

Training Overview

The Neighborhood Partnership Fund: Planning & Managing Growth

- I. The Life Cycle of an Organization
- II. Organizational Shifts
- III. Growing Pains
- IV. Strategic Thinking
- V. Strategic Planning
- VI. Capacity Planning
- VII. Scenario Planning
- VIII. Succession Planning
- IX. Developing & Using a Dashboard
- X. Building a Shared Vision

Key:



Individual Exercise



Pair Exercise



Group Exercise



Key Points



Introduction

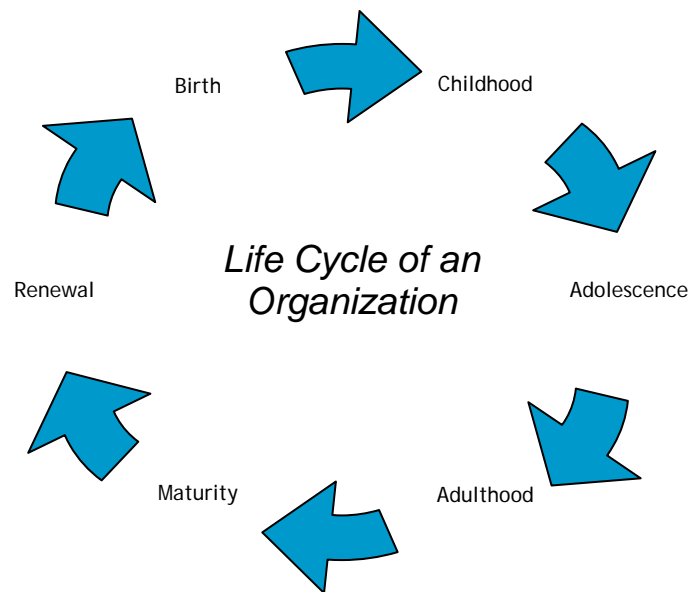
Introduce yourself.

- 1.) Share your name, your role and your organization.
- 2.) What is your comfort level and experience in planning and managing the growth of an organization?

30 minutes



I. *The Life Cycle of an Organization*



There are six stages to the life cycle of an organization. As an organization grows, transitions and refocuses, it moves from one stage to another. As it does, changes take place in the organizational structure, control systems, goals, and the strategies for obtaining those goals. Understanding where your organization is in its life cycle helps leaders to determine which key areas to focus on in developing and formulating strategic plans.

Stages of the Life Cycle

Birth

In the 'Birth' stage of an organization, it creates and establishes its presence. Preliminary systems are developed, and its mission is loosely defined. The focus here is on management, and resources are limited.

Childhood

In the 'Childhood' stage, the organization begins to learn new skills and to build a solid, supportive organizational infrastructure. It invites and accepts nurturing of organizational potential by more experienced leaders, organizations, or funders. Leadership skills begin developing, and its mission is refined. It is in this stage that the 'organization' begins to discover what it doesn't know.

Adolescence

In 'Adolescence,' the organization expands the scope of its actions, learning as it goes. It is idealistic, takes more risks, and mistakes are common. In this stage, the organization takes on more difficult challenges and starts taking responsibility for action or inaction. It also learns from - and is mentored by - those with more experience. Here the vision outstrips resources and capacities. The organization begins gaining confidence.

Adulthood

In 'Adulthood,' the organization assumes a greater level of responsibility and takes the lead on an issue even without significant credit. It also takes appropriate risks even if defeat is possible. Nurturing and mentoring other organizations in their childhood and adolescence takes place in this stage. The organization understands risks, learns from mistakes and starts to grow new leaders. It develops a longer term vision and refines its mission.

Maturity

In 'Maturity,' the organization uses its legacy to strengthen its efforts overall. It turns over responsibility to others, shares wisdom, and sets an example for personal and organizational renewal

Renewal

During 'Renewal,' the organization resists the urge to stay comfortable. It restructures and develops a new strategic focus or new organizational leadership.



Group Exercise

- 1.) What stage of the “Life Cycle” is your organization currently in?
- 2.) What are some things your organization is experiencing that indicates which stage it is in?

10 Minutes

II. *Organizational Shifts*



As an organization grows and expands, organizational shifts take place: staff is added, managers oversee more employees, managing each department becomes more complex, more sophisticated systems are needed, and establishing, focusing and maintaining consensus on goals becomes more challenging. Here are some organizational shifts you might see:

Generalist to Specialist

Tasks are expanded and workloads increase; within each department or discipline, current responsibilities become more complex and new responsibilities are added; staff is added and there is a shift from a generalist focus to specialized areas.

Internal Focus to External Focus

Managers must look outside their immediate department/discipline to understand and support the interdisciplinary dependency and reliance; as the interdisciplinary and systems structure strengthens and managers become more efficient in their roles and responsibilities, key leaders can shift their focus from internal processes and systems to community connections and public relations.

Informal to Formal

As growth takes place and staff members are added, more formal communications and processes structure are needed. Standardization is achieved by implementing common policies and procedures. Establishing and improving standard practices is a key element to organizational growth.

