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5

What Church Leader's Need to Know About . . .

Strategic Planning: More Than a Process

“If we know where we are and something about how we got there, we might see where we are trending—and if the outcomes which lie naturally in our course are unacceptable, to make timely change.”

—ABRAHAM LINCOLN¹

When Worlds Collide: Strategic Planning in Business and the Church

The word *strategic* comes from the Greek title for the Ten Generals (*strategoí*) of ancient Athens, who were entrusted with planning the growth of Athens. Pericles, a gifted general, recognized that if Greek culture were to retain its dominance, there must be a cultural benchmark representing the pinnacle of Greek influence and power. Athens became that benchmark, through the planning of the *Strategoí*.

Armstrong Chapel United Methodist Church is situated in the wealthy Indian Hill section of Cincinnati. It is anything but a diminutive chapel. Regularly attended by over 400 people, this church was now a mid-sized church² with an unwieldy administrative structure, and little idea of where it

was headed. Previously the church had been content to trudge along with minuscule growth, fueled by transfer growth. However, a group of younger members became alarmed by the church's attitude toward long-term goals. As a result, they convened a focus group and invited me to assist them in charting their future.

"It's all about having a strategy," began Sue, a pathologist and researcher.

"No offense towards our pastor, but they don't teach strategy in seminary," added Deb, a marketing executive. "And though our pastor has his doctorate, he doesn't know the basics of business planning. But, because he has a lot of power, we can't do anything without him."

"Deb's right. We need a strategy," continued Jill. "It's wrong for us to plod ahead without some strategy. Strategy, that's the key word."

Jill's observations were confirmed by the nodding heads of the assembled group. Around that circle sat lawyers, corporate vice presidents, advertising executives, financial planners, engineers, a lawyer, and banker. In their business lives, they understood the necessity of strategic planning. But in the cloistered walls of theological academia where their pastor was trained, such considerations were rare.

The Church: A Visible and Invisible Organization

In *The Misunderstanding of the Church*, theologian Emil Brunner points out that the church is two manifestations.³ After the first century, the church grew quickly and needed to be managed. Managing the church became the dominant focus of the church hierarchy until the Reformation. Luther, Calvin, and others stressed the importance of the church as a community of relationships. Brunner calls this network of relationships the "invisible" or "hidden" church. The Reformers attempted to foster a community of renewed spirituality, accompanied by an efficiently run organization founded upon local control.⁴ In this respect, Brunner sees the church as two entities: (1) a spiritual community that administers healing, reconciliation, and salvation, and (2) an organizational entity that requires skillful and knowledgeable administration. This dual thrust of the church as a complex network of spiritual and administrative relationships necessitates training leaders in multiple disciplines.

The Strategic Planning Process

Among business students the complexity of the strategic planning process can make the principles cryptic. Terms can be confusing. While "strategic planning" sometimes will be employed to refer to strategy formation, at other junctures the term "strategic management" is preferred. The terms are used interchangeably.⁵ The use of dual terminology arises because *strategic management* is preferred by academicians, and *strategic planning* is favored in business. This book is geared toward application in both the business and ecclesial world, we shall use the term *strategic planning*.

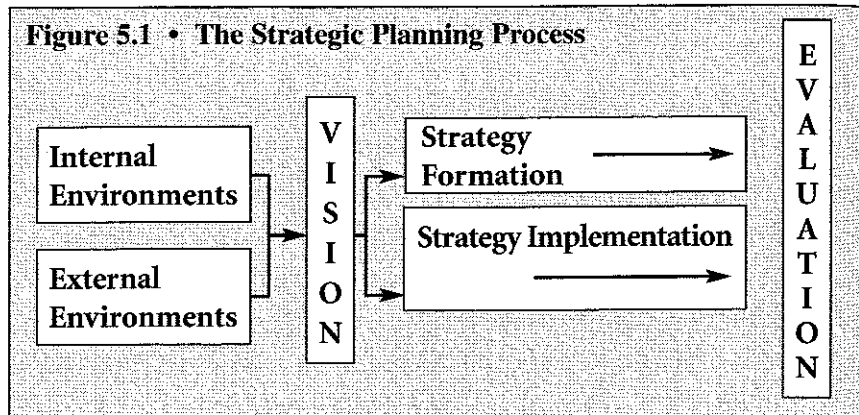
The strategic planning process generally is comprised of three stages: strategy formation, strategy implementation, and strategy evaluation. In this chapter, we will examine all three aspects of the process:

1. **Strategy Formation:** We will investigate the *S.W.O.T* of an organization as well as its *core competencies*. We will compare various strategies using tools with cryptic (but soon to be clear) acronyms: IFE, EFE, TOWS, and QSPM.
2. **Strategy Implementation:** We will discuss applying our strategy and attaining goal-ownership through *mission* and *vision* statements.
3. **Strategy Evaluation:** You will learn how to calculate four quantitative tools that can measure church health and growth.

But first, let's look at an overview of the strategic planning process. Figure 5.1 is a scaled-down version of the strategic planning process that I designed to aid learning retention.

Church Health

Church Growth.



Our Strategic Tools

To facilitate the strategic planning process, a plethora of tools is available. However, in the interest of brevity, I will concentrate on several basic tools for strategic planning. Let's begin by explaining how these tools fit into Figure 5.1.

- **Internal Environments:** Kent Miller of the Krannert School of Business at Purdue University stated, "Strategy is a process relating an organization to its environment."⁶ Thus, "strengths" and "weaknesses," gleaned from a tool called a SWOT analysis, provide the basis for the understanding of an organization's "internal" environments. You will uncover the things the organization does well—its "core competencies."
- **External Environments:** "Opportunities" and "threats" from our SWOT analysis will provide a basic understanding of the outside forces or "external" forces that affect the organization.
- **Vision and Mission:** You will learn how to create personality, mission, and vision statements based upon our SWOT analysis and our core competencies.
- **Strategy Formation:** You will discover how to create, contrast, and evaluate various strategies for suitability. Using charts to determine an Internal Factor Evaluation (IFE), External Factor Evaluation (EFE), and Quantitative Strategic Planning Matrix (QSPM), you will learn how to contrast and compare strategy options.

- **Strategy Implementation:** You will learn guidelines for fine-tuning strategies, as well as discover how to allow each strategy appropriate time to develop.
- **Church Health:** The term church health is a good corollary to the management term "strategic competitiveness," when strategic competitiveness means a firm can compete in the marketplace. Since strategic competitiveness often feels too ignoble to be applied to the church, the term "church health" becomes an alternative. It describes the process that occurs when a healthy church "competes" against the lure and enticements of secular distractions.
- **Church Growth:** Church growth can be another alternative to a business term Above average returns which describes what happens when investing time, talents and/or resources in a firm results in above average benefits for stakeholders. The goal of Jesus' Great Commission is to "make disciples." Church growth could signify "above average results" in the process of making disciples.⁷ Similarly, "average results" in the church context might signify church growth that is only keeping pace with biological growth in the community or biological growth in the church. Above average returns indicates that making disciples is occurring intentionally.
- **Evaluation:** You will investigate how to define and attain measurable goals, allowing you to chart the effectiveness of your strategic processes. You will look at quantitative tools as an aid to measuring the progress of four types of church growth.

Analyze Your "Internal Environments"

"No business can do everything... the worst thing to do is a little bit of everything. This makes sure that nothing is being accomplished."

- MANAGEMENT CONSULTANT, PETER DRUCKER⁸

The church appeared healthy and strong. Mt. Zion sat near a busy intersection, on a main artery of a growing Dayton, Ohio suburb. The pastor was a skilled communicator and had overseen the development of a small group network that involved nearly two-thirds of the congregation. An associate pastor had created

an advertising strategy, and the church enjoyed an influx of newcomers. But they were not joining the church. "We've got a big front door, and a big back door," confided one layperson.

I was hired to assist in long-range planning and to uncover why the church was not growing proportionally with so many visitors. It became clear that Mt. Zion did a few things well, many things moderately well, and a number of things poorly. Research revealed that some substandard programs along with highly visible programming failures had detracted from what the church did well. The church was headed in too many directions, and many of these directions were neither suitable nor successful.

