3 Foundational Questions of Strategy

**Strategy**: how an organization seeks to achieve long-term performance

The role of **performance measurement** is to support the design and execution of strategy, as well as its improvement over time.

Every organization—be it a nonprofit or NGO, a social enterprise, or a public agency—requires clarity on the 3 foundational questions of strategy in the diagram.

- Jot down your answers to the 3 questions. Share them with a peer in your organization.
- On what do you agree? On what do you disagree and why?
- What would it take to get your team or entire organization aligned?

Some guiding questions:

**Value proposition**:
- What problem or needs do you seek to address?
- Which clients or populations will benefit?
- Can you measure the size of the problem or population?

**Social change model**:
- What is your theory of change? Can you write it down as an “if...then” statement?
- What is the larger system in which you operate? Who else is working on an aspect of this problem or with your client population?

**Accountability**:
- For what results are you accountable?
- To whom are you accountable?
4 Types of Strategy

Once you have made progress on the foundational questions above, you are ready for the next step in developing your strategy.

There are 4 main types of strategy:

• **Niche Strategy** — Deliver a highly focused intervention in a standardized way. Measure outputs with quality control.

• **Integrated Strategy** — Deliver multiple interventions, combined in a predictable sequence to produce outcomes. Measure outputs + integrated outcomes.

• **Emergent Strategy** — Influence key players in a complex system by constantly adapting what you do. Measure influence (an interim outcome).

• **Ecosystem Strategy** — Orchestrate the work of many different players in a complex system in order to generate interdependent outcomes. Measure collective outcomes for individuals and society.

Which strategy best describes your work?

Strategy is a choice. If you are clear about your strategy, you will be better able to decide what to measure.

It is possible to be high performing with any of the 4 strategies.