Tactical to Strategic

Tactical thinking is more now-orientated and concerned with the present. It is a focus on current performance and what needs to be done today. Strategic thinking is forward-looking and provides the guidelines for growth. With strategic thinking, you are concerned with future performance and how you are going to achieve it. As organizations grow, leaders develop their skills and move from the day-to-day, hands-on, technical functions to planning and forecasting for the future; responsibilities migrate to added staff or specialized departments. Strategic thinking will be looked at more closely in the following sections.

III. Growing Pains



What Happens When Your Organization Starts to Grow Too Fast?

As your organization expands, it is important to pay attention to signs that you may be growing too quickly. If you start experiencing 'growing pains,' you may need to revisit your strategic plan and make modification to parts of your strategic plan in order to get back on track and stay the course.

Common Signs of Growing Pains

Here are some common signs that an organization may be growing too fast:

Space and equipment battles

Computers, desks, chairs and equipment become scarce. You may outgrow office space or even outgrow your building. Work stations and storage space become limited.

Overuse of temps, contractors or volunteers

You recruit additional volunteers to help with tasks formerly performed by employees. You rely too heavily on contractors or temporary workers. This can be detrimental because temporary workers take critical business knowledge with them when they leave. You need to build up and maintain core employees who understand your business and its processes.

Low morale

Staff may start feeling overworked and not recognized. This can lead to high turnover and low productivity.

High turnover

Staff may leave because of a sense of disorder, unclear goals or goals inconsistent with where the immediate focus should be.

Low productivity

Employees try to do too much and are pulled in too many directions to effectively accomplish any one thing.

You aren't paying attention to the small stuff

You start ignoring the small stuff like overnight carrier expenses, supply costs and other expenses that deplete your capital. There is too much going on and you only have time to focus on the big issues.

Operate in crisis mode

You are too busy putting out fires that you are not able to anticipate and plan for the future. You are using a reactive rather than proactive approach. It is important to pause and try to identify the root causes and develop a plan to prevent it from happening again.

Drop in cash reserves

You are spending money more quickly than bringing it in. Rapid growth can consume your reserves if you're not careful. Make cash management a top priority as your organization grows.

Increased complaints

Things are not done correctly. There is increased confusion and complaints internally from staff and externally from clients.



Pair Exercise

With a partner, discuss the following questions:

- 1.) What other things might you see or have you seen as signs of growing too fast?
- 2.) What are some ways you have addressed or worked through those situations?
- 3.) What worked and what didn't work?

20 minutes - group discussion after the pair exercise

IV. Strategic Thinking



Thinking Strategically

A businessman was talking with his barber, when they both noticed a goofy-looking boy bouncing down the sidewalk. The barber whispered, "That's Tommy. He's one of the stupidest kids you'll ever meet. Here, I'll show you."

"Hey, Tommy! Come here!" yelled the barber. Tommy came bouncing over "Hi Mr. Williams!"

The barber pulled out a rusty dime and a shiny quarter and told Tommy he could keep the one of his choice. Tommy looked long and hard at the dime and quarter and then quickly snapped the dime from the barber's hand. The barber looked at the businessman and said, "See, I told you."

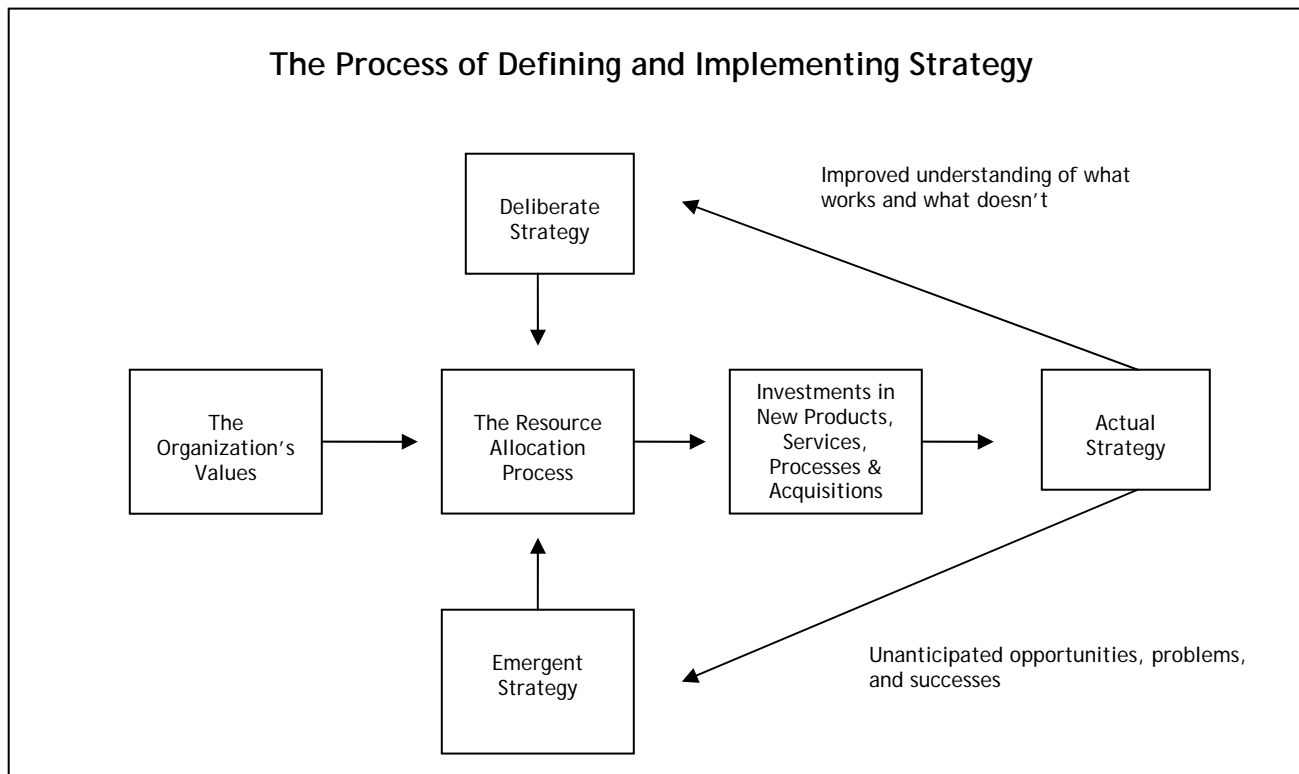
After his haircut, the businessman caught up with Tommy and asked him why he chose the dime.

