



## **Summary of Session One May 6-9, 2007**

In January 2007 eighteen participants from Oregon were chosen to participate in the Neighborhood Partnership fund's Future Leaders Initiative. The Initiative is designed to address the urgent task of developing a strong core of tomorrow's CDC leaders in Oregon.

- 12 of the 18 emerging leaders are from urban areas
- One is from a suburban county
- Five are from Rural Oregon
- Seven are leaders of color
- Ten are women
- Three are from outside the industry but have ties to Community Development

On May 6, 2007, participants met in Forest Grove for the first of four residential training sessions. The program opened with dinner and a story telling exercise on Sunday, May 6<sup>th</sup> and concluded with a presentation on global trends Wednesday, May 9<sup>th</sup>. Session One consisted of ten workshops designed to provide a context of the industry, prepare participants to take on their "Performance Challenges" and grasp a better understanding the types of responsibilities that come with added responsibility. Most days went from 8:00 AM to 8:30 or 9:00 PM. The curriculum and learning objectives for the first session were:

### **History of Community Development (Steve Rudman & Kate Allen)**

- Develop a historical perspective of Community Development and how the industry got to where it is today
- Understand of the importance leadership at the individual level plays in creating positive change
- Identify current challenges and opportunities to leverage into the next big leaps forward

### **How Successful People Succeed (Dr. Bob Maurer)**

- Identify two key skills for creating and maintaining excellence
- Identify the key skill necessary for an effective relationship at work or at home
- Identify essential skills for motivating employees

### **Art & Science of Business Mistakes (Dr. Bob Maurer)**

- Identify four mistakes people make in their relationship to mistakes
- Understand of the types of mistakes and identify which ones to encourage and which ones to avoid
- Develop or enhance skills in learning from mistakes.
- Identify the key strategies in organizations for preventing and learning from mistakes

### **The Maze (Karen Gaskins-Jones)**

- Identify critical characteristics/attributes of a learning organization.

- Explore their team's strengths and areas for development by:
  - identifying different roles for the team's exercise,
  - creating norms for working together,
  - developing a strategy for attaining the goal of the exercise and support systems to ensure the team's success, evaluating their performance during the exercise.

#### **SMART Goals (Karen Gaskins-Jones)**

- Practice developing SMART Goals for a variety of real-life issues:
  - Current programmatic goals & objectives (within their job responsibilities)
  - Personal goals & objectives (life & career planning goals)
  - Personal developmental goals & objectives for the Future Leaders Initiative program (individual learning goals to be achieved in this program)

#### **Understanding the Performance Challenge (Charlie Baum)**

- Understand why the Future Leaders Initiative asks you to undertake a performance challenge
- Understand the criteria for the performance challenge.
- Understand the role of the coach and peer group
- Review of your own challenge against the criteria – and an invitation to toss your challenge out the window
- Understand the process in coming weeks to identify and refine your challenge

#### **Costs Are Cool! (Nanita McIlhattan)**

- Identify and assess levels of organization investment in accounting and finance
- Evaluate organization readiness for making decisions based on financial data and analysis
- Identify cost accounting methods used in their organizations today and relate that to information system investment
- Introduced to strategic cash flow. This area will be further developed in the follow-on course, Finance 101

#### **Who's Driving the Bus?**

- Diagnose their own organization to develop some perspective on it
- Identify some of the issues facing their organization, especially those which they will need to overcome to realize their Performance Challenge

#### **The Fine Art of Small Talk (Debra Fine)**

- Strike up conversations and keep them going
- Avoid conversation "killers"
- Develop business relationships
- Prepare for successful conversation
- Use and remember people's names
- Become "active" listeners
- Exit conversations with grace
- Present self as composed and self-assured
- Turn every conversation into an opportunity for success

### **Seven Revolutions of the Future (CSIS)**

- Learn to think strategically about longer-range issues, such as sustainability, demographic shifts, and economic integration
- Learn to be an adaptable, visionary leader, broadening the scope and scale of your organization's long-term strategy
- Learn to think globally—issues that affect any member of the global community have long-term effects for the world as a whole

Following is a summary of the workshop contents:

#### **Sunday, May 6, 2007**

After dinner participants met to make posters that represented who they were and how they entered the industry as a way of getting better acquainted. The posters consisted of their name and photo. They were then asked to answer five questions:

1. Is there a story with your name?
2. Where did you grow up?
3. What events led you to CD and your work?
4. When have you felt connected to people?
5. When feel different from other people?

