

Strategic Plan Templates and Funding Agreement Samples

STRATEGIC PLAN

*All **triennial funding** applications must include a three year strategic plan that relates to the proposed funding period.*

*Applications for **Indigenous Visual Arts Industry Support annual funding** must also include a strategic plan. Ideally, these will cover a three-year period, but at minimum must relate to the proposed funding period.*

Information for funding applicants

A strategic plan describes the context or situation in which your organisation operates, sets the organisation's goals and directions, and guides the allocation of financial and human resources to achieve those goals.

In total, a strategic plan should be around 10-15 pages long. Your strategic plan should include clear and concise information regarding the following core components:

- purpose (also known as mission or vision)
- executive summary
- context (your internal and external environment, stakeholders, markets and competition)
- goals
- key performance indicators
- strategies
- program of activities
- marketing/engagement plan
- financial plan (including budget), and
- management (organisational structure, governance, succession plan, and risk management).

This guide contains explanatory notes on each section listed above, followed by a suggested structure for key components. A series of suggested templates to assist the completion of a strategic plan are provided on pages 7-8 of this guide.

It is important that your strategic plan provides relevant information on each of the above components in order to enable an accurate assessment of your application.

Purpose

This is usually a single, inspirational and challenging statement that sums up why your organisation exists, expressing the beliefs and principles that underpin it. The purpose does not need to be achievable within the duration of the strategic plan. However it should be faithful to the objects outlined in your organisation's constitution.

Executive summary

The executive summary should be less than one page and follow the structure of the whole document. It should be the last thing you write and should encapsulate the strategic direction of the document.

Context

This section will summarise the strategic issues facing the organisation having assessed the internal and external environment to identify the organisation's strengths and weaknesses, opportunities and challenges. It is a distillation of analysis and research undertaken by your organisation.

History

This should be a brief overview of about three paragraphs summarising when your organisation was set up, for what reason, and the impact of significant achievements, events and milestones that your organisation instigated or reacted to over the years. This should show at least two years of activity supporting Indigenous cultural activities, and highlight key achievements.

Internal situation

This should be a short but comprehensive evaluation of your organisation. It should cover any major structural strengths and weaknesses, reputation and include an analysis of your organisation's current financial situation (including details of annual income and expenditure, current levels of assets and liabilities and an assessment of any existing financial risks). It could include a couple of stories of real impacts you have made over the last few years (e.g. an international conference or tour, national exposure, discovering emerging talent etc).

External situation

This may be one to two paragraphs on your external situation as it is now—concentrating on positive opportunities while remembering potential threats. Consider who are your local, national and international peers against whom you benchmark your organisation? Who are your stakeholders? Are there any other organisations working in the same area in your region? (Keep in mind that other organisations may stimulate an interest in culture and provide opportunities for collaboration). How much potential is there for the project to expand? What is the situation of the cultural traditions and practises that your organisation supports? How much support is there for culture in the community?

This section also articulates the key trends and issues about the environment in which your organisation exists—now and in the immediate future. This will probably include any social, technical, environmental, economic, political, legal, or arts sector trends, which may affect the direction that your organisation chooses to take (e.g. impact of online communities and interactive web technologies).

Markets/stakeholders

A market/stakeholder group is any broad collection of people who might have an interest in exchanging something, coming into contact with or wishing to engage with your organisation.¹ These may include visitors, program participants, clients, referrals, members, volunteers, funding bodies, media, sponsors and philanthropists.

Define your current markets/stakeholders

This should be based on any research or facts. Describe your market/stakeholders in terms of the key common factors that bind each group (e.g. youth, community members, funding bodies, tourists). It may be that demographic factors such as education level, income and age are not so important as other factors such as hobbies or attitudes. Consider who creates your support base? What other markets are strategically important to you? If you have segmented your markets, a summary of your analysis should be here.

¹ *Thinking Big! A guide to strategic marketing planning for arts organisations* Stephen Cashman Arts Marketing Assoc 2003.

Clarify what you offer your markets/stakeholders

To encourage regular engagement with your organisation, people need to feel welcomed and benefit from their experience of your organisation. Your particular environment and internal strengths must be exploited to give your markets/stakeholders an experience, service or an object that they feel nothing else can offer. Pinpoint the experience that your organisation offers and how it is unique from your markets' /stakeholders' perspective (i.e. the emotional, physical, social benefits and value you deliver to them).

Indigenous visual arts industry support applicants

Choose the strategic direction your organisation wishes to take with regard to markets

Consider whether you want to strengthen relationships with existing markets (e.g. attract clients who usually come once a year to three times per year instead). Or do you want to develop new markets (e.g. attract people over 60 years of age)? This direction should take into account what is feasible within the resources available. Consider which partners you will work with to move in this direction (e.g. like-minded organisations, local businesses, international organisations and sponsors etc).

Competitors

In not-for-profit arts organisations, competition can be thought of as anything that inhibits or stops an organisation from achieving its goal².