Newcomers were attracted because of its advertisements for particular ministries. But they found several to be poorly or halfheartedly conducted. The newcomers were inadvertently rebuffed. The inflow of guests was followed by their gradual disappointment and eventual exit. The heart of Mt. Zion's problem was that it had not yet identified its core competencies—the things the church did well—nor had it built its ministry strategy around these core competencies.

Defining Core Competencies

Core competencies are the things an organization does well. Core competencies are characterized by four traits: they are valuable, rare, costly to imitate, and non-substitutable. Another way to say this is that "core competencies distinguish a company competitively and reflect its personality."⁹

Figure 5.2 compares the core competencies of several well-known businesses:¹⁰

Company:	Core Competencies:
Wal-Mart	Lowest prices, large selection
Target:	Low prices, style
Ralph Lauren Clothing	Branding, effective promotion ¹¹
Gap, Inc.	Forecasting, low price, multi-brand strategy ¹²
Sony	Quality, innovation, miniaturization
Sanyo	Innovation, low price

Discovering Your Church's Core Competencies

To uncover a church's core competencies, we must look at the church as it relates to the four criteria that define a core competency.

1. **Valuable:** These are the competencies that make a church valuable to the community and to the church at large. They allow the church to explore and expand opportunities to reach out to the community and to neutralize external threats.
2. **Rare:** Few other groups or secular organizations can offer these core competencies.
3. **Costly to Imitate.** Because a competency may not be financially rewarding, it is difficult for a secular group to imitate the competency. The church does not operate with a for-profit philosophy. The church can offer ministries that are too costly for others.
4. **Non-substitutable.** The core competencies are incapable of being counterfeited or imitated authentically.

What is *worship* as a core competency? Energetic, anointed, and heartfelt worship was a core competency at Mt. Zion. How does their type of worship relate to the criteria of core competencies?

1. **Valuable:** Worship is an expression of gratitude, interaction, and adoration towards God. It meets the human need to be in contact with and express gratitude towards the Supreme Being. This ability to be connected with God is highly "valued" by most people in all cultures. German religious thinker Rudolph Otto describes this as a feeling that "at times comes sweeping like a gentle tide, pervading the mind with a tranquil mood of deepest worship. It may pass into a more set and lasting attitude of the soul, continuing as it were, thrilling vibrant and resonant, until at last it dies away and the soul resumes its 'profane,' non-religious mood of everyday existence."¹³ Most who visited Mt. Zion Church would agree that worship was one of its core competencies.
2. **Rare:** Authentic worship, as described by Otto, is rare, considering that much of life consists of what Otto calls the "'profane,' non-religious mood of everyday existence."

3. **Costly to Imitate.** True worship of and interaction with a living God is impossible for secular society to imitate. In true worship, the celebration of the entity (God) takes primacy over musical euphoria; this makes worship costly if not impossible to imitate.
4. **Non-substitutable.** If humankind needs to exalt and interact with God via worship, as the psalmist reminds us in Psalm 100, then true worship is non-substitutable.

Core Competencies at Mt. Zion Church

An analysis of Mt. Zion Church revealed several core competencies. Many of its recently added programs were not in alignment with these core competencies. Much of the new programming had been added because it was popular with other churches.

As a result of our long-range strategy sessions, Mt. Zion soon began to sift through its various programs and eliminate (or give away to other congregations) programs not directly related to its core competencies. This strategy helped the church to focus on what it did well.

Conducting a S.W.O.T. Analysis

S – Strengths

W – Weaknesses

O – Opportunities

T – Threats

The acronym S.W.O.T stands for Strengths, Weaknesses, Opportunities and Threats. S.W.O.T. analysis is a fundamental planning tool that analyzes both the positives (strengths/opportunities) and negatives (weaknesses/threats) of a strategy. S.W.O.T. analysis seeks to create strategies that take advantage of opportunities and strengths, while avoiding weaknesses and threats.

Craig Pifer, of Indiana Wesleyan University, contends that “a S.W.O.T. analysis is not only uncomplicated to apply, but also provides essential insights. And, it is a great discussion starter for planning sessions. In fact, I would say it is the most basic tool for developing an effective plan in business or the church.”¹⁵

Before we look at how S.W.O.T. analysis works, we need to look at the difference between the internal and external factors that affect analysis.

The Difference between Internal and External Factors

Internal factors are programs, strategies, strengths, weaknesses, or any other factor over which the church has direct control. At Mt. Zion, a plan to add more small groups would be an “internal” factor because control, oversight, and management of the small group network would be conducted by forces (leaders and/or policies) that are internal to the organization.

External factors are beyond the control and capability of the church. External factors have an effect on the church, but are beyond their ability to change. An external factor may be a community’s changing demographics. Young families move into the area. This is beyond the church’s ability to stop or control it. An aging church will have to approach this youthful community influx as an external factor.

In the following discussion, *internal factors* will be addressed under the S and W of the acronym S.W.O.T. stands for the internal “strengths” of an organization and W stands for internal “weaknesses.”

S.W.O.T. “Strengths”

As internal factors, strengths are to some degree under the control, influence, and/or oversight of the church. Strengths are the things a church does that are productive, satisfying, and appreciated, and over which the church has control or oversight.

Strengths: The things a church does that are productive, satisfying, and appreciated, and over which the church has control or oversight.

Your church’s strengths are an outgrowth of your core competencies. If your church has determined its core competencies, then you can begin to delineate which strengths reflect those core competencies. Ask yourself the following questions to determine your church’s “strengths.”

1. **Of the ministries your church provides, which ones are most closely connected to your church's core competencies?**
 - a. How closely is this ministry connected to the church's core competencies? Rate each ministry from 1 to 5 (with 1 being not closely related, and 5 being closely related).
 - b. Take the ministries with the lowest ratings and ask yourself, "Are these ministries the best use of our human, financial, and physical resources?" Try to list alternative, replacement, and/or merger options.
 - c. Finally, ask yourself, "What would happen if we ended these ministries?" To maintain health, it is imperative that a church concentrate on its strengths, while eliminating or giving away ministries that do not align with those strengths.
2. **What do the church and your community perceive as being your church's strengths?** Be careful not to rely on the perceptions of church attendees. It is important to ask how the community perceives what *you* think you're doing well. The goal is to find the things your community recognizes as strengths. It is helpful to poll community residents.
3. **In which church programs are a significant number of your people involved?** This question will help you determine the ministries whose core strengths are verifiable by the congregation's un-coerced desire to participate.¹⁷ At Mt. Zion, the music ministry attracted a significant number of the church's attendees. Musical programs were some of the most well attended church events. These factors pointed the leaders towards viewing the music ministry as a core competency.

S.W.O.T. "Weaknesses"

Weaknesses are easier to ascertain than strengths. Weaknesses are what a church does *not* do well. The church may fall short in certain areas in comparison to growing churches. The church may simply need to improve certain things in order to compete head-to-head with the lure of secular society. As internal factors, weaknesses are things over which the church has control or oversight.

Weaknesses: These are what a church does *not* do well, either in comparison to growing churches, or in its ability to compete head-to-head with the lure of secular society. As internal factors, weaknesses are things over which the church has control or oversight.

Weaknesses can best be ascertained from two sources: (1) newcomers who have not yet found their niche, and (2) conscientious leaders.

Newcomers are those individuals who have begun attending the church in the last twelve to eighteen months. Once they begin to attend, they will be more aware of your weaknesses as they seek to fit in. While regular attendees might overlook a weakness, or downplay its severity, a newcomer's perception of weakness is magnified due to an eagerness to fit in. The prepared leader will understand that the newcomer's desire to find a niche gives a keener sensitivity to the church's shortcomings.

Newcomers who have recently stopped attending the church can be a good source for identifying weaknesses. Convene a focus group of newcomers who have recently left the church. Tell them the purpose is not to persuade them to return, but rather to learn what ministries your church should provide. Always accentuate the positive, the things that "should be done" rather than "things we did wrong."

In addition to newcomers, *conscientious leaders* will have a feel for the church's weaknesses. While many will overlook weaknesses because of the things the church does well, they can still identify areas for improvement. Exercise caution to ensure that critical or easily offended individuals are not given undue influence. Changes evoke tension. Probe the concerns of conscientious and mature Christians.