Tommy looked at him in the eye and said, "If I take the quarter, the game is over."

All too often, organizations reserve strategic thinking for the annual or five year planning cycle. Between planning events, the focus is on implementing strategy. The most successful organizations view strategic thinking as an ongoing process that is never quite finished. Strategy changes as circumstances and our reality changes.

In many organizations, strategy is driven from the top down, from a board of directors or executive team. We believe it is important to move strategy from the boardroom to the backroom and thus to the front lines of daily operations. By clearly defining strategy, communicating it consistently, and linking it to the drivers of change, a performance-based culture emerges that links everyone in the organization to the strategy. Strategic thinking becomes everyone's everyday job.

Deliberate and Emergent Strategy



Adapted from The Innovator's Solution, Clayton M. Christensen, 2003

Deliberate and emergent processes of strategy formulation are always operating in every organization.

Deliberate Strategy

The deliberate strategy-making process is conscious and analytical. It is often based on rigorous analysis of data on market growth, customer needs, organization's strengths and weaknesses, and technology trajectories. The strategy needs to make as much sense to all employees as they view the world from their own context as it does to top management.

Emergent Strategy

Emergent strategies surface from within the organization. They are the cumulative effects of day-to-day operating decisions that are made by people who are not necessarily in visionary, futuristic, or strategic roles. Emergent strategies result from managers' responses to problems or opportunities that were unforeseen in the analysis and planning stages of the deliberate strategy-making process. When an emergent process is recognized, it's possible to formalize it, improve it, and exploit it, thus transforming an emergent strategy into a deliberate one. Emergent processes should dominate in circumstances in which the future is hard to read and in which it is not clear what the right strategy should be.



Pair Exercise

With a partner, discuss the following questions:

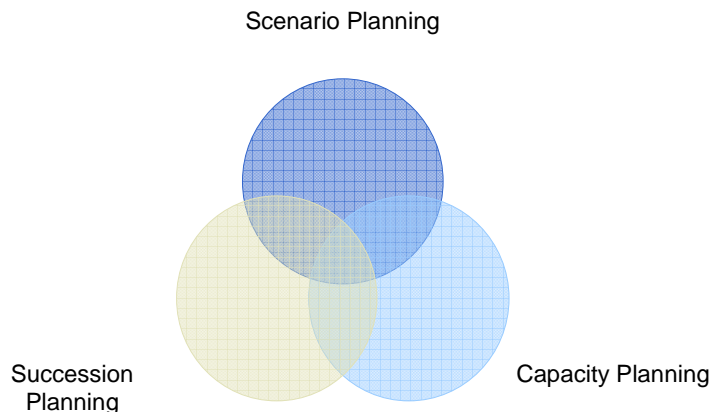
- 1.) What are some examples of deliberate strategies that drive your organization now?
- 2.) What are some emergent strategies that have presented themselves in the past?

10 minutes - group discussion after the pair exercise

V. *Strategic Planning*

Strategic planning is the process of defining an organization's long-term goals and objectives and then identifying the best approach for achieving them. It involves identifying where you want to go, why you want to go there, how you will get there, what you need in order to get there and how you will measure progress.

There are several strategic planning tools that support the strategic planning process: Capacity Planning, Scenario Planning and Succession Planning.