Afterwards they reported out about their posters at their tables. The posters were then hung around the room for everyone to visit and exchange poster stories with the larger group. People were engaged and quite personal in their stories.

#### **Monday, May 7, 2007**

Marvin Dean (participant) led the group in an opening exercise. Karen Gaskins-Jones introduced key staff and the coaches and briefly reviewed their participant binders. Participants were also asked to "journal insights" a couple of times during the day to chronicle their journey.

Exercise to lay out ground rules:

Participants were asked to list two behaviors that support good learning for them. These included:

- "Keep it Simple"
- Be open minded
- Firm, fair facilitation
- Humor – enjoy the process
- Respect each other, their time, their opinions, let everyone speak for themselves, be non judgmental
- Actively participate – don't be shy, push your comfort zone
- What is said in the room stays in the room, create trust with each other to do that

### **History of Community Development**

Key to Community Development is really about change: a group of people initiating a social action process - a planned intervention to change their social and economic condition. This session compared Portland and Oregon to national trends and looked into the future to identify challenges facing the industry. Oregon CDCs work at the margins of the market place. What we do pales in comparison to the private sector. We need to be clear about the niche we serve and that we lay the foundation for private capital.

The participants were also asked to think about how to link transportation to create equitable sharing within the community outside of Portland. Current funding doesn't support this.

*"I know some of the history of CDCs but loved learning about the context of Oregon CDCs"*

### **How Successful People Succeed**

Success = Health, relationship and career (excellence and enthusiasm) sustained over a long period of time.

After a quick tour of the human brain (brain stem, mid-brain, and cortex) we learned about the four skills of successful people.

**#1:** An awareness and acceptance of fear in self and others. Stress- is really fear and is a healthy normal part of life. What are our fears? What are the fears of the people who work for you? We don't talk about fears so we don't actually deal with them. Awareness and acceptance of fear is the first part of the first skill. When you're upset, see if you can figure out what you are afraid are? Stress reduces creativity and challenges health because stays on "too long"

1. Responses to fear:
  - a. depress it
  - b. anger (7 times more likely to die of heart disease if this is your response)
  - c. negotiate
  - d. gripe
  - e. eat
  - f. reach out to someone for support (collaboration, working together, reaching out for support)- this is key
2. Peak performer is a team player. Are we looking for support everywhere we can find it? We are part of a culture that puts enormous value on individuality. Competition, keeps our body in the "stress" mode, and doesn't allow us to reach out and get the support that enables us to succeed together and reduce our stress. A key management concept is "delegate" which is quite different than "collaborate".
3. If haven't grown up with lots of nurturing, how will you know what people to go to for different kinds of help? How "gourmet" are we in how we seek help?
  - a. Seven types of support: INSPIRE
    1. **I**nstruction (information, resources, skills)
    2. **N**urturing (ability to listen empathically without giving advice or suggestions)
    3. **S**pirituality
    4. **P**raise (someone who sees you bigger than you see yourself)
    5. **I**nquisitive: someone who asks good questions, gently and openly
    6. **R**ejection(willing to say no to us, re-frame- reject their interpretation of what is happening; referral- send them on to someone else)
    7. **E**xample- someone you want to emulate because of the way they act in the world.
4. You don't really know someone until you know what scares them and how they deal with it.
5. Fear and excitement are biologically the same.

