


2009 OPPORTUNITY FINANCE NETWORK CONFERENCE



Inside OFN's Strategic Planning Model

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Session Goals

- To share OFN's planning model
- To explain how OFN developed & implemented its 2004-2010 Strategic Plan (aka "Grow, Change, or Die")
- To outline how OFN is thinking about its next strategic planning process
- To get session participant guidance and input





OFN's Planning Assumptions

- **Strategic Planning**
 - 10-15 Years
 - Focus on core vs. change
- **Business Planning**
 - 3-5 Years
 - Focus on risks & opportunities
- **Operational Planning**
 - 1-3 Years
 - Focus on execution



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OFN's Purpose in Planning

- To define OFN's "Vision"
 - Core
 - Mission
- To set durable parameters about what OFN will and will not do
- To provide a clear and transparent strategy to Members, Prospective Members, Funders, Investors, and Others

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What is Core?

- Preserve the core and stimulate progress
- "Companies that enjoy enduring success have core values and a core purpose that remain fixed while their business strategies and practices endlessly adapt to a changing world."

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The Core

- **Core Ideology**
 - Core Values: *Essential & enduring tenets*
 - Core Purpose: *Reason for Being*
- **Envisioned Future**
 - Big, Hairy Audacious Goal (BHAG): *Clear, Compelling, Unifying, Catalytic, Finite.*
 - Vivid Description: *Vibrant, Engaging, Specific Description of Success*

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What Must Change?

- **Mission Statement**
 - Links the core to dynamic business change
 - Defines (and limits) the BHAG
 - Sets the time frame for the strategy
- **Goals**
 - The pillars of mission
 - Describes the everyday work of the organization

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The OFN Framework

- **Vision (Vivid Description): Someday**
- **Core Purpose: 100+ Years**
 - Core Values: The Filters on Action
- **BHAG ("Big, Hairy Audacious Goal"): 20-30 Years**
- **Mission: 10-15 Years**
- **Goals: 10-15 Years (with interim goals)**

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OFN Specifics (Current Plan)

- **Vision**
 - A world where all people have the resources and opportunities to act in the best interests of their communities, themselves, and future generations.
- **Core Purpose**
 - Aligning capital with social, economic, and political justice

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More OFN Specifics

- Core Values**
 - Justice:** Every facet of our work should be directed toward and reflect an unwavering commitment to fair and equal access to, opportunity in, and responsibility for social, economic, and political life. For us, justice is a unifying value.
 - Excellence:** The people and communities we serve have a right to expect excellence, and we have a responsibility to provide it. A commitment to excellence is a statement of respect for our customers, investors, funders, staff, Board and Members.

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BHAG?

- We Did Not Set One (But Should Have)**
 - Implicit in OFN's mission is the BHAG that we can organize systemically to create high-volume financing production an order of magnitude greater than we were producing in 2003. But we never said it explicitly.
 - This is probably the *wrong* approach to a BHAG (means vs. results)

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Mission

- To lead the opportunity finance system to scale through capital formation, policy, and capacity development. We expect to achieve this by 2010.**
 - Blue = Key concepts
 - Red = Key mistake

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Goals: Systemic Goals

- **A high-volume financing system** providing tens of billions of dollars annually benefitting millions of low-income and low-wealth people and communities with a wide array of affordable, customized products that create economic opportunities, build wealth, and strengthen communities. This goal is the central, lead goal in OFN's strategic plan.
- **Government policies that benefit low-income and low-wealth people** by stimulating billions of dollars annually of new private investment by pension funds and other retirement accounts, mutual funds, individual investors, banks, and non-bank financial service companies in underserved markets. Anti-poverty and economic inclusion policies are integral to economic as well as social policy.

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Goals: Organizational Goals

- **Broad understanding of, agreement with, and support for OFN's core purpose**
- **Binding ties to the 7-10 most powerful organizations fighting for social, economic, and political justice.***
- **Scores of mainstream champions**
- **Consistently strong OFN financial performance**

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Goals: *

- **Revised "Justice" Goal (2008)**
 - **OFN is committed to demonstrating in clear and visible ways its historically implicit commitment to justice.** To that end, we will engage in active, constructive financing, policy, and/or capacity building relationships each year with at least 10 powerful organizations fighting for social, economic, and political justice and steadily expand year after year the depth and number of our relationships with leading justice organizations.