*"Better go home and make a net, rather than dive for fish at random."
- Chinese proverb*

Capacity Planning

Capacity planning is developing your organization's core skills and capabilities in order to meet goals. It's looking at the organization's capabilities as a whole - not just around financial management - and identifying strengths, determining which skills and capabilities need to be developed, then allocating resources necessary to be effective and sustainable. This includes human resources, leadership development, financial and funding, and the infrastructure necessary to support these areas. It also involves managing relationships between different organizations and sectors, i.e. public, private and community.

The biggest challenge of capacity planning for organizations with limited resources is prioritizing and allocating available resources in order to build capacity where it is most needed and that is consistent with the strategic plan. If the values that guide prioritization decisions in resource allocation are not carefully tied to the organization's deliberate strategy, then significant disparities can develop between an organization's deliberate strategy and its actual strategy. Understanding and controlling the criteria by which day-to-day resource allocation decisions are made at all levels of the organization are among the highest impact challenges a manager can tackle in the strategy development process.

Ideas and initiatives, whether of deliberate or emergent origin, are filtered through the resource allocation process. The resource allocation process determines which initiatives get funded and implemented. Initiatives that receive funding and other resources can be called strategic actions as opposed to strategic intentions. To understand an organization's actual strategy, pay attention to what it does, rather than what it says. An organization's strategy is what comes out of the resource allocation process, not what goes into it.

What Capacities Should CDCs Focus on?

According to the 2000 national study by Fannie Mae Foundation, Working Together: Building Capacity for Community Development, five interrelated categories were identified as the capacities CDCs need in order to successfully improve their neighborhoods.

Resource Capacity

CDCs must acquire and manage funding from grants, contracts, loans, and other resources. They need stable long-term operating support and need to develop fund-raising skills.

Organizational Capacity

The capability of a CDC's internal operations determines its ability to succeed. Several variables affect this: management styles and staff skills, size and experience, the role played by the board of directors, and fiscal capacity (the ability to manage finances).

Networking Capacity

CDCs' ability to interact and work with other institutions, both inside and outside the community, is important to their success. Networking capacity represents the important external relationships that CDCs develop and maintain. CDCs grow by networking with other community-based organizations and with private firms, philanthropies, educational groups, and political actors.

Programmatic Capacity

This includes services offered by CDCs, such as building and managing housing; taking on economic development projects; offering technical assistance; and engaging in leadership development, cultural and educational activities.

Political Capacity

CDCs try to represent neighborhood residents credibly and advocate effectively on their behalf in the larger political arena. Their ability to command recognition and support beyond the neighborhood has important ramifications for success.

Gap Analysis

To ensure that sufficient capacity is available to meet goals and objectives, you can conduct a gap analysis which can be used anywhere there is a comparison between what is needed and what currently exists. You can compare the skills and resources needed to fulfill the goals of your organization with those currently available.



Keys for Conducting a Gap Analysis *Example*

Gap analysis can help ensure that your leaders have the skills to implement and carry out the strategy and that you put the appropriate amount of focus on developing your people without unnecessarily spending money and time on unproductive approaches to training and development.

To make sure leaders have the skills and knowledge to drive the strategy, conduct a gap analysis. Start with four questions:

- What is the strategy?
- What capabilities do your leaders need to carry out the strategy?
- Which of these capabilities do they possess?
- How can they acquire the capabilities that they lack?



Pair Exercise

With a partner, discuss an area where a gap exists in your organization. Talk about how you can 'close the gap' and what resources are necessary to do so.

20 minutes - Group discussion after the pair exercise

VII. Scenario Planning

Scenario planning is a process that allows organizations to consider alternative stories about possible future events and then develop strategies to address those events should they - or similar events - occur. Organizations research current key trends to determine which are predictable and which are uncertain then decide which uncertainties are most influential. The next step is to base some stories of the future on those uncertainties and imaginatively play out the implications. By working through the scenario planning process and seeing several stories around the topic at the same time, organizations can better understand options or possibilities. Thinking through the complexity of different scenarios will help you to better anticipate the future and think "on your feet" about unexpected events.

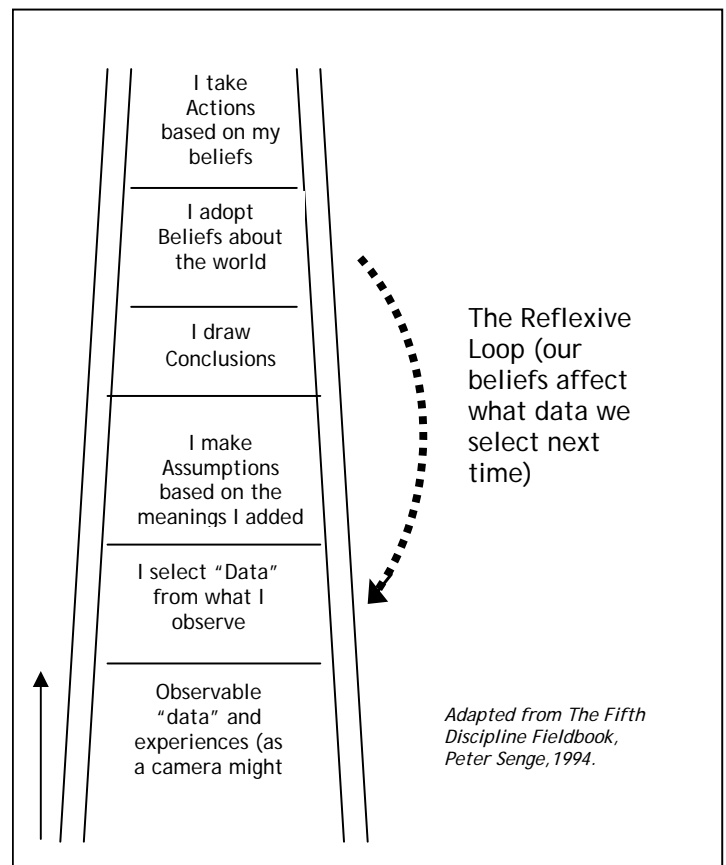
Scenario planning is not an attempt to predict the future or develop a possible scenario for every potential event. Rather, it is working through the planning process that helps to broaden your organization's perceptions and challenge existing *mental models*.