**#2:** An awareness of the need for attention as well as a generosity in giving and receiving appreciation. Learn to build in your own "nurturing voice" that helps us nurture ourselves

**#3:** We have no ritual in our culture for getting attention, people caring that you show up. If you are conscious of needing attention, how do you get it? Complaining is the “junk food” of getting attention. The more difficult a person makes your life, the more important it is to find ways to make them feel appreciated. What are they proud of? What are their strengths? Don’t focus on the flaws, weaknesses, and mistakes.

**#4:** Vision

1. Passionate commitment to service, wanting to learn how to serve means listening, and distilling; teaches you about yourself.
2. The state (i.e. being) vs. the goal; identify the emotion in pursuit of the goal. (i.e. clear why they are doing what they are doing)

*“I will renew my efforts to focus on confronting and managing fear. I will be realistic and honest about expectations and remember other elements of how successful people succeed.”*

**Art and Science of Business Mistakes**

Successful people make more mistakes than unsuccessful people. There is a difference between mistakes! Successful people volunteer their mistakes. They don’t let the fear of mistakes stop them. As you go along in your career and have been successful, you tend to become more afraid of failure. Being more aware helps you anticipate mistakes however most organizations have no system of identifying and correcting mistakes.

Why mistakes are imp? (See notebook)

**MISTAKES:**

1. **Mission:** The clearer we are with our destination, the more we know when you are off course and can correct.
2. **Inquisitive:** always stay curious, without judgment, when things aren’t going well. Asking the right questions helps to understand the problem better without placing blame.
3. **Support:** find support where others don’t even think to look for it; make it safe for others to bring their mistakes to you; solicit critical feedback.
4. **Take responsibility:** fix the problem, not the blame. (Drama triangle: persecutor, victim, and rescuer- we’re all fighting for the victim’s position because that has no responsibility, that’s where we’re safe and won’t get hurt)
5. **Awareness:** keep mistakes in front of you.
6. **Kaizen:** smallest most trivial step to get to the same large goal. (Toyota model). Employees come to work each day determined to become a little better at whatever they do then they were the day before. Look for small errors, less costly to correct.
7. **Encourage reporting-** reward people for reporting mistakes, versus punishing them for mistakes.
8. **Service-** the more service minded you are, the more you avoid mistakes.

*“I know I will go in the direction of making tangible change. I will change small obtainable things first. I will change the things I can control then tackle the bigger problems of the world.”*

**Intro to the Performance Challenge**

The performance challenge provides an avenue to try out new ideas, skills, and approaches.

Role of ED in approving the performance challenge: ED and/or Supervisors must sign off on the challenge; EDs and supervisors received some training prior to this session and were asked to be supportive of the participant and their challenge.

What is the amount of coaching they can expect to receive? 1 ½-2 days per person per year. More calls in the beginning, less in the middle and then more toward the end. Managing your energy becomes very important in achieving the challenge.

Coaches: what should they expect in a coaching relationship? This is a complex program so the coaching relationships will vary. Goal is to get everyone in the race and really engaged in the program and challenge. The articulation of the challenge is critical. After that, what is key for each participant will determine what the coaching focuses on.

*“I will do some research to determine if my performance goal is do-able.”*

### **After Dinner Activity: The Maze**

**Work Group:** May be ad hoc, has a timeline, specific outcomes, individuals have different functional roles, no shared risk, individually evaluated, shared purpose and shared vision.

**Team:** common goal, commonality, winning, shared outcome, shared goal, risk and gain, team reward - not individual reward, need to work together to achieve common goal, no one wins unless everyone wins

### **Characteristics of a Learning Organization:**

1. one that evaluates its efforts, wins, losses, and in between (on going processes)
2. modifies behavior based upon the learnings
3. establishes outcome measures so that it has something to measure itself against
4. conducts post mortum and learns from that
5. involves insight and feedback from every level (clients, stakeholders, EDs, funders, etc-internal and external)
6. minimal fight or flight
7. encourages innovation and mistakes
8. celebrates its contributors to its successes
9. is fun
10. invites outside perspectives
11. willingness to engage in discussion about its current environment
12. continues to evaluate outcomes for current relevance

### **Characteristics of effective teams:**

1. enthusiastic
2. feed off each others energy collaborative
3. shared goals
4. speak in terms of “we”
5. individuals feel a strong sense of responsibility
6. honest with each other
7. belief that together will succeed; sense of confidence about team
8. can process info and act on it
9. good communication
10. brilliant once in a while
11. trust and commitment to each other
12. effectiveness may fluctuate
13. competitive
14. outcome based versus activity based; want results

### **Tuesday, May 8, 2007**

Rachel Post led the morning exercise followed by Karen with a reflection on Monday’s learnings.