Analyze Your "External Environments"

Continuing Your S.W.O.T. Analysis: *External Factors*

We turn from internal factors to external factors. The things that affect the church but are beyond its ability to change or modify

External factors may be difficult for a congregation to identify. In many churches as they pass 200 in attendance, much of their energy is directed toward internal administration. The church's survival is no longer the primary focus. External forces may go unaddressed and may even be unseen. Therefore, it is advisable to partner with outside specialists to ascertain opportunities.

To better understand the external forces that are coming to bear upon a church, it should consult the Chamber of Commerce, demographers, church growth consultants, planning commissions, business forecasting groups, or other specialists in this field. Businesses and civil governments rely on demographic forecasters to decide everything from where to put a stoplight, to where to build a McDonald's or a Wal-Mart. Businesses know the importance of identifying demographic shifts and trends.

S.W.Q.T. "Opportunities"

In a S.W.O.T. analysis, we saw that strengths and weaknesses are internal factors. The external factors in a S.W.O.T. analysis are opportunities and threats. Opportunities are external factors beyond the church's ability to change or modify. They are the events, conditions, or situations in a church's external environment that are well suited to the way it does ministry. If many young families are moving into the community, a church with a strong children's ministry will see this as an "opportunity" for the church.

Opportunities: These are the external factors that are beyond the control of the local church to change or modify. However, they also are the events, conditions, or situations in a church's external environment that are well suited to the way it does ministry.

At Mt. Zion, the community demographics identified an opportunity. Young professionals were moving into the area. Many had children. Young families often show a strong interest in clean and up-to-date facilities for their children. The church saw the changing demographic gave it an opportunity to reach

young families. As a result, the church was able to focus on small classes in parenting. They set to work improving the quality and modernization of their children's ministries and facilities.

Another church with a similar opportunity was Eastside Baptist Church in Ft. Smith, Arkansas. Regarded by the community as a church of successful upper-middle-class constituents, the church had an opportunity to reach some of the young people between the ages of twenty and thirty moving into the area. The church knew its image as a successful church of older (and richer) members might put off younger generations. The church implemented come-as-you-are small groups aimed at twenty-something people. By taking note of this opportunity, and building on a core competency of an extensive small group network, Eastside Baptist was able to "grow" with younger generations.

S.W.O.T. "Threats"

Threats are external factors that are beyond the control of the church to change or modify. They are events, conditions, strategies, or situations that are not well suited to the way the church ministers, and should be avoided or minimized.

We don't like to think about threats. But successful people find it energizing to study and address them. Tony was a successful businessman who, at twenty-five, owned a growing electronics store. The retail end of electronics has always been a difficult market. But Tony relished the challenge.

"Each day I can't wait for the newspaper to come out," he confided. "I enjoy seeing what prices our competitors are offering, and then trying to match them. It's a challenge, but usually we can meet and even beat their prices. It's like a game of chess, where each move results in a counter move. I enjoy chess. And usually I win."

Tony's store became somewhat of a legend among small retailers in Minneapolis, as daily he dealt with the threats to his business and overcame them.

Threats: Threats are external factors that are beyond the ability of the church to change or modify. They are events, conditions, strategies, or situations that are *not* well suited to the way the church ministers, and should be avoided or minimized.

Although Tony chose to attack his threats head on, most often we choose to avoid threats. Because threats are external forces, and because we customarily don't like to think about them, outside help is usually advisable. A church growth consultant—what Lyle Schaller calls “an interventionist”¹⁸—can be beneficial. Church growth consultants identify each component of the S.W.O.T. model and outline the ramifications. A business leader can fulfill this role, provided the leader embraces the same purposes and values as the church. Whosoever serves in this capacity, ascertaining the community factors that will adversely affect a church is difficult and best conducted with the assistance of experts.

Two particular external threats occur with such regularity that they bear further discussion: (1) changes in demographics within a community, and (2) becoming labeled a late mover.

Changing Demographics and Geriatrophy

Changing demographics affect a church when the demographic makeup of the community is changing, but the church is not. C. Peter Wagner, adapting a medical metaphor, labeled this *ethnikitis*.¹⁹

While at one time *ethnikitis* was regarded as the number-one killer of churches in America,²⁰ this distinction may have been replaced by *geriatrophy*. Geriatrophy is “a combination of geriatric, the branch of medicine that deals with the diseases of old age, denoting a wasting away or failure to grow.”²¹ Geriatrophy occurs when an aging church continues to age, failing to assimilate younger residents.

First Baptist Church of Ferndale was an American Baptist Church in an inner suburb of Detroit. Comprised of members over sixty-five years old, the church hired a consultant to help the congregation identify and respond to changing demographics. The “threat” was an influx of residents under thirty. If the church wanted to remain status quo, it could not avoid this threat without relocating. As a result of the study, the congregation decided to ask a young

woman pastor to shepherd the congregation and reach out to younger residents. The external threat was addressed and soon the church was growing,

First Movers, Fast Second Movers, and Late Movers

A second external threat that occurs with great frequency is to be labeled a *late mover*. In the business world, we identify different types of *movers*:

- A *first mover* is an organization that
 1. innovates, taking initial competitive actions to launch a new and desirable idea;
 2. gains competitive advantage as it becomes identified with this new idea.

- A *second mover* is an organization that
 1. responds to the initial competitive action of a first mover by utilizing some parts of the innovative idea and applying them as a response;
 2. gains some competitive advantage, but primarily only over late movers.
 3. Sometimes a company may be a *fast second mover*. It avoids some risk by studying the initial competitive action of the first mover, and then acting quickly.

- A *late mover* is an organization that
 1. responds after some time has elapsed;
 2. is regarded by the community as a poor performer and/or apathetic about the community's needs.

Figure 5.3 compares four types of *first movers* in the corporate world (in the second column from the left), with companies that some business analysis would identify as *fast second movers* (in the third column). Finally (on the right) are businesses that might be identified as *late movers*.

Figure 5.3

	<i>1st Mover:</i>	<i>Fast 2nd Mover:</i>	<i>Late Mover:</i>
Fast Food:	McDonald's	Burger King	Kentucky Fried Chicken
Mega-marketers	Wal-Mart	Target	K-Mart
PDAs	Handspring	Palm (3 Com)	Sony
Computers	Apple	Dell	IBM

Of particular interest in Figure 5.3 is the ability of the *fast second mover* to make strides. The *fast second mover* learns how to employ some new idea after watching how the *first mover* wrestles with it.

What Label Does the Church Wear?

Local churches can suffer from being labeled second movers or even late movers. When Catholic churches began to experiment with folk-rock worship in the early-1960s, many Protestant churches adopted the style. Calvary Chapels began to sprout up across America, addressing the pent-up desire of churchgoers to modernize their worship experience. When small group networks began to sprout up in Korean churches in the early 1970s, American "cell churches" embraced this format and experienced rapid growth.²² Today most mainline churches include some form of small group network.

A problem may arise when community residents view a church as a *late mover*.

Figure 5.4 shows how some religious organizations might rate on our *First Mover / Fast Second Mover / Late Mover* scale.

Figure 5.4

	<i>1st Mover:</i>	<i>Fast 2nd Mover:</i>	<i>Late Mover:</i>
Radio	Charles E. Fuller	Billy Graham	Mainline churches
TV	Billy Graham	Televangelists	Mainline churches
Modern Music	Catholic Church	Calvary Chapels	Mainline churches
Small Groups	Full Gospel, Korea ²³	Cell churches	Mainline churches
Boomer Min.	Vineyard Fellowship	Some Mainline churches	Most Mainline churches
Gen. X Min.	Harvest Fellowships	Few Mainline churches	Some Mainline churches

Part of the solution is for the church to more quickly distinguish between what is theologically indefensible, and what is a cultural preference. Eddie Gibbs calls this distinguishing between the "medium and the message."²⁴ The message of the Bible must not be changed; many mediums act as a channel where the message can be adjusted to make the Good News more understandable. Missionaries do this to make the biblical message relevant to new people groups. George Hunter points out in *Celtic Christianity* that it was precisely such adjustments in mediums that allowed St. Patrick to evangelize the Irish. He put the biblical message into story form and used Celtic symbols with which the Irish were familiar.²⁵

When musical mediums and other cultural preferences change, and the church has difficulty adjusting appropriately, the church runs the threat of being labeled a *late mover*. Unfortunately, late movers are routinely dismissed by outsiders as irrelevant at worst, and out of touch at best.

