



STRATEGIC & EXTERNAL ENVIRONMENT

Strategic Planning: Approving at the End Isn't Governing It

The essence of strategy is choosing what not to do. A plan that lists everything worthy hasn't chosen anything

Strategic planning is common to treat as a staff exercise, with the board brought in near the end to react to, and formally approve, a finished plan someone else has already built. This looks like governance happening. Sound governance practice suggests it usually is not, and the difference matters considerably more than the approval meeting itself suggests.

Which rules apply to your association?

The law depends on how your association is set up. A **company limited by guarantee** follows the Corporations Act 2001 (Cth) and its constitution. An **incorporated association** follows its state or territory associations Act and its rules. A **registered charity** also follows the ACNC Act and the ACNC Governance Standards, and some Corporations Act rules are replaced for charities that are companies. Check your own governing documents, and get advice before decisions with legal consequences.

In this resource

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2. [The Sharpest, Most Useful Definition Of Strategy Itself](#)
3. [Why Implementation Changes The Board's Own Risk Position](#)

Why Approval At The End Is Not The Same As Governance Throughout

Board input into strategy before it is finalised, with clear indicators against which progress is measured, is widely recommended governance practice. In a staffed association, the board should shape direction before management drafts the plan; a board that only receives a completed plan for sign-off has performed the administrative motion of governance without its substance. In a small volunteer-led association, where directors may also do the drafting, the discipline is to separate the board's strategic choices from the committee or volunteer work that implements them. Either way, the plan must stay within the association's objects and, for a registered charity, its charitable purpose.

The Sharpest, Most Useful Definition Of Strategy Itself

Michael Porter, in 'What Is Strategy?' (Harvard Business Review, 1996), offered a definition worth every board holding onto: the essence of strategy is choosing what not to do. A strategic plan that lists every worthy activity an association could pursue, without choosing among them, is not a strategy. It is an aspiration document, and the distinction matters considerably in practice. Strategy requires the board to sit with real trade-offs, which programs, which member segments, which growth opportunities the organisation will prioritise, and just as importantly, which ones it will deliberately not pursue given finite resources. A strategic plan that tries to do everything the board finds worthy has not actually made a strategic choice. It has simply postponed the difficult decision to a later date, when resources run out before the list of priorities does.

Why Implementation Changes The Board's Own Risk Position

A new strategic direction frequently requires the board to revisit its own risk tolerance, connecting directly to the risk appetite discipline discussed earlier in this series. A strategy involving expansion, a new revenue model, or a significant program shift is not simply an operational plan for management to execute within the existing risk settings. It is a decision that may require the board to deliberately adjust what level of risk the organisation is now willing to accept in pursuit of the new direction, and this adjustment deserves the same explicit board attention as the strategic choice itself.

- Engage in shaping the strategic plan's direction before it is finalised, rather than receiving a completed document for approval, so the board's choices shape the plan rather than simply endorse it.
- Insist the strategic plan makes choices about what the association will not pursue, not simply a list of every worthy activity it could theoretically undertake.
- Build clear, specific indicators into the plan against which progress will actually be measured, rather than approving aspirational language with no way to later assess whether the strategy is working, and ask how the plan will be funded and reported against.
- Revisit the board's own risk appetite explicitly wherever the strategic plan involves expansion or a significant shift, rather than assuming existing risk settings automatically accommodate the new direction.
- Separate strategy, the choices being made, from the operational plan implementing it, ensuring board attention stays at the level of choice and direction rather than drifting into execution detail.

A strategic plan the board only approves at the end of the process protects the organisation from very little. A strategic plan the board has helped shape, with real choices made and real indicators attached, is the mark of a board governing strategy rather than simply witnessing it.

This is one of the practical governance topics built into our Association CEO course, alongside the papers, tools and frameworks that turn the principle into your board's actual practice. [Explore the course](#)

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BOARDROOM ACTION WORKSHEET

Strategic Planning: Approving at the End Isn't Governing It

Turn the resource into evidence, a decision and an accountable next step. Keep the completed record in your association's approved board records system.

1 What is the issue or decision?

State the governance question in one clear sentence.

2 What evidence do we already have?

Record the facts, source documents and stakeholder evidence available now.

3 What evidence is still needed?

Identify the legal, regulatory, financial, member or operational information still required.

4 What is the agreed next action?

Capture the owner, timeframe and how the matter will return to the board.

Action owner	Review date	Board decision or resolution

General education, not legal, financial, tax, clinical or governance advice. Confirm specifics at the relevant primary source or with your own qualified adviser. Nexus Leadership is operated by Lipstick Consulting Pty Ltd · ABN 15 619 120 482.

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