



## **Systems View of Various Nonprofit Management Functions**

The tables on the following pages depict eight examples of recurring systematic functions that should occur in nonprofits. (Not all of the functions in nonprofits are included in this document.)

A consultant or leader need not be an expert in each of the functions. However, it can be very powerful to improve a function just by discussing its system with a client or employee. Go backwards through the system and ask for opinions. For example, “What do people think of the financial reports (the outputs) – are they useful?” “Are those reports evaluated on a regular basis?” “What kinds of activities produce those reports – are the activities useful?” “Are those activities developed well?” “Are they planned well?” “Do they have what they need (the inputs) to be useful?”

Not all functions fit nicely together. However, it is the conversation about their alignment that is as important as their actual alignment.

The examples include the following eight functions. Here is a very broad overview of how they generally are aligned with each other.

1. Boards of Directors
  - a. Governs the nonprofit corporation, including, in part, to
  - b. Drive the strategic planning process
2. Strategic planning includes, in part, clarifying the
  - a. Overall purpose and priorities of the organization
  - b. Programs to meet certain clients’ needs
  - c. Expertise needed to address the priorities and programs
3. Management development includes, in part,
  - a. Developing the expertise to implement the Strategic Plan and the programs
4. Staffing includes, in part,
  - a. Developing and organizing the expertise to implement the Strategic Plan
5. Financial management includes, in part,
  - a. Identifying funds needed to obtain and development resources to implement the Plan and programs
6. Advertising and promotions include, in part,
  - a. Promoting the new programs
7. Fundraising includes, in part,
  - a. Generating sufficient revenue to address deficits identified during financial planning
8. Program evaluation includes, in part,
  - a. Assessing the quality of the programs recurring activities
  - b. Assessing the quality of results achieved by the program

Management System for Board of Directors					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> <li>▪ Past evaluation results of Board</li> <li>▪ Annual calendar</li> <li>▪ Mission, vision, values, goals</li> <li>▪ Community leaders</li> <li>▪ Experts</li> <li>▪ Staff</li> <li>▪ Best practices on Boards</li> </ul>	<ul style="list-style-type: none"> <li>▪ Board policies and procedures</li> <li>▪ Job descriptions</li> <li>▪ Board organization chart</li> <li>▪ Board Committee work plans</li> </ul>	<ul style="list-style-type: none"> <li>▪ Form Board Develop. Committee</li> <li>▪ Recruit members</li> <li>▪ Provide Board Manual</li> <li>▪ Train members about Boards</li> <li>▪ Orient members about nonprofits</li> <li>▪ Organize members into committees</li> </ul>	<ul style="list-style-type: none"> <li>▪ Attend meetings</li> <li>▪ Research, discussions, debates</li> <li>▪ Motions, decisions</li> <li>▪ Strategic planning</li> <li>▪ Supervise CEO</li> <li>▪ Public relations</li> <li>▪ Review programs</li> <li>▪ Review financials</li> <li>▪ Fundraise</li> </ul>	<ul style="list-style-type: none"> <li>▪ Meeting evaluations</li> <li>▪ Quality of attendance, participation, teamwork, strategic decisions?</li> <li>▪ Board self-evaluation annually</li> <li>▪ Board Develop. Plan to address results of evaluations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Board minutes with decisions</li> <li>▪ Directions to CEO</li> <li>▪ Public speeches</li> <li>▪ Program reviews</li> <li>▪ Financial reviews</li> <li>▪ Donations</li> <li>▪ Board Develop. Plan</li> <li>▪ Updated Board policies and procedures</li> </ul>

Management System for Strategic Planning					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> <li>▪ Past evaluation results of nonprofit</li> <li>▪ Past Strategic Plan</li> <li>▪ Board, staff members</li> <li>▪ Community leaders</li> <li>▪ Researchers</li> <li>▪ Program experts</li> <li>▪ Best practices on planning</li> </ul>	<ul style="list-style-type: none"> <li>▪ Clarify purposes of planning</li> <li>▪ Decide time span of Strategic Plan</li> <li>▪ Select planning model</li> <li>▪ Select participants</li> <li>▪ Identify needed outside help</li> <li>▪ Identify needed materials</li> </ul>	<ul style="list-style-type: none"> <li>▪ Form Planning Committee</li> <li>▪ Hire, orient facilitator</li> <li>▪ Announce planning process</li> <li>▪ Train on strategic planning</li> <li>▪ Orient experts on nonprofit</li> <li>▪ Design research plans</li> <li>▪ Schedule sessions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop/ review mission, vision, values</li> <li>▪ External analysis</li> <li>▪ Internal analysis</li> <li>▪ Establish strategic goals</li> <li>▪ Develop action plans</li> <li>▪ Develop Operating Plan</li> <li>▪ Develop Budget</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide clear mission, goals, actions, budget?</li> <li>▪ Satisfaction checks during planning</li> <li>▪ Plan being implemented?</li> <li>▪ Implementation on schedule?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strategic Plan</li> <li>▪ SWOT information</li> <li>▪ New/updated mission, vision, values, goals</li> <li>▪ Action plans</li> <li>▪ Operating Plan</li> <li>▪ Budget</li> <li>▪ Performance goals for Board and staff</li> </ul>

