

This strategic planning process was developed in response to the budget cuts in Oregon Volunteers' federal funding, which resulted in reductions in staffing, organizational capacity, and programmatic support. Oregon Volunteers had previously conducted a strategic plan identifying the need to increase "organizational strength and capacity [for] robust resources to achieve its mission" as the fourth goal in their initial strategic plan. After significant funding cuts, this strategic goal became the number one priority. To address this new priority, Oregon Volunteers sought out additional assistance to identify strategic steps to achieve greater organizational capacity and strength.

This strategic process is comprised of three basic steps: Leadership development, scenario planning, and an organizational capacity assessment. These steps were identified through organizational research and environmental research. Organizational research began with an interview with the Executive Director of Oregon Volunteers, Kathleen Joy. Kathleen Joy shared organizational information and several relevant documents. Based on the information gained in the interview and from the shared documents, the need for additional information was identified for: foundations, corporate sponsors, other commissions, fiscal sponsors, legislative outreach and 501(c)3 classifications. From this environmental research, several critical questions were identified and then broken into the three strategic process steps.

Strategic Planning Process Steps

1. Leadership Development: Establish Commissioner commitment to financial wellbeing of Oregon Volunteers

In any organization, the fund development process begins with its board of directors. For Oregon Volunteers, their board is the Commission. Without Commissioner support, engagement, and direction, fund development is simply not possible. The Commissioners and Executive Director need to determine what their level of involvement in implementing a strategic plan will be. They will need to determine what amount of time and energy each can and will put into the work. Then, given commissioner and ED levels of involvement, time, and energy input, they will need to determine how much work is possible.

2. Review and evaluate case scenarios and corresponding strategic processes to identify the most realistic and beneficial strategy.

In the very first interview, it was made clear that a great deal of environmental research was needed in order to assist the Commissioners in making a decision about the best path to take in developing additional funding resources. Based on information gathered from organizational and environmental research conducted, three potential scenarios were identified and developed in detail.

The first option examined is that of creating a nonprofit and applying for 503(c)3 status. Three possible classifications for 501(c)3 status were identified: Charitable organization, Educational Organization, or Supporting Organization. The third option, Supporting Organization, is the most complex and will require consultant advice. It is currently unclear whether Oregon Volunteers qualifies for this classification.

The nonprofit and 501(c)3 application option presents the greatest amount of work and time input over the longest period of time for the greatest degree of uncertainty in returns on funding. If the Commission does decide to take implement this option, the classification of Educational Organization presents the strongest case for support and is the closest match to current programming.

The second scenario, Legislative Outreach, was not initially in the Commission's strategic plan for fund development. Environmental research revealed that over half of the commissions in the United States receive additional state-level funding, meaning that this could be a strong option for Oregon Volunteers. A compelling case for support can be made to stakeholders for this scenario. This option is the easiest to implement in terms of time and resource input if care is taken in developing a comprehensive strategic plan. However, this option also presents greater uncertainty in return on investment and should be considered as a companion option to pair with another strategy if there is sufficient support from the Commission.

The third scenario, Fiscal Sponsorship, was identified during the environmental research as something other State Service Commissions have done. Fiscal sponsorship is a formal arrangement in which an organization with 501(c)3 status is a sponsor to an organization or project without 501(c)3 status. This option presents the most benefit for the most manageable amount of effort. The primary challenge lies in identifying potential partner organizations and negotiating the agreement. Fiscal sponsorship is not typically used as a long-term solution and may need to be approached as a step along the way towards financial sustainability. It is also important to keep in mind that this is not a pass-through option, the fiscal sponsor will have control and authority over: funds obtained with their 501(c)3 status, financial reports, expenditure approval for the project, and staff hiring and

firing for the joint project(s). *See Appendix A for full scenario details and appendix B for recommended action steps.*

3. Conduct an organizational capacity assessment to determine how limitations on staff time, resources, and dollars will affect each scenario.

The Commissioners & Executive Directors need to complete an organizational assessment using a tool such as the McKinsey Capacity Assessment Grid to identify areas of weakness and strengths in their organizational capacity. By reviewing their organizational capacity, they can determine how implementation of each scenario is affected. Commissioners and the ED will need to reassess their strategic goals and plans and then realign these to accommodate organizational capacity limitations. *See appendix C for the recommended McKinsey Capacity Assessment tool.*

The critical take-away for Oregon Volunteers Commissioners is that this process must start with a clear level of commitment to fund development work and end with a realistic assessment of what the organization can accomplish in the short term in order to select a strategic plan with the greatest chance of success. The Commissioners' levels of support determine amount of fund development work possible and the degree of success achievable. After determining how much energy Commissioners can contribute to the effort, they should review each scenario and determine which option is most realistic. Finally, commissioners and staff alike should complete an organizational capacity assessment to determine what action steps are most realistic given the current capacity of the organization. Given all these factors, Commissioners should re-examine their goals, strategies, and decision to ensure that each is aligned with organizational capacity and levels of Commissioner support in order succeed.

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