buffer
- We will commence systematic maintenance of our building
- Target Students / Schools
- Volunteer Recruiting - Who
- Volunteer Recruiting - How
- Volunteer Retention
- Scholarships
- Capstones
- Marketing Message / Awareness
- Board Composition
- Fundraising Approach

**Tactical Decisions:**
Decisions to be made separately, at a future date

- Operating Reserves
- Offerings, within Curriculum
- When to Exit Initiatives
- Volunteer Retention
- Marketing Medium
- Marketing Target
- Communications
- Program Focus
- Roles & Responsibilities

**Side Analysis**
- Intention for Fund Reserves
## Strategy Descriptions and Objectives

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Description</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business as Usual</td>
<td>Operations for all objectives as they are currently handled now.</td>
<td>Maintain our current program and fund raising goals, using the most commonly known and established methods.</td>
</tr>
<tr>
<td>Conservative</td>
<td>This strategy analyzes trying to continue our programs as best we can on fewer resources.</td>
<td>Provide the program as close to the numbers of students reached this year as possible, while trying to find alternative sources of funding and cutting expenses.</td>
</tr>
<tr>
<td>Ambitious</td>
<td>This strategy aims at optimizing the use of an excess of funding and volunteers.</td>
<td>Articulate possible paths that can be taken if JASET has unlimited funds. This includes advertising and other items currently unbudgeted.</td>
</tr>
<tr>
<td>Challenging Boundaries</td>
<td>This is a list of activities we might want to implement that demonstrate a different way of doing business.</td>
<td>To articulate initiatives we would be able to undertake if our focus is on being innovative.</td>
</tr>
</tbody>
</table>
### Strategy Table (1 of 3)

<table>
<thead>
<tr>
<th>Strategic Themes</th>
<th>Target Students / Schools</th>
<th>Volunteers - Who</th>
<th>Volunteer Recruiting - How</th>
<th>Volunteer Retention</th>
<th>Scholarships</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business As Usual</strong></td>
<td>Broad brush, no focus</td>
<td>School district personnel</td>
<td>Companies</td>
<td>Scholarships through 2 years of college</td>
<td>o Target Schools/ Students</td>
</tr>
<tr>
<td></td>
<td>Whole District - more efficient</td>
<td>HS &amp; College students</td>
<td>Corporate whole-school</td>
<td>Scholarships</td>
<td>o Volunteers – Who</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Organizations with interests in young people</td>
<td>Orgs wanting to teach</td>
<td>Scholarships</td>
<td>o Volunteers – How</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Parents</td>
<td>Recruit for Finance Park</td>
<td>Volunteer Retention</td>
<td>o Volunteer Retention</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Corporate</td>
<td>Build relationships with University leaders</td>
<td>o Scholarship</td>
<td>o Scholarships</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retirees</td>
<td>Engage teachers to recruit parents</td>
<td>Capstones</td>
<td>o Capstones</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Online Placement</td>
<td>Collaborate with other agencies or universities (e.g., Boy Scouts, Rice)</td>
<td>Marketing/Awareness</td>
<td>o Marketing/Awareness</td>
</tr>
<tr>
<td><strong>Conservative</strong></td>
<td>Focus on Elementary (less costly)</td>
<td>Look into online program delivery, which may require fewer volunteers</td>
<td>Use more parents, HS and college students - large bunches inexpensively</td>
<td>Board Composition</td>
<td>o Board Composition</td>
</tr>
<tr>
<td></td>
<td>Stick with schools already committed to JA</td>
<td>o Non-teaching roles (e.g., Fin Pk docent, JA staff augmentation)</td>
<td>o Corporate incentives</td>
<td>Fundraising Approach</td>
<td>o Fundraising Approach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>o Volunteering written into the syllabus</td>
<td>o More online resources</td>
<td>Operating Reserves</td>
<td>o Operating Reserves</td>
</tr>
<tr>
<td></td>
<td></td>
<td>o More online resources</td>
<td>o Membership to associations</td>
<td>Fund Reserve Intention</td>
<td>o Fund Reserve Intention</td>
</tr>
<tr>
<td></td>
<td></td>
<td>o Corporate incentives</td>
<td>o Corporate incentives</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ambitious</strong></td>
<td>Higher impact - reach secondary (MS, HS) students</td>
<td>Same volunteers as SQ</td>
<td>More awareness</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hispanic initiative</td>
<td>Add small business campaign</td>
<td>More online resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At-risk focus</td>
<td>o Virtual Volunteer, distance learning</td>
<td>Membership to associations</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Entry-level business people</td>
<td>o Corporate incentives</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>o Virtual Volunteer, distance learning</td>
<td>o Target corporate retirees</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Challenging Boundaries</strong></td>
<td>Pre-K program</td>
<td>Required by employers</td>
<td>o Required by employers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Online classes</td>
<td>Strong enough for professional development need</td>
<td>o Strong enough for professional development need</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Corporate incentives</td>
<td>o Corporate incentives</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Target corporate retirees</td>
<td>o Target corporate retirees</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Column Headers**
- Target Schools/ Students
- Volunteers – Who
- Volunteers – How
- Volunteer Retention
- Scholarships
- Capstones
- Marketing/Awareness
- Board Composition
- Fundraising Approach
- Operating Reserves
- Fund Reserve Intention
Process Flow / Timeline