Mental Models

Mental models are images, assumptions, beliefs, and stories that we carry in our minds that affect our behaviors, attitudes and perceptions. They determine how and what we see, and they lead us to treat our inferences as fact. If they go unchallenged, mental models can limit our ability to change.

The Reflexive Loop

The actions we take are based on our existing mental models. The diagram to the right is 'The Ladder of Inference,' initially developed by Chris Argyris. It illustrates 'The Reflexive Loop' that shows how we take action based on what we believe to be true (inference). This is a progressive process of making observations, gathering information, making assumptions then deciding what action to take. Through this process mental models are formed and reinforced.



Your organization is influenced by mental models engrained within its culture. By working through the scenario planning process, mental models can be shared, discussed, and challenged. You and your team can realize different ways to look at a situation and consider alternative approaches. The success of scenario planning mostly depends on the ability to identify and challenge the prevailing mental models that exist. This process leads to organizational learning.

Organizational Learning

Organizational learning is the process by which an organization continually learns and adapts in order to respond to changes in the environment and grow. Organizational learning increases awareness of issues, trends and developments that might otherwise be overlooked. Scenario planning is a powerful and effective way to improve perception and promote organizational learning.



Building Scenarios

Adapted from *The Art of the Long View*, Peter Schwartz, 1991

According to Peter Schwartz, author of *The Art of the Long View*, the conceptual building blocks of scenario planning encompass driving forces, predetermined elements and critical uncertainty. Driving forces are those forces that influence change. They could be social, technological, economical, political, or environmental. Predetermined elements include slow-changing phenomena, such as population growth, demographics and so forth. Critical uncertainties are discovered by questioning assumptions about predetermined elements. They are unknown possibilities that, if come true, would have significant impact on your organization.

When working through the scenario planning process, consider scenarios that are plausible, internally consistent with your organization's culture, and focused on critical issues.

Step One: *Identify Focal Issue or Decision*

Start with identifying a *focal issue* (or decision) that is future-oriented and an issue on which you need to gain insight. Define a specific issue where having a scenario will be helpful. What are some critical issues or decisions facing your organization?

Step Two: *Assess the Key Factors in the Local Environment*

Identify the 'key factors' that may influence the success or failure of the issue identified in Step One. Be as specific as possible in listing what might affect the decision you want to consider.

Conducting a **SWOT analysis** can help you identify the key factors within the immediate, or micro-environment. A SWOT analysis assesses the strengths, weakness, opportunities and threats of a business or a proposition and can be extremely useful in identifying the key factors.

Step Three: *Identify Driving Forces*

Identify the 'driving forces' in the environment that will influence the key factors. What major trends or driving forces influence the key factors identified in Step Two?

A **PEST analysis** can help you identify driving forces within the macro-environment - political, economical, social and technological - that influence the key factors. PEST becomes more useful and relevant the larger and more complex the business or proposition, but even for a small issue, a PEST analysis can surface one or two very significant forces that might otherwise be missed. PEST analysis is useful for understanding market growth or decline, and the potential and direction for an organization.

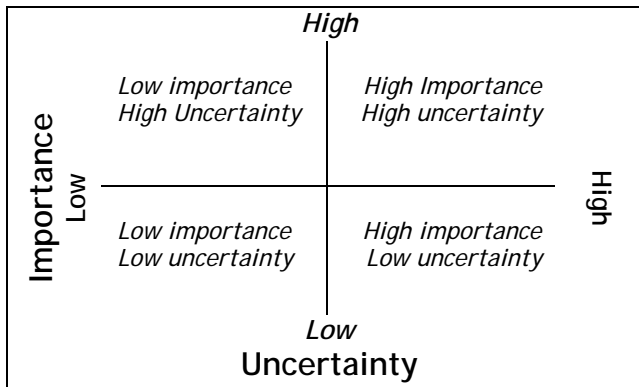
Step Four: *Rank the Key Factors and Driving Forces by Importance and Uncertainty*

Review the 'key factors' and 'driving forces' you have listed. Discuss and rank each one and its degree of importance for the success of the focal issue. Then discuss and rank the relative degree of uncertainty for each 'key factor' and 'driving force.'

