

writing a strategic plan

GUIDE FOR INDEPENDENT ARTS & CULTURAL ORGANISATIONS
MULTI-YEAR FUNDING PROGRAM



OVERVIEW

This document has been prepared to provide guidance to successful EOI applicants on how to complete a strategic plan as part of their application for multi-year funding. Create NSW acknowledges that organisations may have a completed strategic / business plan (the 'plan') in place that they may wish to submit with their application. This document serves to ensure that your strategic plan has the necessary information for the assessment, providing an opportunity for additional information to be included, where required.

If you are putting together a new plan, please limit it to **10 pages**.

Please pay particular attention to the following objectives and assessment criteria as you write your Strategic Plan:



The three Arts and Cultural Funding Program objectives of the NSW Government are to:

- Grow creative leadership and programming excellence in NSW
- Strengthen NSW arts and cultural activity that drives community and social benefits
- Showcase NSW as a leader for strategic arts and cultural governance and strong financial management



The three Assessment Criteria for The Arts and Cultural Funding Program are:

- Merit – Address the excellence of your program
- Impact – Address the Audience, Cultural, Operational or Social impacts of your program
- Viability – Demonstrate the financial viability and stable/strategic governance of your program

The three Arts and Cultural Program objectives and three Assessment Criteria provide significant points of focus towards addressing the contents of your strategic plan.

PURPOSE

Your Strategic Plan will be assessed by the relevant Artform Board in conjunction with your application form and any attachments provided. The components of this Strategic Plan should align with the selection criteria for this program of funding and detail what may be considered by the Artform Board.

Wherever possible, the online system application form requirements are streamlined to recognise the information provided in the Strategic Plan. Please note that due to mandatory regulatory requirements, some sections of the form may require responses and attachments that are similar to the information provided in your Strategic Plan.

SUGGESTED SECTIONS AND EXPLANATORY NOTES

Generally, your Strategic Plan should provide a 'high-level' outline of what your organisation does and where you want your organisation to be in four years' time, why you believe it should be there, and how you plan to accomplish this over the period.

The information below details the sections which should be included in the Strategic Plan and the relevant information to be covered.

1

ORGANISATIONAL OVERVIEW - PAST, PRESENT, FUTURE

In this opening section of your Strategic Plan, you are telling a packaged story of your organisation and where you want it to be in four years. This section needs to align closely with Create NSW's program objective of creative leadership and programming excellence, and the selection criteria of Merit.

Executive Summary

The executive summary covers the key messages of the plan.

- WHAT is your business or organisation?
- WHO is involved?
- WHERE is your business going, in terms of goals?
- HOW are you planning to get there?
- WHY is it important for you to reach these goals? What will the outcomes be?

Vision

This is a statement that expresses the organisation's main ambitions and ideal future state.

Mission

Your mission explains why the organisation exists and outlines how it intends on achieving its vision. It may include a list of the values that guide your organisation.

Goals

Goals describe your intended impact and reflects where you want to be in four years' time. Ideally, they should be SMARTER goals:

- Specific
- Measurable
- Acceptable to those working to achieve the goals
- Realistic
- Timely
- Extending capabilities and
- Rewarding for those working to achieve them.

Strategic/Context Analysis

This section summarises the issues you expect your organisation to face over the next four years, based on an assessment of your internal and external environment and your market positions. It underpins the artistic choices you have made and the goals you have set. It may include the following sub-sections:

History

An overview of when your organisation was set up, for what reason, any impact of significant achievements, and events and milestones that your key staff/creatives instigated over the years which influenced your strategic direction.

Internal Situation

An evaluation of your organisation's major structural strengths and weaknesses. It should consider the organisation's impact and value and include an analysis of your organisation's current financial situation and risks.

External Situation

A brief summary of your current external opportunities and potential threats and challenges. It may consider:

- Local, national and international peers
- Stakeholders
- Key trends and issues about the environment in which your organisation exists, including social, technical, environmental, economic, political, legal, cultural policy or arts sector trends, which might affect the artistic direction of your organisation.