Consider who, or what else, competes for your markets' time, attention, interest and money. These can be direct or indirect competitors; think broadly, logically and laterally about where your current and future markets spend their time and money (e.g. other forms of entertainment such as watching television or playing sport, on-line communities, hobbies). Are current funding partners directing their money elsewhere? Use any research that you may already have. Bear in mind that other arts organisations may help increase the local desire for art, rather than compete for your markets' time. Also consider threats or barriers to your target markets engaging with your organisation (e.g. poor access to your product/services, lack of marketing budget/information, other demands on your prospective markets' time).

Goals and Key Performance Indicators (KPIs)

Your goals should describe what you would like your organisation to be achieving within a given timeframe and demonstrate progress towards your purpose. The plan will usually have no more than six goals and each should consist of one specific, clear and tangible objective. The goals should be explicit and implicitly relate to both the purpose and your organisation's constitutional objectives. The goals should also be defensible against your analysis of your internal and external situation as described in the 'Context' section.

KPIs are used to demonstrate how well your organisation is progressing towards achieving its goals. An effective KPI is specific, measurable, achievable, important and controllable by your organisation. Each goal can have as few as one KPI or more as in Figure 1 on page 7.

Strategies

Strategies are the major initiatives you will undertake to achieve the goals. In one page you can show that your strategies can fulfil one or many goals (see Figure 2 on page 7). The strategies that can satisfy many goals are more likely to have a higher priority for you.

² *Thinking Big! A guide to strategic marketing planning for arts organisations* Stephen Cashman Arts Marketing Assoc 2003.

Figure 3 on page 8 outlines strategies in a simple table format with columns for:

- Priority: which strategies you will focus on, have the most impact or provide the most resources.
- Measures and milestones: timetable for delivery.
- Responsibility: what position in your organisation is responsible for ensuring this happens.

Action plans

Each of the strategies should be attached to a specific project or action plan. These action plans are not included in the strategic plan, but are there for your organisation's and Board's reference. Each action plan should be detailed. It should clearly indicate what needs to happen by when and by whom for the strategy to be achieved. There will most often be multiple actions with accompanying target dates and different persons responsible for each action.

Program

This describes your general program of activities—exhibitions, special projects, residencies, workshops, community events, festivals, language classes etc. Start with a paragraph outlining what you expect to achieve annually, what impact, why it is an improvement on previous years (if appropriate) and then provide a summary of your overall program. Include:

- a statement about the rationale of the program
- an overview of the program for each year of the strategic plan, and
- ways to measure success, including a model for self-evaluation (e.g. visitor feedback, critical reviews, audience reviews, media and peer reportage).

Marketing/Engagement plan

Provide a plan of the marketing goals and strategies/community engagement that you intend to use to achieve your KPIs. Consider including all your markets/stakeholders, such as: specific communities, sponsors, media, peers, funding bodies and philanthropists. Your plan should flow logically and should demonstrate:

- an understanding of target markets/stakeholders (current and potential)
- the ability to respond to markets and stakeholders
- evidence of market research
- the ability of your organisation to show leadership

Core elements

Brand statement

What is it your organisation offers people? Why do they come to you? Define what participants/clients 'get' from experiencing what your organisation delivers?

This is how your creative vision translates into something to offer people that no-one else can offer. This is the reason why certain types of people are attracted to your organisation. It should be a simple statement saying what it is you give to customers/participants/members from their point of view—that is, in terms of the emotional, physical, social benefits and value you deliver to them. For example a social benefit may be the opportunity for community members to work together and share their skills or an emotional benefit may be a sense of connection to Indigenous language and culture through song.

The shorter and simpler the statement the better. Bear in mind, your organisation may represent a slightly different benefit to different markets e.g. an art centre may offer purchasing advice to art

collectors and/or safe creative environment for artists to work in.

Indigenous visual arts industry support applicants - Marketing plan

In addition to the relevant contextual analysis provided earlier in the strategic plan you will also need to provide the following detail:

Who are our current markets? Consider: participants, funding bodies, sponsors, philanthropists, clients, volunteers etc.

Target markets/stakeholders

This is a process of selecting which segments of clients are worth pursuing with the resources available. This will probably include existing markets, but may also include some new markets, or deeper penetration of existing markets. This is a simple statement that reinforces the goals and need only be one or two sentences. To help with this, you may refer to and expand on the relevant contextual analysis provided earlier in the strategic plan.

Marketing/engagement strategies for target markets/stakeholders

This includes developing any new programs, initiatives or products for certain target markets. Consider distribution and partners (e.g. if you want to reach more people interstate or overseas, consider what strategic partners you are working with to deliver this, and how you are going to handle your relationship with these partners).

Indigenous Cultural Support and Indigenous Languages Support applicants - this includes providing program information (advertising), approaching sponsors and funding organisations, and encouraging philanthropy.