Ranking the key factors and driving forces in order of importance and uncertainty, will help you identify two or three factors or trends that are the **most important** and the **most uncertain**. There may only be one driving force that seems both critical and uncertain, or there may be two or three. Choosing more than three for any one scenario building session may become cumbersome.

Step Five: *Select Scenario Logics*

The results of the ranking become the axes along which the potential scenarios will differ. Following the ranking, take the information to define the key variables for building scenarios.



Plot the results of your ranking on an x/y plot with **importance** vs. **uncertainty**. Those 'key factors' or 'driving forces' that fall in the quadrant high importance and high uncertainty should be looked at carefully as they are more critical to providing different scenarios that are important.

Step Six: *Flesh out the Scenarios*

Look at the key factors and trends identified in Step 2 and Step 3. Each should be given some attention in each scenario. Then weave the pieces together to form a story. What events might take place to make the end point plausible?

Step Seven: *Assess the Implications*

Once the scenarios have been developed, determine how your focal issue looks in each scenario. What could happen if the different possibilities occurred? Build these into your scenarios.

Go back and review the focal issue or decision identified in Step One. How does the decision look in each scenario? What vulnerabilities have been revealed? Identify the opportunities and threats each scenario presents to your decision. If your decision looks good in only one or two scenarios then it can be considered a high-risk gamble. How could your strategy be adjusted to make it more robust?

Step Eight: *Select the Leading Indicators*

Once the different scenarios have been fleshed out and their implications for the focal issue determined, identify a few indicators to monitor on an ongoing basis. This will help you to anticipate what the future holds and how it is likely to affect strategies and decisions.

Analysis & Discussion

Assess and discuss the scenarios. Consider the following questions in your analysis:

➤ ***What are the surprises?***

Identify challenges to the mental models, perceptions and assumptions. The surprises that surface will help you better recognize and understand the mental

models that exist in your organization. Again, here is where organizational learning will take place.

- *Where are the gaps in data or knowledge?*
Which areas need more research?
- *Does what you discovered fit into current plans or do you need to revise your strategic plans?*
- *What follow-up actions or strategic revision do you need to make?*
Develop a process that improves decision-making with respect to the future. The outcome could be a portfolio of strategic actions.



Keys for Successful Scenario Planning

Don't try to predict the future. Scenario planning does not allow you to predict the future.

Focus on the process. The value of scenario planning lies in the discipline of thinking creatively about unusual situations. Your objective is not to select the best or most probable scenario, but rather to develop you and your team's ability to respond flexibly and promptly - and to make better decisions - when major events do occur.

Develop scenarios as a team. In a team setting, you can benefit from the collective wisdom of your staff as you work together to contemplate the forces operating on your organization.

Select the scenario building team carefully. The team should be a broad representation across functions and departments. Select imaginative people with open minds.

Good scenarios are plausible and surprising. You have a good scenario if it gets you thinking, breaks old stereotypes, and the makers assume ownership.



SCENARIO PLANNING - SWOT Analysis

Conducting a **SWOT** analysis can help you identify the key factors within the immediate, or micro-environment. A SWOT analysis assesses the strengths, weakness, opportunities and threats of a business or a proposition and can be extremely useful in identifying the key factors and providing a framework for reviewing direction of your organization.

Strengths

Weaknesses

Opportunities

Threats



SCENARIO PLANNING - PEST Analysis

A PEST analysis assesses the external, or macro-environment that affects your organization. Conduct a PEST Analysis to identify driving forces within the macro-environment - political factors, economic factors, socio-cultural factors, technological factors

Political

- *Ecological/environmental issues*
- *Current legislation*
- *Future legislation*
- *Regulatory bodies and processes*
- *Government policies*
- *Government term and change*
- *Funding, grants and initiatives*
- *Lobbying/pressure groups*
- *Community pressure groups*

Economic

- *Economy situation*
- *Economy trends*
- *Skill level of workforce*
- *Labor costs*
- *Business cycle (prosperity, recession)*
- *General taxation issues*
- *Taxation specific to product/services*
- *Seasonality/weather issues*
- *Market cycles*
- *Specific industry factors*
- *Client drivers*

Social

- *Lifestyle trends*
- *Demographics*
- *Client attitudes and opinions*
- *Media views*
- *Law changes affecting social factors*
- *Brand, company, technology image*
- *Clients' needs patterns*
- *Role models*
- *Major events and influences*
- *Buying access and trends*
- *Ethnic/religious factors*
- *Attitudes (health, environmental consciousness, etc.)*

Technological

- *Competing technology development*
- *Research funding*
- *Associated/dependent technologies*
- *Replacement technology/solutions*
- *Maturity of technology*
- *Information and communications*
- *Consumer buying mechanisms/technology*
- *Technology legislation*
- *Innovation potential*
- *Technology access*
- *Intellectual property issues*

The number of macro-environmental factors is virtually unlimited. You should prioritize and monitor those factors that influence your organization. It may be difficult to forecast future trends with an acceptable level of accuracy. Thus, you may turn to scenario planning techniques to deal with high levels of uncertainty in important external variables.