Markets

Current markets and relevance

This is an evidence-based analysis of your current market segments. It may also consider new markets, communities, stakeholders or partners that are potentially strategically important, particularly how you are responding to changing audience or community demands and interests, including people who are not currently engaged.

Offer

Pinpoint the experience that your organisation offers and how it is unique from your markets' perspective (i.e. the emotional, physical, social benefits and value you deliver to them).

Competitors and Partners

Details who your competitors and partners are and what is their offering, their impact on the organisation, and how will your organisation respond.

ORGANISATIONAL PROGRAMMING – STRATEGIES, ACTIVITIES, PARTNERSHIPS AND KPIS

In this section of your Strategic Plan, you need to demonstrate how you intend to achieve your goals. This section of the plan aligns closely with Create NSW's second objective, to strengthen NSW arts and cultural activity that drives community and social benefits, as well as demonstrating creative leadership and programming excellence. This section should align with both the Impact and Merit selection criteria.

Strategy

Details how you will undertake to achieve your vision/mission/goals and evaluate your success. This should consider the direction that you wish to take with your markets. It could also include which partners you will work with to move in that direction.

Program of Activity

A list and descriptions of activities, with timelines (where available), indicating key programs and/or strategic developments and partnerships.

Key Performance Indicators

In this section, you will also identify how you will measure your success, i.e. the key performance indicators (KPI) which your organisation will use to monitor the achievement of your outcomes.

For example:

OUTCOME	KPI	BENCHMARK RESULT	TARGET YR 1	TARGET YR 2	TARGET YR 3	TARGET YR 4	DATA SOURCE
Greater economic viability	Reduce the proportion of income from Government Grants from X% of the total budget to Y% by 202X						Financial Reports

Please see the Appendix for Create NSW's proposed KPIs for funded programs that you may like to consider. As per the example above, please ensure that your KPIs are measurable

ORGANISATIONAL GOVERNANCE AND FINANCIAL VIABILITY

This final section of your Strategic Plan provides a summary of how your organisation is equipped to support the achievement of your goals. This section of your plan aligns closely with the funding objective to showcase NSW as a leader for strategic arts and cultural governance and strong financial management and with the assessment criteria of Viability.

You may include specific plans such as:

Financial Plan (Budget)

This reflects how you are going to implement the strategies that underpin your artistic vision, flowing logically from the conclusions drawn about your organisation's financial situation in the context section. It includes:

- a statement of the current financial position of your organisation including high level profit & loss and balance sheet analysis.
- financial projections for the next four years (this should support and demonstrate the statements made throughout your entire plan). Budget templates have been provided (Expanded template / Simplified template) to demonstrate the level of detail required in this section.
- trend analysis on key sources of revenue – including (if applicable):
 - performance or exhibition related income (eg ticket sales)
 - private sector support (eg donation and corporate sponsorship income), and
 - government funding as a percentage of total income
- trend analysis of major sources of expenditure (eg employee costs, marketing, direct production costs) etc. This analysis should include rationale for any major changes (up or down) that link logically to the goals / strategies presented in your plan.

Governance Framework

This section will describe the role of the board and sub-committees and provide a list of current members, including information on their relevant experience. This section also provides insight into how the board monitors performance against this plan; how the board members are recruited, appointed and developed; as well as providing an overview of governing policies such as conflict of interest, delegations and code of conduct. A summary of your organisation's diversity policy – particularly in regards to board composition – should be included in this section.

Workforce Plan

This includes considerations of the experience and expertise of key staff and creatives. This section should also provide information of how your organisation is approaching succession planning for these key individuals. It may consider the current artistic capital you need to leave behind for future staff and stakeholders and how you may change (which includes employment investment and staff skills development). This plan ensures you have the skills and expertise to deliver and that you can cope with unforeseen issues.

Risk Management Plan

This section should include indication of the top five risks to achieving your strategic goals. It should describe what the consequence and likelihood of these risks are and the strategies that your organisation has put in place to eliminate or minimise them. Appendix B provides a guideline on how risk can be measured. Indication of whether your organisation has a current disaster recovery plan and business interruption plan should be included in this section.