Rating Your Internal and External Factors

How to Conduct an Internal Factor Evaluation (IFE)

An Internal Factor Evaluation (IFE) Matrix is good for evaluating the strengths and weaknesses of a church, and how well it is addressing them. The process helps summarize relationships between areas. Professor Fred David tells us, "Intuitive judgments are required in developing an IFE Matrix, so the appearance of a scientific approach should not be interpreted to mean this is an all-powerful exercise."²⁶

The process of conducting an IFE involves five stages:

1. **List** all external strengths and weaknesses in the column on the left. Usually this will be from ten to twenty factors.
2. **Assign a weight** for each, ranging from 0.0 (not important) to 1.0 (all important). Each assigned weight indicates the importance of that factor for the general health and growth of the church. Weights can be determined by comparing successful and unsuccessful churches, or by discussing a factor and reaching a group consensus. Factors that have the greatest effect on potential growth or health (whether a strength or weakness) should be

assigned the highest weight. *Note: You must divide up these weights so that the sum of all weights is 1.0.*

3. **Rate** each factor from 1 = major weakness, 2 = a minor weakness, 3 = a minor strength, to 4 = a major strength.
4. **Multiply** the weight by the rating to get the **WEIGHTED SCORE** (far right column) for each variable.
5. **Sum up** the weighted scores to determine the **TOTAL WEIGHTED SCORE** for the organization.

Total weighted scores will range from 1.0 to 4.0. An average will be 2.5. Scores below 2.5 will characterize organizations that are weak internally, scores above 2.5 will indicate internal strength.

Let's look at an example of an IFE Matrix that could be developed for Mt. Zion Church.

Figure 5.5 • An IFE Matrix for Mt. Zion Church

KEY INTERNAL FACTORS	Weight	Rating	Weighted Score
<i>Internal Strengths</i>			
1. Strong small-group network	.15	4	.60
2. Strong prayer/healing ministry	.15	3	.45
3. Strong outreach emphasis	.05	3	.15
4. Excellent music ministry	.10	4	.40
5. Quality in lay & professional leadership	.05	3	.15
6. Strong program for teens	.05	4	.20
7. Sr. pastor is a good communicator	.05	3	.15
<i>Internal Weaknesses</i>			
1. Growth has slowed	.10	2	.20
2. Size has stalled around 550	.05	2	.10
3. Boomers and Gen X are underrepresented	.10	1	.10
4. The church facilities are limited	.10	1	.10
5. Church administration is weak	.05	2	.10
TOTAL	1.00		2.70

In Figure 5.5, Mt. Zion Church's major strengths (as indicated by ratings of 4) are: small groups, music ministry, and a teen program. Its major weaknesses are missing generations (Boomers and Gen Xers), along with the church's limited facilities. Although the church faces challenges, the church

leadership can clearly see that overall Mt. Zion is strong internally (denoted by a 2.7 total score). Thus, the leaders could decide to investigate building a new facility. Such an aggressive plan usually would not be appropriate if the total internal score were significantly lower than 2.5.

How to Conduct an External Factor Evaluation (EFE) Matrix

An External Factor Evaluation (EFE) Matrix is similar to an IFE, but lists *external* opportunities and threats instead of *internal* strengths and weaknesses. The process of an EFE involves five stages:

1. **List** all external opportunities and threats in the column on the left.
2. **Assign a weight** for each, ranging from 0.0 (not important) to 1.0 (all important). Each assigned weight indicates the importance of that factor among the general church world for health and growth. Weights are determined by comparing successful and unsuccessful churches, or by discussing a factor and reaching a group consensus.
3. **Rate** each factor to indicate how effectively the church is responding to the factor, with: 1 = poor, 2 = average, 3 = above average, and 4 = superior.
4. **Multiply** the weight by the rating to get the **WEIGHTED SCORE** (far right column) for each variable (*same* process as with IFE).
5. **Sum up** the weighted scores to determine the **TOTAL WEIGHTED SCORE** for the organization (*same* process as with IFE).

Total weighted scores will range from a low of 1.0, to a high of 4.0. An average will be 2.5. Thus, scores below 2.5 characterize organizations that are poorly addressing external factors. Scores above 2.5 indicate organizations that respond positively to opportunities and threats.

Figure 5.6 is an overview of a possible EFE Matrix.

Figure 5.6 • An IFE Matrix for Mt. Zion Church

KEY EXTERNAL FACTORS	Weight	Rating	Weighted Score
<i>External Opportunities</i>			
1. Younger generations are moving into the area	.15	2	.30
2. Church has a long history in the community	.10	3	.30
3. City road adjacent to church has been widened	.05	3	.15
4. Community growth to the east is unlimited	.10	1	.10
5. County-wide shopping center nearby	.10	1	.10
6. Church is popular with local media	.05	1	.05
<i>External Threats</i>			
1. Church is viewed as a "late mover"	.10	1	.10
2. Building facade looks unkempt and outdated	.05	1	.05
3. Nearby churches have built new facilities	.10	1	.10
4. Growing churches have relocated to the area	.10	1	.10
5. Land for relocation is increasingly expensive	.10	1	.10
TOTAL	1.00		1.45

The EFE Matrix is helpful for gauging how successfully a church addresses external factors. For Mt. Zion Church, the fact that younger generations are moving into the area bears significant weight. Its sum total weight is 1.45 for external factors and 2.70 for internal factors. While Mt. Zion needs to continue to improve internal factors, it has a far greater need to address its external factors.

Defining the Vision & Mission

Analyzing your church's core competencies and S.W.O.T. will form the foundation for demarcating the church's vision. Once you have researched and defined your core competencies, you then should create and adopt three different statements describing the organization's direction.

These statements become an important precursor to strategy implementation, because they should unify and unite the organization's stakeholders. Each statement should carry some sense of a battle cry, or what Fred R. David calls "a declaration of attitude and outlook."²⁷ They convey to those who hear them a common rallying call that unifies divergent parts. They declare the "attitude" of the organization, and should pervade the organizational culture. Management researchers Drew Campbell and Sally Yeung believe that good statements create an "emotional bond" and "sense of mission" in the organization.²⁸

Summarized briefly below, the three statements are the personality statement, the vision statement, and the mission statement:

- **A Statement of Ministry** is an extended description of the *personality* of the church. Reaching several paragraphs or pages in length, this description of a church's character and persona is helpful for understanding the style and forms of ministry a church will embrace. It should be based on the organization's core competencies and personality. Kent Hunter's book, *Your Church Has Personality: Find Your Focus – Maximize Your Mission* is an excellent step-by-step guide to designing an effective personality statement.²⁹
- **A Vision Statement:** Running from several paragraphs to several pages, a vision statement describes a "vision" of where the organization is headed. George Barna describes the vision statement as "a clear mental image of a preferable future imparted by God, and based on an accurate understanding of God, self, and circumstances."³⁰ A vision statement answers the question, "Where do we believe God is calling our church to go in the future?"³¹
- **A Mission Statement:** Barna labels a mission statement as "the basic stance of the church and its intentions." Mission statements are broad general statements that many churches could share. Sample phrasings would include, "to evangelize, exalt, edify and equip" or "to know Him and make Him known." Both of these are relatively generic statements. While they reflect the basic theological and/or practical stance of the church, they do not differentiate that stance (as does a vision or personality statement) from other churches.

And now, a final word about statements. A "vision statement" helps to differentiate a church in the eyes of the community, it is imperative that the church craft an accurate and understandable vision statement in order to reach that community. For a guide to creating a vision statement (based on Elmer Towns' early model), see the eight-step process for developing a vision statement and accompanying examples in *A House Divided*.³²

Strategy Formation

The TOWS Matrix: A Tool to Compare Strategies

The first step in strategy formation is to list suitable strategies. A TOWS matrix provides an important visual tool for comparing and contrasting each strategy. Based on our S.W.O.T. analysis, a TOWS Matrix (for “threats,” “opportunities,” “weaknesses,” and “strengths”) allows us to see which strategies address which internal and external factors.