- CD history useful. Tax credits are huge for our industry - what happens if it disappears
- Importance of getting attention and positive feedback at work and that's ok
- Struck that no one used incentives for the Maze game, didn't hear it as an option, but how would we have used it, what is the value of incentivizing work, is passion for the mission enough, expand thinking about what other ways there are for supporting staff
- Failure to look at lines of authority in organization; Bob's comment about clarity around that resonated
- Improving is good even if it's working; "if it ain't broke, don't fix it" is not a useful thing
- How do I motivate people? Change to: How do you inspire people to be motivated to give their best? The challenge as leaders is to provide the environment so that people find their own motivation to give their best.

### **SMART Language:**

**S**pecific, **M**easurable, **A**chievable, **R**elevant, **T**ime-bound

Context: SMART Goals are key to the Performance Challenge. In a Performance Challenge there is the story: "because of ..." "therefore ..." SMART goals becomes the "therefore"

Outcomes: are they stand alone? How do they connect? Outputs versus outcomes? The 5 Whys and 5 Hows help make that connection. SMART goals and outcomes get managers out of the micro management business. Keep it simple and straight forward; don't have to include the how of doing, just the how you will know you've succeeded.

*"If I want to get things done, SMART goals can help me. I was fumbling in that direction but this session clarified what I need to do."*

### **Performance Challenge**

Performance challenge doesn't need to "harden" until mid-late June. If there is no resistance, it's probably the wrong challenge

"working arenas" - the area in your org. where your challenge happens; where the people come from who are needed to help make the challenge succeed; can be larger than your org. The arena creates the "boundaries" of involvement.

**The 5 "Why's"** - why does it matter to your clients, funders/supporters, people of your organization

**The 5 "How's"** - how will you know success

Differentiate between performance challenge and SMART language that will help get to that performance challenge; can define a series of small wins that move towards that (both/and); then the challenges have to be accomplished

- the statement is simple; once it is clarified, everyone can understand it and then work towards it
- relationship between performance goals and performance standards; standards don't have to be specified if they are defined and agreed on elsewhere; if not, specificity around the standard are important

Example: "By Dec. 31, 2008, we will have reduced predevelopment costs by 25% and be using innovative architectural techniques in project XYZ"

- Clarify what predevelopment costs are
- To what end? What is the story? This will be in the context of why this is important.
- What is "innovative" architecture? How will we know what it looks like?
- Is it realistic to plan to cut costs by 25%?
- The real issue is bringing the development in-house and this will be a way of determining if that effort succeeds

*“I will seek and collaborate with other organizations in the same industry; I will seek help in areas that are foggy from my peers and not be afraid to ask for help or questions.”*

### **Costs are Cool**

What is so great is that these people are looking at leadership and talking about costs.

Costs are Cool: What if we acted that way? Be able to ask better questions.

75% of the job is affecting behavior, not accounting

Accounting is content driven. There are answers. It is repeatable. Have to stay legal.

Finance is persuasive (forecasting, assumptions, it is interactive with the decision makers) justification is that finance adds value to decision; have to stay legal and add value, should make the organization have better outcomes/revenue, etc.

What is the skill set of the people who work in fin and acctg.?

- do they know how to do transactions
- Bookkeeper: understands how the transactions flow together and can put together income/expense statements. Don't necessarily understand how this affects the organization
- high end technical problems of staying legal (CPA)- technical exp., complex problem solving/expertise- this has actual answers
- financial analysis, stay legal- (MBA)- comfortable with not being right all the time

“Leadership is blunt- have to assess what you have.”