- **March**
  - Professional Staff

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**Key Dates**
- **Apr 23:** Approve Metrics & Strategy Table
- **May 20:** Review Results
  - Set Strategic Plan
- **June 24:** Approve Strategic Plan
## Board of Directors April 23rd Meeting Strategic Planning Workshop

<table>
<thead>
<tr>
<th>Topic</th>
<th>Responsibility</th>
<th>Duration</th>
<th>Start Time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plenary Session</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Introduction &amp; Last Year’s Plan</td>
<td>Richard Franke</td>
<td>10 min</td>
<td>1:00 pm</td>
</tr>
<tr>
<td>- Interview/Survey Results</td>
<td>David Skinner</td>
<td>30 min</td>
<td>1:10</td>
</tr>
<tr>
<td>- Process &amp; Process Tools</td>
<td>Bill Klimack</td>
<td>45 min</td>
<td>1:40</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Breakout Groups</strong></td>
<td></td>
<td></td>
<td>2:30</td>
</tr>
<tr>
<td>- Metrics</td>
<td>Group Facilitators</td>
<td>30 min</td>
<td>2:30</td>
</tr>
<tr>
<td>- Strategy Table</td>
<td>Group Facilitators</td>
<td>90 min</td>
<td>3:00</td>
</tr>
<tr>
<td>- Metrics Consolidation Group</td>
<td>Bill Klimack</td>
<td>90 min</td>
<td>3:00</td>
</tr>
<tr>
<td><strong>Plenary Session</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Report out from Break Out Sessions</td>
<td>Eric Johnson</td>
<td>30 min</td>
<td>4:30</td>
</tr>
<tr>
<td>- Influence Diagram</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Next steps</td>
<td></td>
<td></td>
<td></td>
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</table>
Value Function

<table>
<thead>
<tr>
<th>Metrics</th>
<th>Educate &amp; Inspire</th>
<th>Volunteers</th>
<th>School Access</th>
<th>Donations</th>
<th>Scholarships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative Weight</td>
<td>0.392</td>
<td>0.196</td>
<td>0.196</td>
<td>0.196</td>
<td>0.020</td>
</tr>
<tr>
<td>Upper Limit</td>
<td>300</td>
<td>15</td>
<td>1600</td>
<td>6000</td>
<td>1000</td>
</tr>
<tr>
<td>Units</td>
<td>Student contacts in thousands</td>
<td>Number of volunteers in thousands</td>
<td>Number of schools</td>
<td>Dollars in thousands</td>
<td>Scholarship dollars, in thousands</td>
</tr>
</tbody>
</table>

Value functions taken as linear (e.g., each student equally valuable)
Process Flow / Timeline

March
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June
- Full Board
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  - Apr 23: Approve Metrics & Strategy Table
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### Derivation of Student Contacts

<table>
<thead>
<tr>
<th></th>
<th>BAU</th>
<th>Def</th>
<th>Amb</th>
<th>CB</th>
<th>Derivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Revenues, good economy</td>
<td>4250</td>
<td>4650</td>
<td>5100</td>
<td>4250 Franke, Hattery, Campbell; May 8,12,13</td>
</tr>
<tr>
<td>B</td>
<td>Revenues</td>
<td>3626</td>
<td>3972</td>
<td>4360</td>
<td>3626 A * 85% (for poor economy, per F/H/C)</td>
</tr>
<tr>
<td>C</td>
<td>Non-Classroom Spending</td>
<td>690</td>
<td>805</td>
<td>2700</td>
<td>4767 See next slide</td>
</tr>
<tr>
<td>D</td>
<td>Classroom Spending</td>
<td>2936</td>
<td>3167</td>
<td>1660</td>
<td>1142 B - C</td>
</tr>
<tr>
<td>E</td>
<td>Volunteers</td>
<td>10.6</td>
<td>11.7</td>
<td>11.3</td>
<td>11.0 Anderson; May 12</td>
</tr>
<tr>
<td>F</td>
<td>School Access</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8 Anderson; May 12</td>
</tr>
<tr>
<td>G</td>
<td>Student Contacts</td>
<td>185</td>
<td>204</td>
<td>144</td>
<td>45 0.038 * D + 9 * E + 44 * F - 59 (per regression analysis)</td>
</tr>
</tbody>
</table>