A TOWS matrix is a table of nine cells. The top left cell is blank. Across the rest of the top row, the church’s strengths and weakness are listed. Down the left-hand column, opportunities and threats are listed. The middle cells are strategy cells—strategies are listed in cells labeled *SO*, *WO*, *ST*, and *WT*. Strategies that build on internal “strengths” to address external “opportunities” would be listed in cell *SO*.

Let’s look at Figure 5.7, a TOWS matrix developed for Mt. Zion Church.

Figure 5.7 • A TOWS Matrix for Mt. Zion Church

	<p>STRENGTHS – S</p> <ol style="list-style-type: none"> 1. Strong small group network 2. Strong prayer/healing ministry 3. Strong outreach emphasis 4. Excellent music ministry 5. Quality in lay & professional leadership 6. Strong program for teens 7. Sr. pastor is a good communicator 	<p>WEAKNESSES – W</p> <ol style="list-style-type: none"> 1. Growth has slowed 2. Size has stalled around 550 3. Boomers and Gen X are underrepresented 4. The church facilities are limited 5. Church administration is weak
<p>OPPORTUNITIES – O</p> <ol style="list-style-type: none"> 1. Younger generations are moving into the area 2. Church has a long history in the community 3. City road adjacent to church has been widened 4. Community growth to the east is unlimited 5. County-wide shopping center nearby 6. Church is popular with local media 	<p>SO STRATEGIES</p> <ol style="list-style-type: none"> 1. Create new small groups aimed at attracting younger generations 2. Mobilize prayer for younger generations 3. Use signage & media to acquaint new residents with programming 4. Start a new worship service aimed at younger generations 5. Rent a youth facility near the shopping center 6. Sr. pastor gives short daily message on the radio 	<p>WO STRATEGIES</p> <ol style="list-style-type: none"> 1. Attract younger generations with new programming 2. Change the management style of the church to a more effective model even though it has never been employed in the recent history of the church 3. Invite more participation in leadership from Boomers and Gen X 4. Relocate or renovate the church’s facilities

<p>THREATS – T</p> <ol style="list-style-type: none"> 1. Church is viewed as a “late mover” 2. Building facade looks unkempt and outdated 3. Nearby churches have built new facilities 4. Growing churches have relocated to the area 5. Land for relocation is increasingly expensive 	<p>ST STRATEGIES</p> <ol style="list-style-type: none"> 1. Launch and publicize new small group offerings 2. Have skilled laypeople redesign and beautify the building façade 3. Partner with a nearby growing church in outreach and/or youth activities 4. Have real estate professionals in the church investigate relocation 	<p>WT STRATEGIES</p> <ol style="list-style-type: none"> 1. Hire a church growth consultant 2. Publicize innovative programming 3. Update signage/façade to be more attractive to Boomers and Gen X 4. Investigate how nearby churches (of larger size) administrate their church 5. Quickly investigate land for relocation
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Brainstorming Suitable Strategies

We must fill in our TOWS matrix with suitable strategies. Two very good primary sources for generating strategies are (1) to brainstorm and (2) to examine what is working elsewhere.

Brainstorming

Brainstorming is a creative problem-solving exercise designed to generate a list of potential strategies. Alex Osborn invented the brainstorming process in 1938 as a way to get employees in his advertising agency to think creatively. Brainstorming is particularly helpful because it guards “against being both critical and creative at one and the same time.”³³

When brainstorming, follow these five rules:³⁴

1. There will be no discussion of the ideas until after the brainstorming process.
2. The more options the better.
3. All ideas are welcome.
4. Combinations of options are sought.
5. Proposing or hearing an option does not mean it has to be accepted.

Generally, brainstorming should follow these four steps:³⁵

Step 1. The leader describes the problem.

Step 2. As group members share their ideas, clarification is allowed, but no

one is allowed to criticize. Thus, everyone withholds judgment until all alternatives have been described.

- Step 3. Group members should be as innovative and radical as possible. In addition, proposing an option does not mean it has to be accepted. Group members are also encouraged to piggyback on other participants' suggestions.
- Step 4. Finally, only after all alternatives have been proposed do group members debate the merits of each.

What Is Working Elsewhere?

The second primary source for idea generation is to observe what is working in other congregations. But exercise caution with this idea generator. New ideas can be exhilarating, even intoxicating. Infatuation with innovation can impair judgment. One mistake a growing congregation can make is the injudicious use of an idea simply because it works well elsewhere.³⁶ A cross-pollination of unsuitable strategies can quickly halt growth.

Use careful analysis to ensure that your church does not naively embrace programming that is successful elsewhere but unsuitable for you. With proper and judicious analysis, programming that is productive elsewhere can serve as a pattern around which to build your unique strategy.

The QSPM: A Tool to Select Strategies

The last step in strategy formation is to rate the suitability of each strategy. There is only one analytical tool for doing this. The "Quantitative Strategic Planning Matrix" or QSPM is an essential tool for assigning a "Total Attractiveness Score" (TAS) to each strategy.

A TAS is a subjective assessment of the "attractiveness" or potential effectiveness of each strategy in addressing strengths, weaknesses, opportunities, and threats. These are the steps involved in finding the "total attractiveness score" (TAS) for each strategy you are considering.

- Step 1. Make a list of the church's opportunities, threats, strengths and weaknesses in the left column of the QSPM.
- Step 2. Assign a weight to each key factor. Do this just as you did with the

IFE Matrix and EFE Matrix, by assigning a weight for each factor, ranging from 0.0 (not important) to 1.0 (all important). Each assigned weight indicates the importance of that factor for the general health and growth of the church. Again, weights can be determined by comparing successful and unsuccessful churches, or by discussing a factor and reaching a group consensus. Factors that have the greatest effect on potential growth or health (whether a strength, weakness, opportunity, or threat) should be assigned the highest weight. *Note: Divide these weights so that the sum of all weights is 1.0.*

- Step 3. Determine the Attractiveness Score (AS) for each key factor. First, ask yourself, "Does this factor affect my opinion of this strategy?" If a particular factor does not affect a strategy, put a dash for the AS score. If a factor does affect a strategy, assign it one of the following "attractiveness scores" (AS):
- 1 = not attractive
 - 2 = somewhat attractive
 - 3 = reasonably attractive
 - 4 = highly attractive
- Step 4. Determine the Total Attractiveness Score (TAS) by multiplying the weights (Step 2) by the Attractiveness Scores (Step 3).
- Step 5. Compute the Sum Total Attractiveness Score. Add the Total Attractiveness Scores in each column of the QSPM. *Higher scores indicate more attractive strategies.*

At the onset, the QSPM seems complicated. However, it is the only analytical technique designed to determine total attractiveness of a strategy. As such, it becomes crucial in strategy evaluation. Regrettably, strategy evaluation is one of the most overlooked steps in the strategic planning process.

Figure 5.8 for a QSPM for two strategies considered by Mt. Zion Church.