Fiscal team has all the data. Program Managers have to do all the analysis. The “enemy” has the data. Whose job is it to do the analysis? If it is no ones, that means it is an unfunded job.

Does the data matter? What would be different if you had the data and analysis?

Decision Readiness:

Is your org. ready to use the analysis? Knowledge is power; don't want to give it up. Cost accounting challenges the power structure. Cost accounting takes you to organizational change.

Breakthrough management: barriers are your friend, your “to do” list.

Financial analysis is a decision tool. If you aren't using it to make a decision, you're wasting resources. It helps keep you from being all things to all people and gives you a way to handle small but important exceptions.

Keep the detail at a level that matches the decision being made.

Charlie's story: add “what does that cost? To “why's” and “hows”

Story: 160 acres, \$1600 for leasing this out over the next 10 yrs. Dept. deducts 10% (\$400)and passes the rest of the revenue to state. How much does it cost to process the lease? \$845.

Matrix: mission and revenue; when add up all 4 squares, want it to be positive or won't stay in business. Different leadership skills in each of those boxes.

Concept: financial analysis is a way of working. It affects the way you think. Integrate with forecasting and getting actuals back. Close the books every month to update your forecast. Imagine if everyone in the org. knew everything about what they are costing and contributing to the mission and felt good about it.

Economic clarity: costs are cool but which ones. Costs are direct and indirect and often defined differently (overhead/program/administration). What is the basis for the description of how the costs are divided? Be clear about all the components and what the cost basis is of the analysis. Compliance and reporting have nothing to do with economic clarity nor does audit.

Cost analysis is relatively fast - getting the organization to change to really use and understand the analysis takes a long time.

*"The timing of this was perfect for me. I learned about the money aspect of our CDCs and the division of labor"*

### **Who's Driving the Bus?**

We ask people to think about their organization and imagine their organization as a bus. What kind of bus (bright? Shiny? Powerful? Beat up?)? Who's on it? What does the road look like? Who is driving? What will it look like in 2 yrs? Are there obstacles on the road ahead?

### **Fine Art of Small Talk**

**Wednesday, May 9, 2007**

### **Seven Revolutions of the Future**

This was not the usual group that CSIS addresses. Normally they meet with national governments, large corporations and large NGOs (American Cancer Society) but we all need to be thinking about connecting to a longer range agenda

Are CDCs mired in the short term; where are you taking things in the long run? How oriented are you to the future?

What are the tectonic forces at work over the next 20 years? What are doing day to day to think long range? What are you doing to systematically think about the future and position for this?

### **Drivers of Change: Global**

Think back to 1962 when CSIS was founded. It was a bipolar world USSR/USA. At that time one couldn't have imagined that there would be the demise and breakup of USSR.

- What will our world look like in 2025?
- We need to think about how we can create and sustain our environment
- How will we be able to ramp up CDCs to create and sustain and better future for all
- Will we be able to cope with change?

Key issues:

- Aggressive adaptation
- "No problem can be solved from the same consciousness that created it"- can we lift up our own consciousness to reflect growing complexity
- "Your task is not to foresee the future, but rather to enable it"- to what extent are we about to be proactive rather than reactive

**Population:** 2020: 7.5 billion people (1.5b more than today); 2050: 9.2 billion people - developing world 35million/yr, 22million in areas least able to absorb them

Immigration will be significant

Aging is without parallel- there will be more older people than younger people

We face an inverted age dependent pyramid in developed countries and developing!

This will affect the rate of economic growth, cost of capital, savings, etc. and how it plays across borders has significant implications (countries, age cohorts, regions, corps.)

**Resources:** Can we do it? Food, water, energy

Food: need to double current levels of food production: this is possible but constrained by the amount of arable land, the effects on the land, and if we have enough water

Water is a key global strategic resource. 2.5 billion people face severe water shortage- we need to find double the amount of water we have now and conserve what water we have, desalination;

Energy: we face the huge transition away from oil/fossil fuels; projecting out, we are still primarily dependent on fossil fuels versus renewable resources; on the world stage, energy demand will increase by 50%, especially in China (importing 10m barrels a day in 2030)- will be redefinition of global demand; can the system respond to that level of demand?