Management System for Management Development					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> <li>▪ Mission, values, goals</li> <li>▪ Strategic Plan</li> <li>▪ Action plans</li> <li>▪ Operating Plan</li> <li>▪ Program plans</li> <li>▪ Personnel policies</li> <li>▪ Current managers</li> <li>▪ New managers</li> <li>▪ Best practices on leadership, management</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assessment of current leadership and management capacities</li> <li>▪ Identify training goals (needed capacities)</li> <li>▪ Update personnel policies on compensation, hiring, delegating, firing, etc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Form Board Personnel Committee</li> <li>▪ Design training methods</li> <li>▪ Develop training materials (or select courses)</li> <li>▪ Develop evaluation plans</li> <li>▪ Integrate training goals in performance plans</li> </ul>	<ul style="list-style-type: none"> <li>▪ Organize leaders and managers into trainings</li> <li>▪ Conduct in-house trainings</li> <li>▪ Attend outside trainings</li> <li>▪ Conduct on-the-job trainings</li> <li>▪ Apply new learning to the workplace</li> </ul>	<ul style="list-style-type: none"> <li>▪ Evaluate during training activities</li> <li>▪ Quality of planning, organizing, leading, controlling?</li> <li>▪ Delegating?</li> <li>▪ Managing conflicts?</li> <li>▪ Managing meetings?</li> <li>▪ Redo assessment at end of trainings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Initial assessment results</li> <li>▪ Training plans</li> <li>▪ Applied learning from participants</li> <li>▪ Updated personnel policies</li> <li>▪ Final assessment results</li> </ul>

Management System for Staffing (Paid and Volunteer)					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> <li>▪ Mission, values, goals</li> <li>▪ Strategic Plan</li> <li>▪ Action plans</li> <li>▪ Operating Plan</li> <li>▪ Program plans</li> <li>▪ Personnel policies</li> <li>▪ People</li> <li>▪ Best practices on leadership, management</li> </ul>	<ul style="list-style-type: none"> <li>▪ Update personnel policies and procedures</li> <li>▪ Update job descriptions</li> <li>▪ Update staff organization chart</li> <li>▪ Select recruitment methods and tools</li> </ul>	<ul style="list-style-type: none"> <li>▪ Form Board Personnel Committee</li> <li>▪ Recruit, hire members</li> <li>▪ Provide Personnel Manual</li> <li>▪ Develop training methods</li> <li>▪ Orient, train, organize members</li> <li>▪ Develop equipment, supplies, etc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish goals for staff</li> <li>▪ Share feedback</li> <li>▪ Administer the offices</li> <li>▪ Operate programs</li> <li>▪ Marketing</li> <li>▪ Financial management</li> <li>▪ Fundraising</li> <li>▪ Evaluations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Goals achieved by staff, volunteers?</li> <li>▪ Low conflicts, turnover?</li> <li>▪ High morale?</li> <li>▪ Do annual performance reviews</li> <li>▪ Reward positive performance</li> <li>▪ Implement performance improvement plans</li> </ul>	<ul style="list-style-type: none"> <li>▪ Status reports</li> <li>▪ Meeting minutes</li> <li>▪ Program reviews</li> <li>▪ Financial reviews</li> <li>▪ Updated personnel policies</li> <li>▪ Update job descriptions, charts, etc.</li> <li>▪ Performance reviews</li> </ul>