Figure 5.8 • A QSPM for Mt. Zion Church

KEY FACTORS	Weight	Strategy A: <i>Relocate or renovate facilities</i>		Strategy B: <i>Start a new worship service aimed at younger generations</i>	
		AS	TAS	AS	TAS
<i>Strengths</i>					
1. Strong small group network	.15	2	.30	2	.30
Strong prayer/healing ministry	.15	2	.30	2	.30
Strong outreach emphasis	.05	3	.15	4	.20
Excellent music ministry	.10	2	.20	4	.40
Quality in lay & professional leadership	.05	3	.15	4	.20
Strong program for teens	.05	2	.10	2	.10
Sr. pastor is a good communicator	.05	3	.15	4	.20
<i>Weaknesses</i>					
1. Growth has slowed	.10	3	.30	4	.40
Size has stalled around 550	.05	-	-	1	.05
Boomers and Gen X are underrepresented	.10	2	.20	4	.40
The church facilities are limited	.10	4	.40	1	.10
Church administration is weak	.05	1	.05	1	.05
Total	1.0				
<i>Opportunities</i>					
1. Younger generations are moving into the area	.15	4	.60	4	.60
Church has a long history in the community	.10	1	.10	-	-
City road adjacent to church has been widened	.05	1	.05	4	.20
Community growth to the east is unlimited	.10	4	.40	4	.40
County-wide shopping center nearby	.10	1	.10	-	-
Church is popular with local media	.05	3	.30	2	.10
<i>Threats</i>					
1. Church is viewed as a "late mover"	.10	4	.40	4	.40
Building facade looks unkempt and outdated	.05	4	.20	1	.05
Nearby churches have built new facilities	.10	4	.40	1	.10
Growing churches have relocated to the area	.10	4	.40	-	-
Land for relocation is increasingly expensive	.10	1	.10	-	-
Total	1.0				
Sum Total Attractiveness Score			5.25		4.55

From Figure 5.8, it is seen that the sum total attractiveness score for Strategy A: "Relocate or Renovate Facilities" is 5.25. It compares to a sum total attractiveness score for Strategy B of 4.55. If money and energies are allocated to these projects, Strategy A might receive higher priority.

The QSPM should be applied to all of the strategies charted on the TOWS matrix. The result is a helpful numerical score for each strategy, a score that can assist in prioritization.

Strategy Implementation

Rules for Implementing a Strategy

Strategy implementation involves: (1) development, (2) fine-tuning, and (3) evaluation.

Give a Strategy Time to Develop

While change can come slowly, once change is initiated, churchgoers expect prompt results. "We tried their new ideas," stated a church member, "but it's been a year and we've not seen enough growth. We're not any better now than we were before. We should go back to the way we were doing things." Because so much is riding on a new strategy, congregants expect speedy results.

The best avenue is to exercise caution with strategy selection. Then adopt the business approach and patiently give a strategy time to develop. Research shows new ideas are doomed if implemented too quickly, before members have time to embrace them.³⁷ Slowly watch progress over 6 to 18 months.

There is a caveat. Allowing a program to continue too long without results is not prudent.³⁸ After allowing for a period of incubation, use measurable goals to assess growth. The period of incubation varies with each strategy, and is best determined by a group consensus.

Fine-Tune Your Strategy

In addition, a strategy often will need adjustment and fine-tuning to adapt properly to a church's unique personality. Regularly revisit your strategic plan and modify it as it matures. Do not be afraid to use the measurable goals discussed later in this chapter to gauge progress (or lack thereof).

Also be aware that fine-tuning your strategy often will require lengthening the amount of time it needs to develop. For example, let's say that you originally allowed six to eighteen months for strategy development. However, if you make

significant adjustments to your strategy, it may require twelve to twenty-four months before you see significant progress.

Strategy Evaluation

Good strategic plans incorporate goals that are readily analyzed. Craig Pifer calls this “the critical component in the implementation of a strategy. Church leaders must ensure they have developed a feedback method to evaluate progress. It must include benchmarks that contain measurable goals.”³⁹

In Christian circles most goal setting is anecdotal rather than empirical. For the church to be taken seriously by businesspeople or the unchurched, we need to develop measuring tools to gauge progress. Four such tools are summarized below.⁴⁰

Goal Setting: Four Types of Church Growth

While most will be familiar with the more sensational of numerical church growth, counting attendees is only one of the four types of growth advocated in Scripture. Using Acts 2:42-47 as our scriptural base, let's look briefly at each type and how they may be measured.

Growing in Maturity

An outcome of God's plans, as expressed in the book of Acts, is a growing maturity among His followers. Acts 2:42, 43 describes this aspect of growth in the early church: “*They devoted themselves to the apostles' teaching and to the fellowship, to the breaking of bread and to prayer. Everyone was filled with awe, and many wonders and miraculous signs were done by the apostles.*”

This “maturation growth” signifies the maturity and spiritual sensitivity emerging in the believers. We see the church's devotion to teaching and fellowship, accompanied by attesting miracles.⁴¹ This signifies a church is maturing in its knowledge, experience, and observance of spiritual disciplines.

One way to gauge such growth is to create a formula for computing a “composite maturation number.” This means “maturation growth may be measured by numbering a congregation's ‘active learners’⁴² who are regularly inculcating biblical lessons. Measuring the number of participants involved in educational and training opportunities can give an idea of the active learners in a congregation. The

statistic that totals the people involved in these areas we have labeled the ‘composite maturation number’ (CMN). The following formula tells how to compute this number for your congregation.”⁴³

Figure 5.9 • How to Compute Your Composite Maturation Number (CMN)

1. **Compute your Educational Opportunity Attendance (EOA):**
Ask yourself: “How many people are involved in educational opportunities per week?” EOA = _____
(Educational opportunities include Sunday school classes, cell groups with a learning format, Bible studies, Bible institutes, membership classes, newcomer classes, confirmation classes, classes in basic doctrine, or any gathering or class promoting Christian education.)
2. **Compute your Average Attendance (AA):**
Ask yourself: “How many people on average worship with you each week?” AA = _____
3. **Compute your Composite Maturation Number (CMN):**
To compute your maturation growth ratio use the following formula:

$$\frac{\text{Your EOA (educational opportunity attendance)}}{\text{Your AA (average attendance)}} = \frac{\text{Composite Maturation Number* (CMN)}}{100}$$

* The composite maturation number is read as a percent.

The Composite Maturation Number shows the percentage of your regular attendees that are involved in the church's educational opportunities.⁴⁴ An increasing CMN percentage implies that a growing percentage of the church is encountering discipleship environs.

Growing in Unity

Acts 2:44-47a adds: “*All the believers were together and had everything in common. Selling their possessions and goods, they gave to anyone as he had need. Every day they continued to meet together in the temple courts. They broke bread in their homes and ate together with glad and sincere hearts, praising God . . .*”

This early demonstration of unity and harmony led to selfless acts of inter-reliance. Those to whom God spoke began pooling their money. We know this was not the norm for all New Testament churches. But the unity and interdependence evident in these acts should be a growth goal of all churches.

To measure this growth in unity, there is an available assessment to gauge how pervasive among a congregation are its shared goals, purposes, and vision.⁴⁵

Figure 5.10 • How to Gauge Growth in Unity

Rate each statement from 1 to 5:

1. Indicates strong agreement
2. Indicates moderate agreement
3. Indicates slight agreement
4. Indicates disagreement
5. Indicates you do not know

1. If asked, I could roughly state for visitors and nonmembers our church's *mission* statement.
2. If asked, I could summarize in my own words for visitors and nonmembers our church's *vision* statement.
3. I have a sense of excitement about our church's future.
4. I have a clear understanding of our church's goals.
5. Our church feels like a network of individuals and age groups with the same goals, but with different ways to express those goals.
6. Combined worship services (unity services) are highly valued in our church.
7. Although we are a network of individuals and age groups, we have a unified identity in the community.

If over time this assessment is re-administered and the value of the results decreases (indicating growing consensus and accord), then unity may be increasing.

Growing in Favor

"... *Enjoying the favor of all the people*" is how Acts 2:47b describes what has been labeled "growing in favor." Congregational progress should include growth in appreciation and respect among the unchurched. In an earlier analysis of growth, I wrote, "The result can be openness to the Good News. Too often an adversarial role develops between the church and the community. In reality, the role should be one of mutual respect, appreciation, and communication . . . This gratitude then becomes a powerful conduit through which the Good News flows into a community."⁴⁶

Here the measurement is more complex, it involves polling the community and its attitudes about the church. Discovering the community's perception, positive and/or negative, can be a very beneficial undertaking. This requires a great deal of person power to poll a sufficient portion of a community to extract a reliable number. If a church is willing to poll 0.3% (up to 1,000 individuals) or is willing to hire professionals to do this, the church can readily gauge the level of community support.

Figure 5.11 includes questions that can be utilized in a phone survey to gauge growth in community favor.⁴⁷

Figure 5.11 • Community Telephone Survey

Introduction:

"Hello. My name is _____ (name) and I am conducting a short survey for _____ (name of congregation) in _____ (city/town). Would you mind if I asked you a few anonymous and short questions?"