Acknowledgements

This document has been informed by the Australia Council for the Arts' Strategic Plan Framework: A guide for arts organisation.

APPENDIX A

OUTCOME SUPPORTED	KPI
Creative Leadership & Programming Excellence	<ul style="list-style-type: none"> Contribution to creative and cultural profile of NSW Profiling of NSW/Australian stories, voices and practices Engagement of artists, arts workers and cultural practitioners (#) Diversity of artists and arts and cultural workers Demonstrating or developing leadership: demonstrated initiatives and programs for Sector Development Creative collaborations across the sector Innovation in programming/engagement/education
Governance & Management	<ul style="list-style-type: none"> Governance model Financial planning, stability and capacity for growth Financial viability (Projects & Artists) Strategic vision and operational planning Risk management plans
Community & Social Benefits	<ul style="list-style-type: none"> Audience reach and % of audience capacity filled Value of programming to audiences Strategies for engaging the NSW community in arts and cultural activities as creators, participants and/or audiences Volunteer engagement and development Strategies for social impact (e.g. health & wellness; education) Strategies for social inclusion
Economic Viability & Impact	<ul style="list-style-type: none"> Job creation and/or skills development Diversity of revenue Strategies for increasing commercial or self-generated income Partnerships and shared resources Increases in relationships with and support from philanthropists Strategies for private and business In-kind support Developing new operating models for creative businesses or arts organisations

APPENDIX B

Risk measurement matrix

Measure of consequence

	RANK	FINANCIAL*	BUSINESS CONTINUITY	REPUTATION & IMAGE	WHS	STAKEHOLDER IMPACT	COMPLIANCE
1	Insignificant	<\$500	< 1 hour	Unsubstantiated/ low impact	Minor injuries not requiring first aid	Insignificant weakening of a single stakeholder relationship and little impact to staff morale	No noticeable regulatory or statutory impact
2	Minor	\$500 - \$5,000	1 hour to 1 day	Substantiated/ low impact	First aid treatment required	Damage to < 3 stakeholder relationships/ temporary change to staff morale/ able to rectify in short term	Some temporary non-compliance
3	Moderate	\$5,000 - \$25,000	1 day to 1 week	Some news profile/moderate impact	Medical treatment required	Weakened relationship with a significant number of stakeholders. Reduction in staff morale requiring specific measures to rectify	Short term non- compliance but with significant regulatory requirements imposed
4	Major	\$25,000 - \$100,000	1 week to 1 month	Public embarrassment /high impact / Third Party action/ Ministerial involvement	Serious/ extensive injuries and/ or significant long term psychological distress	Damage done to the majority of existing stakeholders and significant and widespread staff absences	Non-compliance results in termination of services or imposed penalties
5	Catastrophic	>\$100,000	> 1 month	Public embarrassment /very high impact/ Third Party action/ public Ministerial involvement	Death or severe permanent physical and/or psychological disablements	Total loss of credibility with all stakeholders and loss of key staff	Non-compliance results in criminal charges or loss of required accreditation

NB Financial risk levels will be relative to the size of your organisation. Check and amend as required.

Measure of Likelihood

LEVEL	DESCRIPTOR	DETAILED DESCRIPTION	FREQUENCY
1	Rare	The event may occur only in exceptional circumstances	0-5% chance of occurring
2	Unlikely	The event could occur at some time	5-30% chance of occurring
3	Moderate	The event will probably occur at some time	30-60% chance of occurring
4	Likely	The event will probably occur in most circumstances	60-90% chance of occurring
5	Almost Certain	The event is expected to occur in most circumstances	More than 90% chance of occurring

Risk Assessment Table

	LIKELIHOOD				
	1	2	3	4	5
CONSEQUENCE	Rare	Unlikely	Moderate	Likely	Almost Certain
Insignificant	1	2	3	4	5
Minor	2	4	6	8	10
Moderate	3	6	9	12	15
Major	4	8	12	16	20
Catastrophic	5	10	15	20	25

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DISCLAIMER

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