Management System for Financial Management					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> <li>▪ Laws and regulations</li> <li>▪ Fiscal policies and procedures</li> <li>▪ Strategic Plan</li> <li>▪ Action plans</li> <li>▪ Operating Plan</li> <li>▪ Program plans</li> <li>▪ Last year's budget</li> <li>▪ Best practices on financial management</li> </ul>	<ul style="list-style-type: none"> <li>▪ Update fiscal policies and procedures</li> <li>▪ Review plans to identify needed resources</li> <li>▪ Identify costs to obtain and support resources</li> <li>▪ Identify fundraising target</li> <li>▪ Develop Budget</li> </ul>	<ul style="list-style-type: none"> <li>▪ Form Board Finance Committee</li> <li>▪ Train Board on how to analyze finances</li> <li>▪ Obtain software to manage financial information</li> <li>▪ Obtain expertise to do bookkeeping, statements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Enter bookkeeping transactions</li> <li>▪ Generate financial statements</li> <li>▪ Analyze statements</li> <li>▪ Support annual audit</li> <li>▪ Implement recommendations from audit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transactions tracked fully?</li> <li>▪ Financial statements reviewed?</li> <li>▪ Shortage of funds?</li> <li>▪ Bills paid on time?</li> <li>▪ Cash crises?</li> <li>▪ Issues addressed from audit?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Updated fiscal policies and procedures</li> <li>▪ Budget</li> <li>▪ Fundraising target</li> <li>▪ Financial statements</li> <li>▪ Audit findings</li> <li>▪ Invoices, receipts, checks, etc.</li> </ul>

Management System for Advertising and Promotions					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> <li>▪ Mission, vision, values, goals</li> <li>▪ Strategic Plan</li> <li>▪ Program's market research and methods</li> <li>▪ Staff</li> <li>▪ Experts</li> <li>▪ Best practices on advertising and promotions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Specify each program's benefits</li> <li>▪ Clarify each program's target groups</li> <li>▪ For each group, associate program benefits with target's needs</li> <li>▪ Specify preferred public image for nonprofit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Form Board Marketing Committee</li> <li>▪ Develop methods to advertise each program to its target groups (brochures, flyers, etc.)</li> <li>▪ Develop methods to convey public image (logo, slogans, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Use methods to convey each program's benefits to its target groups</li> <li>▪ Use methods to cultivate public image with important stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>▪ Implementation of advertising plan on schedule?</li> <li>▪ Implementation of PR plan on schedule</li> <li>▪ Increase in contacts to programs?</li> <li>▪ Increase in clients for programs?</li> <li>▪ Increased relationships with stakeholders?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Advertising and Promotions Plan</li> <li>▪ Flyers, brochures, testimonials, presentations, etc.</li> <li>▪ Logo, slogans, web site, newsletters, etc.</li> </ul>

Management System for Fundraising					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> <li>▪ Mission, vision, values, goals</li> <li>▪ Budget</li> <li>▪ Donors</li> <li>▪ Board, staff members</li> <li>▪ Program goals and outcomes</li> <li>▪ Advertising and Promotions Plan</li> <li>▪ Best practices on fundraising</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish fundraising target</li> <li>▪ Design research plans on prospective donors</li> <li>▪ Select donors to approach</li> <li>▪ Decide who approach, when and how</li> <li>▪ Develop Fundraising Plan</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop Fundraising Committee</li> <li>▪ Train Board and staff on fundraising</li> <li>▪ Conduct research</li> <li>▪ Write grant proposals about needs, vision and methods, evaluation, budgets</li> <li>▪ Develop solicitation kits</li> </ul>	<ul style="list-style-type: none"> <li>▪ Approach each donor</li> <li>▪ Send grant proposals</li> <li>▪ Coordinate site visits</li> <li>▪ Manage database of solicitations</li> <li>▪ Acknowledge received grants</li> <li>▪ Manage grant spending</li> <li>▪ Reports to funders</li> </ul>	<ul style="list-style-type: none"> <li>▪ On schedule to approach each donor?</li> <li>▪ Percentage donors giving funds?</li> <li>▪ Fundraising Committee functioning?</li> <li>▪ Board involved?</li> <li>▪ Fundraising target reached?</li> <li>▪ Reports to funders on time?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fundraising Plan</li> <li>▪ Proposals</li> <li>▪ Meetings with funders</li> <li>▪ Donations from individuals, foundations, corporations and/or government</li> <li>▪ Database of potential and active donors</li> </ul>

Management System for Program Evaluations					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> <li>▪ Program process</li> <li>▪ Program goals</li> <li>▪ Program outcomes</li> <li>▪ Board and staff</li> <li>▪ Best practices for evaluations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify which program aspects to evaluate (process, goals, outcomes, etc.)</li> <li>▪ What information is needed?</li> <li>▪ How get information, who and when?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Form Board Programs Committee</li> <li>▪ Develop information collection methods</li> <li>▪ Develop Program Evaluation Plan</li> <li>▪ Train staff to use methods</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collect information</li> <li>▪ Analyze information</li> <li>▪ Identify strengths, weaknesses, issues, progress to outcomes, etc.</li> <li>▪ Generate recommendations to address findings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Programs implemented on schedule?</li> <li>▪ Adjust Plans?</li> <li>▪ Adjustments to make to programs right away?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Information collection methods</li> <li>▪ Collected information</li> <li>▪ Evaluation reports</li> <li>▪ Recommendations to programs</li> </ul>