VIII. Succession Planning



According to the Daring to Lead 2006 report, a national study of nonprofit executive leadership, 75% of executives say they plan to leave their jobs within five years. The Neighborhood Partnership Fund found similar results in their Succession Planning Project, a study conducted in February, 2006. Three-fourths of the executive directors participating in the NPF survey said that they plan to leave their current position within four years. In addition, the Daring to Lead 2006 report indicates that one in three executives are eventually fired or forced out of their jobs. Planning for the succession of leadership is a critical part of the strategic planning process.

The Daring to Lead 2006 report found that only 29% of executives have discussed succession planning with their boards. The NPF Succession Planning project found that twelve of fifteen CDC's participating in the study did not have an executive succession plan in place. Considering what we know from these surveys combined with the demographics of the aging workforce it seems clear that succession planning is an issue of highest importance.

Small organizations, as do many CDC's, face a unique set of challenges in developing succession plans. Smaller organizations rarely have the bench strength to promote an internal candidate into an exiting executive's position. Daring to Lead 2006 reports that 42% of executives running organizations with 100 or more paid staff were on staff prior to becoming the executive. For organizations with 11-20 paid staff the percentage of executives hired from within dropped to just 21%.

Emergency Succession Planning

All too often an executive departs with little notice or warning. Whether they accept another job or leave for health or personal reasons the impact is the same. One step that all organizations, large and small can take is to develop an Emergency Succession Plan. Such a plan should address how the role will be filled, by whom, and address all management and governance issues associated with interim management.

Ongoing Succession Planning

A succession plan identifies the management roles and people resources that are needed over the next three to five years. It is typically developed years in advance of expected needs and is modified and updated as needed. A succession plan assesses what skills your current staff has and needs and identifies the coaching and education requirements they need for professional development. The plan also identifies what to look for in new hires. Every organization should regularly assess its needs and resources to determine where it needs to have successors in place.

Each succession candidate should have a concise, determined path toward an established career goal and a career path that is flexible so that it may be changed as needed or as events dictate. The succession plan should take into consideration the length of time a candidate must be involved or exposed to the training needed. For example, if someone is expected to become a Finance Director, the plan should address the knowledge, skills and abilities needed and identify the gaps in the succession candidate's experience. Factors such as past experience and current knowledge that the individual brings to the job will affect the succession time frame.

To properly train a successor, your organization needs sufficient time to expose him or her to the full array of opportunities within the organization, as well as any desired or required education and experience opportunities outside the organization.

Although the plan should also address contingencies for sudden departures, it should be focused on enhancing the capacity of your people so they can take on more responsibilities as the company grows.

When developing a succession plan:

- Identify the key positions which require continuity within the organization.
- Identify successors for each key position.
- Identify the high performing staff that you want to develop and nurture for the future.
- Identify the high potential staff.
- Design career development plans for each high performing / high potential staff member.

What are the benefits to succession planning?

- A well-trained and capable team that is engaged and knowledgeable in the breadth and depth of the organization.
- A continuous flow of people who are regularly reviewing, questioning and refining procedures and processes, helping to improve the quality inside the organization and the services the organization offers to clients and customers.
- A reputation as a good, challenging, and stimulating place to work, which could result in your ability to hire ever better people.
- Enhanced leadership.
- Talent pool to support organizational plans and objectives.

What are the possible pitfalls to succession planning?

- Lack of a formal written plan for each key person or position.
- A rigid, inflexible plan not tailored to the needs and abilities of the employees involved.
- Too long a wait for real movement or promotion, potentially resulting in good people leaving due to apparent inertia in the system.
- Too superficial of an approach, with the corresponding lack of real understanding of the procedures, processes and requirements of each area the individual should be exposed to during the process.
- Selection of unqualified or unmotivated people for inclusion in the succession plan. Quality of the individuals selected is crucial to the success of the process.

Succession planning is an important part of strategic planning. Succession plans are looked at more closely in our course on Professional Development.



Group Exercise

- 1.) What are the key positions in your organization that require continuity?
- 2.) What would happen today if the person in that position left abruptly?
- 3.) Do you know who your high performance / high potential employees are?
- 4.) How are you actively developing the skills and abilities of high performance / high potential team members?

20 minutes

IX. *Developing & Using a Dashboard*

What is a 'Dashboard?'



A dashboard is a concise report that typically uses a variety of visuals, including gauges, alerts, charts, graphs or tables to show the current progress of an organization's performance. It is used to provide regular updates on performance metrics that are tied to **key performance indicators (KPI)** and to track the progress being made toward meeting goals.

Key Performance Indicators are financial and non-financial or mission metrics used to quantify objectives to reflect the strategic performance of an organization. They are used to measure the progress of performance and manage the organization.