**Technology:** what parts will be most significant: computation (deep computation: opens up tremendous calculation possibilities; pervasive computation: data is everywhere), biotech (genome project will push every aspect of human development including increasing longevity- access to longevity will vary by developing v. developed,), nanotechnology

Environmental issues are daunting

### **Information**

Death of distance: time and distance are disappearing ex: MySpace would be the 17<sup>th</sup> largest country on the planet! Explosion of information

Our children will experience as many as 14 fundamental job changes over their lifetime

Can we assimilate the knowledge? We will choose our truth because we will have no way of figuring out what the truth actually is. Those who can't cope with the explosion of knowledge will be cast aside.

### **Economic integration throughout the world**

Everything can be produced and sold any where in the world

Global effects are instant of anything that happens around the world and instantly affects all sectors of the economy

Brazil, Russia, India and China are creating a systemic economic shift in the world; they can overtake the G-6 countries by 2030

225 richest people on the planet have accumulated wealth that equals the combined wealth of 2.7 billion people; illustrates the polarity in wealth that is occurring already

### **Conflict**

Everything is morphing to asymmetry- terrorism

Bioterrorism and nuclear terrorism- no non proliferation

Roles and missions to counter conflict

### **Governance**

Corporations: 14 of largest economic entities in the world are corporations - not countries; corporate citizenship becomes a key factor- what do you stand for?

Rise of NGOs: huge foundations giving away more to support NGOs and programs than governments

There is a system of linkages that no previous generation has had to face; we have to build coalitions vertically and horizontally

### **What is our capacity to deal with this?**

Leadership endangered:

#### **Promise and Peril**

Leaders becoming Managers

Strategy is becoming tactics

Planning is being triaged into reactions

Principles are becoming expediency

Vision is by the numbers

#### **Comments:**

Is this a dire prediction about the future? We have a more capacity to mobilize on these issues than ever before but do we have the institutional capacity to use this capacity effectively (governance)?

What do the institutions say that you have presented to?: not much capacity to think about the future in DC;

Are we taking advantage of the flattening of the globe to solve the demographic issues? Will migration take care of this?

This is a Western view of the future. What has been the reaction of non-western countries to this perspective? Generally speaking, most of the model stands up internationally (except conflict).

What is the role of the US in the world? How will we deal with the rise of the rest of the world? We are letting our education erode, our political system is eroding, how will this play out?

Is the US a driver in media and education? Are we doing anything positive with this? No

We need a good crisis in the nonprofit world to shake out the weaknesses in the nonprofit world and focus on what matters (creative destruction). But, we have more of a capacity to engage and call the shots than we have had before. Our capacity for bottom up in governance and nonprofits is significant.

What is the burden of waste and pollution? Yes, on water and consumption, but not in general (World Watch Institute doing a lot of limits of consumption- Lester Brown). Bottom line: we can't keep up our waste and consumption. We need to focus on what is possible and sustainable in the world.

How are we going to get the resources to work with the bottom of the spectrum when governance is no longer there to allocate those resources? Corporate citizenship is growing, but many are just CYA. NGOs have a chance to leverage ourselves given the technology.

How can we be thoughtful and purposeful about being more futuristic: become more fluent in areas you are interested in; build in a time from time to time to think about where you are and where you are going in a big picture to calibrate day to day activities. Make an effort to meet people who come from other disciplines and thoughts.

Should we go back through history to look forward? Absolutely, but we are becoming increasingly uneducated.

**Final thoughts from Erik:**

As think about 7 revolutions, think about overarching issues. What overlaps these 7 issues?  
Religion? Sustainability?

This is trend analysis, but need to think about abrupt events that can turn things upside down.

Prospect for coalition making is never better than now - nor more significant.

*“The Seven Revolutions was very important for me in the sense that I get so busy I lose sight of the bigger picture.”*