Indigenous visual arts industry support applicants - this includes pricing strategies, product strategies, artistic strategies, distribution strategies, people strategies and also any philanthropy or sponsorship strategies.

Each strategy should be specific, measurable and achievable and should have a specific KPI over a specific time.

This action plan comprises specific activities for each strategy above, which will achieve each of the strategies above:

- Who are you targeting?
- What media are you using?
- What message are you sending?
- How are you delivering it (promotional plans and program)?
- Who is responsible for it?
- How much have you budgeted for it? and
- How will you measure success, KPIs? If applicable you may need to develop separate action plans for marketing communications (or promotion and outreach, sponsorship and philanthropy).

Financial plan

The financial plan should flow logically from the conclusions drawn about your organisation's financial situation as described in the Context section of the strategic plan. It should include:

- an assessment of your organisation's current financial situation (where are we now?)
- a vision of the financial situation at the end of the period covered by the strategic plan (where do we want to be?).

You should provide a budget forecast for each year covered by the strategic plan. The figures in your forecast should support and demonstrate the statements made in your financial plan and throughout your entire strategic plan.

Break-even or deficit forecasts across several years should be accompanied by explanatory commentary.

Management

Organisational structure

Include an organisational chart showing role and responsibilities for each position, and to whom they report.

Staff information

Include a list of staff members, their position in the organisation and relevant qualifications and experience (See Figure 5, Suggested format for staff information, on page 8).

Role of the Board and governance

This will be a list of your Board members, the skills they bring to the Board and specific roles, if any, that they have on the Board. You should provide this information as shown in Figure 4, suggested format for Board information, on page XX.

It should give a clear indication of the demarcation between the Board and executive staff, and detail any delegations of responsibility.

Risk management plan

Identify the major obstacles to achieving your strategic plan and goals. Consider what could go wrong and whether you are making assumptions that could be proven to be incorrect. Provide a comprehensive plan that demonstrates:

- probability of all potential risks
- impact of all potential risks, and
- strategies to mitigate potential risks.

As a guide, some risks to consider include:

- environmental/external risks (that is, beyond the control of your organisation)—consider whether any of your income sources have the potential to be affected by significant economic changes. Think about whether your funding is likely to be affected by changes in government or government policy
- financial risks—consider whether your organisation can afford the goals and/or strategies and look at your organisation's level of exposure or financial commitment
- marketing and reputation risks—consider whether your organisation has adequate safeguards in place to monitor impacts on credibility and maintain positive stakeholder relationships
- management risks—consider whether your organisation has the expertise to manage new strategies and what would happen if key people left your organisation, and
- operational risks—consider whether your organisation can implement the changes in the strategic plan.

TEMPLATES

Figure 1: Sample Goal and KPI set

| Goal | KPI | Annual Targets | | | |
|---|---|-------------------|------|------|------|
| | | Current situation | Yr1 | Yr2 | Yr3 |
| More people experience and understand the value of Indigenous visual arts | Increase total number of art sales by 10% each year | 200 | 220 | 242 | 266 |
| | Publication sales and circulation grows by 10% each year | 5000 | 5500 | 6000 | 6700 |
| More community members get involved in development of language activities | Increase number of participants each year | 15 | 20 | 25 | 30 |
| | Increase employment of local administrative staff | 0 | 1 | 2 | 3 |
| Strengthen capacity of the Board | Increase number of board members who have completed governance training program | 0 | 2 | 3 | 4 |

Figure 2: Sample goals and strategies matrix

| Strategies | Goals | | |
|--|--|---|---|
| | Increase public profile of local community culture | More people experience and understand the value of Indigenous culture | Diversified income streams to ensure financial sustainability |
| Present two exhibitions in a capital city | YES | YES | YES |
| Produce and distribute high quality publications | YES | YES | YES |
| Create a new website | YES | YES | YES |
| Partner with a corporate sponsor | | | YES |

Figure 3: Suggested format for strategies

| Strategy | Key Activities | Priority | Measures & Milestones | Responsibility |
|--|---|----------|-----------------------|---------------------------------|
| Produce and distribute high quality publications | Produce exhibition catalogues of a high quality. Per annum, two full colour, bound, minimum 48 page, publications published | 2 | May, August each year | Administrative assistant |
| Develop a comprehensive grammar | Employ a linguist | 1 | Completed by June | Manager, Administrative Officer |

Figure 4: Suggested format for Board information

| Name of Director or committee member (list all members) | Special responsibilities, qualifications and experience | Years on Board | Term ends |
|---|---|----------------|-----------|
| Person A | Special responsibilities: Chairperson | 5 | 2012 |
| Person B | Special Responsibilities: Secretary | 3 | 2011 |
| Person C | Special Responsibilities: Community elder | 3 | 2011 |

Figure 5: Suggested format for staff information

| Name of staff member (list all members) | Position | Qualifications and Experience | Years in current position | CDEP or Indigenous Employment Initiative |
|---|----------|-------------------------------|---------------------------|--|
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