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Execution & Implementation

- **Operational Planning**
 - Absent a business plan
 - Too many unknowns
- **Strategic Communications**
 - Repetition, Repetition, Repetition
 - Managing "scale"
 - Branding
- **Learning Lessons**

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OFN's Hedgehog Concept

THREE CIRCLES OF THE HEDGEHOG CONCEPT

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Context for "Next"

- **OFN's Strategic Evolution**
- **Building Blocks**
- **Discussion**

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OFN's Strategic Evolution

- **Formation: 1985-1989**
 - Finding One Another
 - Making Connections
 - Setting a Course
- **CDFI Growth: 1989-1995**
 - Peer-to-peer
 - Performance/Excellence
 - "Building a CDFI industry one CDFI at a time"

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CDFI Strategic Evolution

- **Industry Growth: 1995-2004**
 - Looking outward
 - CDFI Fund
 - "Building strong CDFIs by building a strong CDFI industry"
- **System Growth: 2004-Present**
 - Policy expansion
 - Breaking down the CDFI "wall"
 - "Building, expanding, and transforming the opportunity finance system"

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Prelude to a Plan

- **1985 Founding Principles**
- **1994 Plan**
- **1996 Name Change**
- **2001 Questions**
- **2003 Planning**
- **2004 Implementation**
- **2007 Midcourse Assessment**
- **2009 New Planning Cycle**

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Session Resources

- ▶ **"Building Your Company's Vision,"**
Harvard Business Review, September-October 1996.
- ▶ **Built to Last** by Jerry Porras & Jim Collins
(HarperCollins, New York, 2009)
- ▶ **Good to Great** by Jim Collins
(HarperCollins, New York, 2001)
- ▶ **Good to Great and the Social Sectors**
by Jim Collins (Jim Collins, Boulder, CO, November 2005)
- ▶ **How the Mighty Fall** by Jim Collins
(HarperCollins, New York, 2009)

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Years of
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Summary of OFN's Strategic Plan (2004 – 2010)

Core Purpose

Our core purpose is to align capital with social, economic, and political justice. That is the reason Opportunity Finance Network exists.

Core Values

Two core values anchor our work. We will work by these values without regard to circumstantial or environment changes.

Justice

Every facet of our work should be directed toward and reflect an unwavering commitment to fair and equal access to, opportunity in, and responsibility for social, economic, and political life. For us, justice is a unifying value.







Excellence

The people and communities we serve have a right to expect excellence, and we have a responsibility to provide it. A commitment to excellence is a statement of respect for our customers, investors, funders, staff, Board, and Members.

Mission

Opportunity Finance Network's mission is to lead the opportunity finance system to scale through capital formation, policy, and capacity development. We expect to achieve this by 2010.

We set six strategic goals OFN expects to achieve by 2010. Of the six, two are systemic—that is, they are transformational changes of the community development finance system—and four are organizational, they pertain directly to OFN.

-  **A high-volume financing system** providing tens of billions of dollars annually benefiting millions of low-income and low-wealth people and communities with a wide array of affordable, customized products that create economic opportunities, build wealth, and strengthen communities.
-  **Government policies** that benefit low-income and low-wealth people and communities by stimulating billions of dollars annually of new private investment by pension funds and other retirement accounts, mutual funds, individual investors, banks, and non-bank financial service companies in underserved markets.
-  **Broad understanding of, agreement with, and support for OFN's core purpose and mission** among a critical mass of community development finance professionals, conventional finance professionals, policy makers, and the people and communities we serve.
-  **Opportunity Finance Network is committed to demonstrating in clear and visible ways its historically implicit commitment to justice.** To that end, we will engage in active, constructive financing, policy, and/or capacity building relationships each year with at least 10 powerful organizations fighting for social, economic, and political justice and steadily expand year after year the depth and number of our relationships with leadership justice organizations.
-  **Scores of mainstream champions** (on Wall Street, in banks, and in government) fighting for OFN's core purpose.
-  **Consistently strong OFN financial performance** that increases our ability to execute our plan year after year.