- If the answer is "YES," continue.
- If "NO," say, "Thank you for your consideration. Good bye."

Open-ended Questions:

Question #1: "Are you aware of _____ (name of congregation) in _____ (city/town)?" If *yes*, continue. If *no*, conclude interview by saying, "That concludes our interview. Thank you for your time. Good bye."

Question #2: "How would you describe this church to a friend?"

Question #3: "In general, do you have a positive, negative, or undecided view of this church?"

Question #4: "What advice could you give this church so it could more effectively help people in your age group?"

Question #5: "Are you currently actively involved in a church, synagogue, mosque, or other religious house of worship?"

Conclusion:

"Thank you for your time. Your advice will help _____ (name of congregation) of _____ (city/town) better address the needs of people in our community(ies). Thank you. Good bye."

Growing in Numbers

The first three types of church growth should result in numerical growth. This is reflected in Luke's statement: "The Lord added to their number daily those who were being saved" (Acts 2: 47c). While this may be more scrutinized and sensationalized aspects of growth, it is just one portion of the picture.

Some may question the legitimacy of measuring numerical growth. Donald McGavran countered that "the Church is made up of countable people and there is nothing particularly spiritual in not counting them. Men use the numerical approach in all worthwhile human endeavors."⁴⁸

Often in the Bible, numbering through census was conducted for meaningful reasons and with helpful results.

"In Numbers 1:2 and 26:2 God commands numberings of all Israel along with every segment of each tribe before and after the desert wanderings. In the Gospel accounts we witness accurate countings of Jesus' team of disciples, and in Luke 10:1-24 we see a company of 72 disciples sent out two by two. In the parable of the lost sheep in Luke 15:3-7, only by counting the sheep does the shepherd become aware that one is missing from the fold. If counting those we are entrusted with were odious to Jesus, certainly he would eliminate such imagery from his teaching. And in Acts 1:15; 2:41; 4:4; Luke records the growth of the church by a careful record of its numerical increase."⁴⁹

McGavran concludes, "On Biblical grounds one has to affirm that devout use of the numerical approach is in accord with God's wishes. On the practical grounds, it is as necessary in congregations and denominations as honest financial dealing."⁵⁰

To compute numerical growth, it is important to track your growth rate regularly. A table may be used, or the Average Annual Growth Rates (A.A.G.R.) tool can be employed. Employing A.A.G.R.s will ensure that large numbers do not skew your data. Figure 5.12 is an overview of how to compute your congregational A.A.G.R.

Figure 5.12 • How to Compute Your Average Annual Growth Rate (AAGR)

This year's membership/ attendance figure	÷	Your base membership /attendance figure	÷	Your base membership /attendance figure	× 100 =	AAGR
						Number of years being examined
						This is read as a percent of annual growth
			↑			
				←		

(I.e. the first year for the period you are studying) These are the same numbers

By using the tools of the strategic planner, the church leader can better ascertain not only the effectiveness of specific strategies, but also perhaps even the elusive presence and direction of the Holy Spirit. Strategic tools must never be used as an end unto themselves, but rather as another tool in our endeavor to effectively present the Good News, and to disciple those who respond.

Endnotes

1. Quoted by Fred R. David, *Strategic Management: Concepts and Cases*, 9th ed. (Upper Saddle River, NJ: Prentice Hall, 2002), 3.
 2. Categorizing churches by size can be challenging. However, in the process of analyzing and strategizing, it becomes necessary to define churches by some standard. For many years, Lyle Schaller's definitions were widely accepted [Lyle E. Schaller, *The Multiple Staff and the Larger Church* (Nashville: Abingdon Press, 1980), 27-31]. Schaller's designations are:
 - Fellowship Size*: 40 or less attendees, where focus is on relationships.
 - Small Size*: 50-100 attendees, where focus is on the feeling of "one big family."
 - Middle Size*: 100-175 attendees, where focus is on maintaining adequate ministries.
 - Awkward Size*: 175-225, where focus shifts toward trying to maintain feeling of smallness as church becomes a "congregation of congregations."
 - Large Size*: 225-450, where focus is on functioning as a congregation of congregations (i.e., in the business world the analogy is that of a company that has grown into multidivisional structure).
 - Huge Size*: 450-700, where the focus is on maintaining a burgeoning administrative strategy in a true multidivisional structure.
- A more straightforward size structure has been set forth by Gary McIntosh [*One Size Doesn't Fit All: Bringing Out the Best in Any Size Church* (Grand

Rapids: Fleming H. Revell, 1999), 17-19]. McIntosh views congregations as one of three sizes:

Small Size: 15-200, where focus is the relational base.

Medium Size: 201-400, with focus on programming.

Large Size: 401+, where focus is on the organizational base.

While in my other writings I have used McIntosh's more concise designations, in this book on the management of churches, I will use the more precise terminology of Schaller. For a graph comparing Schaller and McIntosh's terminology, see "Figure 1.7: A Comparison of Two Popular Designations for Congregational Size" in Bob Whitesel and Kent R. Hunter's *A House Divided: Bridging the Generation Gaps in Your Church* (Nashville: Abingdon Press, 2000), 29.

3. Emil Brunner, *The Misunderstanding of the Church*, trans. Harold Knight (London: Lutterworth Press, 1952), 10-19.
4. The idea of local church control—rather than regional and even international control—as the preferred model of the Protestant Reformation is based upon Luther and Calvin's understanding of early church history. In the New Testament, an elder (Greek, *presbyterios*) was a pastor/teacher. Until 200 A.D., a bishop (Greek, *episkopos*) was another primary name for elder. However, after 200 A.D. administrative challenges forced the church to elevate bishops into regional leaders [Thomas H. Greer and Gavin Lewis, *A Brief History of the Western World*, 7th ed. (New York: Harcourt Brace College Publishers, 1997), 152-54]. While this rise of professional managers was a strategic decision, it often removed the strategists from the people they were serving. The necessity to acquaint the local pastor with the basics of planning and administration were ceded to an increasingly detached hierarchy. As a result, local leadership was deprived of management skills. This gulf between regional administrators and local practitioners was further exasperated when Charlemagne (c. 775 A.D.) further politicized the church by appointing political attachés to important church offices because the church was the only institution accepted by all of his subjects. Regrettably, this detachment between strategist and local practitioner endures today.
5. See for example, Fred R. David, *Strategic Management*, 5.
6. Kent Miller, Professor of Strategic Planning, Krannert School of Business, Purdue University, in personal correspondence with the author, December 5, 2002.
7. We will see later in this chapter that "making disciples" is the primary measurable goal of Jesus' Great Commission in Matthew 29:19-20.
8. Quoted by Fred R. David, *Strategic Management*, 3.
9. Michael A. Hitt, R. Duane Ireland, and Robert E. Hoskisson, *Strategic Management: Competitiveness and Globalization*, 4th ed. (Cincinnati: South-Western College Publishing, 2001), 113.
10. Adapted from Michael Hitt, *Strategic Management*, 112-17.

