

Why is a Strategic Plan Important to Your Association?

Board Members volunteer for a number of reasons, some of which may include leading enhancements for the community, maintaining the “the curb appeal” of neighborhoods, or managing Association assessments and assets. Creating a strategic plan for the Association sets a path for the Board to shape the future of the Community.



Strategic Planning is defined by BusinessDictionary.com as “a systematic process of envisioning a desired future, and translating this vision into broadly defined goals or objectives and a sequence of steps to achieve them.” A strategy session is a great way to come together as a new Board or an experienced Board and have a dialogue over what each member deems critical to the success of the Association, including values, issues and goals. While that may sound complicated, we can break it down into five basic steps:

1. Create a Vision
2. Look in the Mirror
3. Build the Plan
4. Make It Happen
5. Turn the Wheel

Create a Vision

To set the vision for the community, ask questions as to what you want your community to represent. For example, one Board set the vision for their Association “to be the Gem” in the local area. The vision helped guide the goals and projects for the community to achieve their vision. When that same Board was debating whether to budget for the seasonal flower color changes at the entry monuments, one Board Member raised the question: “What decision should we make to support our vision to be ‘to be the Gem?’” That question stopped the debate almost instantly and the Board agreed to budget for the cost of the flower color changes.

Be realistic when setting a vision. It is great to want to grow your Association into a community with the best parks and pools; however, if your budget only allows for a dog park

or a few fountains, consider focusing your time on something that can be supported by your budget, or putting a plan in place to increase assessments to fund the goals you want your Association to reach.

As part of the vision, consider the values, or guiding principles, that describe the Association's intentions and expectations. Individual conduct may also be a consideration. For example, some value statements may include the words kindness, cooperation, fair or ethical to name a few.

Look in the Mirror

Have an honest discussion about the **strengths, weaknesses, opportunities and threats** (SWOT) of the community. Leverage the **strengths**. For example, are the tot lots unique and can they be enhanced? Is there something special about the Association's landscaping? Is there a unique amenity for a high-rise community such as a guest unit or a fleet of vehicles that can be reserved? Identify the **weaknesses**. For example, are the assessments too low to properly support the needs of the Association? Is the Association lacking a clear assessment management policy to drive fair and consistent collections policies? Identify **opportunities** to enhance the value of the Association. For example, could a dog park be developed? Is there space to develop walking paths? Consider the possible **threats** to the Association. Will the Association be able to maintain a positive revenue stream in the event of economic challenges? Is there any legislation proposed that may adversely affect the well-being of the community? Understanding the Association's strengths, weaknesses, opportunities and threats allows the Board to develop goals and plans that can truly address the needs of the community.

Build the Plan

Create goals for the Association and a plan to achieve those goals, include deadlines and a clear understanding of what the Board wants to achieve. If a Board creates too many goals, they may need to conduct a prioritization exercise to determine the goals that are either urgent and/or important so the Board can address those first.

Once the priorities are set, create a tracking tool or spreadsheet to monitor and report on progress. Agree on several goals that can be reasonably accomplished and set realistic timelines.

Make it Happen

Review the action plans regularly, monitor target dates, and commit to making decisions. When a plan is written and followed, results happen. An Association that held a strategic planning session identified that having 17% in reserves was inadequate and set the goal to have a reserve balance of 65% within three years. The Board established the action steps needed and executed on those steps. Guess what? The Board achieved its goal of 65% funding in reserves within three years. This benefited the Association by reducing the risk of a special assessment and also made the Association more attractive to lenders as the Association's financial position improved. A win all around.

Turn the Wheel

Even with a well-thought-out plan there may be opportunities and reasons to adjust the plan. Re-evaluate the goals and timelines and make changes as needed. If you determine that the strategy is not moving the Association toward the vision, turn the wheel to change course. Making the necessary adjustments to your strategic plan will only strengthen it and pave the way for future success. Schedule a portion of every board meeting to review and monitor the progress and reallocate resources or adjust deadlines as needed. The plan will likely impact

your reserve study and operating budgets for future years. Begin reviewing your plan six months before the beginning of your fiscal year in order to include planning results into the next budget.

Implementing a strategic plan takes time. Following this strategic planning process can help your community “to be the Gem” or to achieve whatever vision you have established for your community.

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George Skrbín, CMCA®
Senior Vice President
Western Region

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