- **BAU**: Baseline Adjustment Unit
- **Def**: Definitions
- **Amb**: Averages
- **CB**: Calculated Based on
- **Volunteers**: Number of volunteers
- **School Access**: Access to school
- **Student Contacts**: Number of student contacts
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- **June**
  - Professional Staff
  - Exec Committee of the Board
  - Full Board
  - June 24: Approve Strategic Plan
The relative value of each alternative is similar, except for student contacts

- **Conservative**
  - Overall best by a small margin
  - Spends the most money in the classroom
  - Gets the most student contacts

- **Compared to business as usual**
  - Conservative is better in all ways
  - Ambitious loss of student contacts more than offsets other gains
  - Challenging Boundaries has a huge loss of student contacts
Conservative strategy is the dominant strategy because it maximizes the student contacts for the funding level.
We did the normal sensitivity analyses
The Hybrid is the preferred alternative: formed from Conservative Strategy with Ambitious’ multi-year support commitments and expanded capstone fund raising.

- Ambitious with 3 mobile finance parks with no amortization shown
- With 5 year amortization the Ambitious strategy approaches the Conservative strategy, but the Hybrid strategy remains preferred
There is a plan to deal with the uncertain economy: signposts

### Signpost

<table>
<thead>
<tr>
<th>Action to be Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>20%</strong></td>
</tr>
<tr>
<td>Increase student contacts - Convertible capstone</td>
</tr>
<tr>
<td>Awareness generating activities</td>
</tr>
<tr>
<td>Increase staff</td>
</tr>
<tr>
<td><strong>10%</strong></td>
</tr>
<tr>
<td>Increase contacts by renovating capstone</td>
</tr>
<tr>
<td><strong>Base</strong></td>
</tr>
<tr>
<td>Tactical adjustments to meet budget</td>
</tr>
<tr>
<td><strong>-5%</strong></td>
</tr>
<tr>
<td>Minor staff reductions</td>
</tr>
<tr>
<td>Reduce expenses</td>
</tr>
<tr>
<td>Adjustment to program mix</td>
</tr>
<tr>
<td><strong>-10%</strong></td>
</tr>
<tr>
<td>Major staff reductions</td>
</tr>
<tr>
<td>Reduce expenses</td>
</tr>
<tr>
<td>Decrease contacts - classrooms</td>
</tr>
</tbody>
</table>

### Volunteers

<table>
<thead>
<tr>
<th>Signpost</th>
<th>Action to be Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High +5%</strong></td>
<td></td>
</tr>
<tr>
<td>10,648</td>
<td></td>
</tr>
<tr>
<td><strong>Base</strong></td>
<td></td>
</tr>
<tr>
<td>10,141</td>
<td></td>
</tr>
<tr>
<td><strong>Low -5%</strong></td>
<td></td>
</tr>
<tr>
<td>9,634</td>
<td></td>
</tr>
</tbody>
</table>

### Donations

<table>
<thead>
<tr>
<th>Signpost</th>
<th>Action to be Taken</th>
</tr>
</thead>
<tbody>
<tr>
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<td>10,141</td>
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<tr>
<td><strong>Low -5%</strong></td>
<td></td>
</tr>
<tr>
<td>9,634</td>
<td></td>
</tr>
</tbody>
</table>

There is a plan to deal with the uncertain economy: signposts
Process Flow / Timeline

- **March**: Professional Staff
  - Metrics
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  - Strategy Table

- **April**: Professional Staff
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  - Expert Interviews
  - Data Gathering

- **May**: Exec Committee of the Board
  - Apr 23: Approve Metrics & Strategy Table
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- **June**: Full Board
  - June 24: Approve Strategic Plan

**Influence Diagram**
- Expert Interviews
- Data Gathering
- Metrics
- Strategy Table

**Strategic Plan**
- Apr 23: Approve Metrics & Strategy Table
- May 20: Review Results
- Set Strategic Plan
- June 24: Approve Strategic Plan

**Full Board**
- June 24: Approve Strategic Plan
Questions?