11. Ralph Lauren Clothing has strategically developed an effective marketing strategy by providing clothes with a sense of "history." Today, with many people becoming *nouveau riche* (or simply wanting to look like they are), Ralph Lauren provides upscale clothing that is washed and/or distressed to give the appearance of use and history. Both the Ralph Lauren clothing line and its advertisements exude this sense of history. For those without a long and distinguished family history to draw upon, the Ralph Lauren line offers a classic yet weathered look that can at least make you feel like you summer in the Hamptons, Martha's Vineyard, or the Adirondacks. This attempt to historicize clothing and, conversely, the buyer, is a core competency that few other companies have been able to develop. Of interesting note, clothier Gap Inc. has recently tried to attract the *nouveau riche* on a limited budget with "historicized clothing" in its Old Navy line.
12. The multi-brand strategy of Gap Inc. is reflected in its three divisions: Old Navy, Gap Inc., and Banana Republic. While all three divisions seek to be in sync with the latest styles and trends, each division targets a different segment of the market. Old Navy targets the value shopper by offering trendy clothing at a much lower price (with a corresponding lower manufacturing quality). Banana Republic, on the other hand, reflects the upscale division with more expensive items. The original division, Gap Inc., addresses the middle-income segment with moderately priced clothing. However, because the "gap" (pun intended) between the price breaks and styles of Old Navy and the Gap stores is not that significant, Old Navy stores are drawing customers away from the Gap stores. This cannibalization threatens to undermine Gap Inc.'s multi-brand strategy.
13. Rudolf Otto, *The Idea of the Holy: An Inquiry into the Non-Rational Factor in the Idea of the Divine and Its Relation to the Rational*, trans. John W. Harvey, 2nd ed. (New York: Oxford University Press, 1950), 12-13.
14. Bob Whitesel, *Growth by Accident, Death by Planning: How NOT To Kill a Growing Congregation* (Nashville: Abingdon Press, forthcoming). See especially chapter 6, "Missteps with Innovation" and chapter 9, "Missteps with Education."
15. In conversation with the author.
16. See especially the chapter "Identifying the Needs of the Unchurched" in *A House Divided: Bridging the Generation Gaps in Your Church* by Bob Whitesel and Kent R. Hunter (Nashville: Abingdon Press, 2000), 144-60.
17. The term "un-coerced" is employed here because sometimes leaders may use undue pressure to compel participation in certain ministries. This strategy can skew your analysis of strengths and weaknesses, unduly lionizing some programs, while overlooking others. Effective leadership avoids coercion and intimidation, for neither will result in a self-motivated volunteer.
18. Lyle E. Schaller, *The Interventionist* (Nashville: Abingdon Press, 1997), 21. Here Schaller gives an extended rationale for his use of the term *interventionist*, which he summarizes as "a synonym for change agent."

19. C. Peter Wagner, *Your Church Can Be Healthy* (Nashville: Abingdon Press, 1979), 41-43.
20. C. Peter Wagner, *Leading Your Church to Growth: The Secret of Pastor/People Partnerships in Dynamic Church Growth* (Ventura, CA: Regal Books, 1983), 182.
21. Whitesel and Hunter, *A House Divided*, 31-32.
22. Cell churches have at the heart of their experience and structure small groups called "cell groups." Through these cell churches, an alternative format of congregational structure has developed, often eschewing large corporate gatherings and preferring worship in small groups. In cell churches, it is not uncommon for weekly worship celebrations to take place exclusively in small groups, with large gatherings of the entire "cell church" taking place once a month or even less frequently. One of the most prolific and engaging writers of this movement is Joel Comiskey. With C. Peter Wagner, his *Home Cell Group Explosion: How Your Small Group Can Grow and Multiply* (Touch Publications, 2002) serves as a good introduction to the cell church philosophy.
23. An excellent book on the innovative use of small groups within one of the world's largest churches is *Caught in the Web: The Home Cell Unit System at Full Gospel Central Church, Seoul, Korea* by John W. Hurston and Karen L. Hurston (Anaheim, CA: Church Growth International, 1977).
24. Eddie Gibbs, *I Believe in Church Growth* (Grand Rapids: Eerdmans Publishing Co., 1981), 187-233.
25. George G. Hunter III, *The Celtic Way of Evangelism: How Christianity Can Reach the West . . . Again* (Nashville: Abingdon Press, 2000).
26. David, *Strategic Management*, 149.
27. *Ibid.*, 63-64.
28. Andrew Campbell and Sally Yeung, "Creating a Sense of Mission," *Long Range Planning* 24, no. 4 (August 1991): 17.
29. Kent R. Hunter, *Your Church Has Personality: Find Your Focus – Maximize Your Mission* (Corunna, IN: Church Growth Center, 1997).
30. George Barna, *The Power of Vision: How You Can Capture and Apply God's Vision for Your Ministry* (Ventura, CA: Regal Books, 1992), 28, 38-39.
31. Whitesel and Hunter, *A House Divided*, 107-08.
32. *Ibid.*, 108-11. I am highly indebted to Elmer L. Towns' excellent process outlined in *Vision Day: Capturing the Power of Vision* (Lynchburg, VA: Church Growth Institute, 1994), 24-25.
33. A. F. Osborn, *Applied Imagination: Principles and Procedures of Creative Problem Solving* (New York: Scribner Publishers, 1963), 149.
34. Sy Landau, Barbara Landau, and Daryl Landau, *From Conflict to Creativity: How Resolving Workplace Disagreements Can Inspire Innovation and Productivity* (San Francisco: Jossey-Bass, 1991), 128-29.
35. Gareth R. Jones, Jennifer M. George, and Charles W. L. Hill, *Contemporary Management* (Boston: Irwin McGraw-Hill, 2000), 218.

36. Whitesel, *Growth by Accident, Death by Planning*. See especially chapter 6, "Missteps with Innovation," and chapter 9, "Missteps With Education."
37. Whitesel, *Staying Power: Why People Leave the Church Over Change, and What You Can Do About It* (Nashville: Abingdon Press, 2003). In this book, I show how management research into exit behavior demonstrates that divisive groups will form in a congregation if a new idea is pressed too relentlessly and/or too quickly. See the chapter titled "Stage 2: When New Ideas are Introduced," pp. 67-75, to discover how to give new ideas time to germinate and engender broad support before implementation.
38. Whitesel, *Growth by Accident, Death by Planning*. See especially chapter 7, "Missteps with Evaluation."
39. Craig Pifer, in personal correspondence with the author, July 30, 2003.
40. Whitesel and Hunter, *A House Divided*, 202-21.
41. For a look at the more phenomenal aspects of church growth in the book of Acts, see C. Peter Wagner's helpful volumes, *Spreading the Fire: A New Look at Acts – God's Training Manual for Every Christian*, vols. 1 and 2 (Ventura, CA: Regal Books, 1994-1995).
42. "Active learners" is a designation derived from Jesus' Great Commission in Matthew 28:18-20. Here the church is told to "go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to obey everything I have commanded you." In *A House Divided*, I wrote, "Within this commission are four verbs, three of which are participles. Participles are helping verbs that modify or further describe another verb. Only one of the verbs in this passage is not a participle, and it is in the imperative and continuing tense. This verb would be the primary verb of the passage that the other three describe. 'Go,' 'baptize' and 'teaching' are the participles in the above passage, and as such must describe further or modify the primary verb. The spelling of the Greek word *matheteusate* tells us that 'make disciples' is the primary verb and that it is an imperative verb in the continuing tense. Being an imperative verb means that 'making disciples' expresses the central command of the Great Commission" (p. 207).
43. Whitesel and Hunter, *A House Divided*, 208-11.
44. While a CMN cannot take into account attendees who seek educational opportunities outside the church, a CMN can project a trend towards or away from discipleship opportunities. As such, it is a valuable indicator of trends.
45. Whitesel and Hunter, *A House Divided*, 204-205.
46. *Ibid.*, 205.
47. Guidelines for convenient times to call, as well as employing appropriate phone etiquette are included in *A House Divided*, 212-15. For additional details on how to conduct a community survey, see chapter 13, "Marketing," in *The Church Leader's MBA*.
48. Donald A. McGavran, *Understanding Church Growth* (Grand Rapids: Wm. B. Eerdmans Publishing Company, 1970), 93.

49. Whitesel and Hunter, *A House Divided*, 206

50. *Ibid.*, 94.

6

What Church Leader's Need to Know About . . .

Analysis and Decision Making

Effective Ministry Management for the Church

“Speaking the truth in love, we will in all things grow up
into him who is the Head, that is, Christ.”

—EPHESIANS 4:15 NIV

Caught in the Divide

Jim has served for twelve years as the senior pastor of Immanuel Church of Christ in Wisconsin. He recognized signs of division early. Over the years, the division has grown, and the conflict has increased in intensity. Jim became the lightning rod for criticism, slander, complaining, and disagreement. Although the group responsible for this negativity is a minority of the congregation, the volume and frequency of complaints makes Jim feel that half of the worshipping body is involved in the conflict.

Jim is an intelligent, gifted, and fun-loving person. Before the ministry, he was an attorney. Many of his congregants appreciate his quick wit, enthusiasm for life, and desire for effectiveness. They are energized by his vision. Key staff members and a strong core of dedicated leaders share his vision.