Dashboards are a tool to help you organize, monitor and analyze performance, and are designed to be concise so that trends can be quickly detected and corrective action can be taken as necessary.

Using a dashboard can help you keep a close eye on measures that are crucial to your organization's success and help you determine whether goals are being met. It's a quick way to receive updates and can help you and your board guide the strategic direction of the organization and establish priorities.

Developing a Dashboard

Typically, a dashboard provides a graphic depiction of the organization's actual performance as compared to the stated plan.

What to Consider When Developing a Dashboard

- What are the top priorities or objectives?
- What are the key performance indicators (KPI) linked to those objectives?
- Which key performance indicators do you want to monitor?
- What are the targeted outcomes and how do you want to track the progress toward them?
- What is the best way to display progress toward goals in key areas?
- What reporting format will work best for your organization?
- How often do you want to review progress?
- How frequently should you monitor progress?
- How often do you need to report results?



Pair Exercise

With a partner, talk about the performance indicators you would like to include on a Dashboard. Or, if you have previously used a Dashboard, share which performance indicators you have included. Which performance indicators you would like to include on a Dashboard for presenting to your board?

10 minutes

X. *Building a Shared Vision*

Adapted from *The Fifth Discipline*, by Peter Senge, Art Kleiner, Charlotte Roberts, Richard Ross, Bryan Smith



As an organization grows, its culture is at risk and it becomes critical to pay attention to building a shared vision. A shared vision is an organization's deeply meaningful and broadly held common sense of direction. Ideally, your organization's shared vision is developed from input and through interaction with your employees, and your primary role in creating a shared vision is to share your own vision with your employees in a way that encourages them to share their vision as well.

In this way, you foster genuine commitment and enrollment, rather than compliance and complacency. Consider your organization's vision to be fluid, allowing it to evolve as your organization grows.

Shared vision strategies are developmental processes. Each strategic approach to building a shared vision helps improve both the listening capacity of the top leaders and the leadership capacities of the rest of the organization. There are five potential approaches to building a shared vision:

Telling

You know what the vision should be, and the organization is going to have to follow it. This approach usually takes place in a crisis situation when dramatic change is necessary. Here, what the boss says goes, and deviation could jeopardize an employee's career. This approach can seem authoritarian but if delivered correctly, others will understand the need and support it.

Keys for Mastering the "Telling" Approach

- Inform people directly, clearly and concisely through letters, videos and meetings. Provide as much information as possible and allow for staff to ask questions.
- Tell the truth about current reality and help people understand the difficulties of the current situation. Explain current reality and how far it is from the vision. Be honest - anything less can destroy credibility.
- Explain why you can't disclose sensitive or confidential information. Don't focus on the negative (crisis) you're trying to avoid. Rather, focus on motivating people toward improvement. Build the vision by "aspiration" not by "desperation."
- Be clear on what is negotiable and what is not. Some people may have a degree of freedom, others may not. If you are accountable to the board for certain results with little room, tell them that.
- Give the details, but not too many.

Selling

You know what the vision should be, but you need the organization to buy-in before proceeding. You build on your relationship with your employees, characterized by such statements as, "I'm depending on you for this to work," "I value my relationship with you," "This is the way I'd like to go about this, but if you have concerns, let's talk about them."

Keys for Mastering the "Selling" Approach

- You seek buy-in.
- Keep channels open for responses and provide opportunities for managers to find out how well the message is selling, i.e. follow-up meetings, break-out groups, etc.
- Support enrollment, not manipulation. People must make the choice on their own to enroll. You provide the evidence of your own enrollment.
- Focus on benefits not features.
- Move from the royal "we" to the personal "I." Share what it personally means to you. Using the royal "we" implies you have taken for granted that everyone will be excited, motivated and inspired, and this can provoke resentment.

Testing

You have an idea about what the vision should be - or several ideas - and want to know the organization's reaction before proceeding.

Keys for Mastering the "Testing" Approach

- Lay the vision out for testing.
- Solicit feedback on the vision. When asked their opinion, people will discuss and consider. Determine if your staff will support and enthusiastically accept the vision.
- Refine and redesign the vision.
- Provide as much information as possible to improve the quality of the responses. Give the bad with the good.
- Make a clean test. Be objective without attempting to persuade people in one direction or another.
- Protect people's privacy. Design the test so people can respond anonymously, without fear of repercussion. Expect to hear the bad with the good.

- Combine survey questionnaires with face-to-face interviews, i.e. person-to-person, small group interviews, large-scale conferences.
- Test for motivation, utility, capability. Do people want to move to the vision? Is the vision useful to them and to the organization? Do they - and the organization - have the capability to move to the vision?

Consulting

You are in the process of putting together a vision and want creative input from the organization before proceeding. You recognize that you don't have all the answers, and you want to strengthen the vision by inviting staff to be your consultant. You invite staff to participate in the process, including considering ramifications of their ideas. However, you are the judge and make the decision; you accept or ignore what is offered as you would with any consultant. Ultimately, you determine the content of the vision, and you decide how to begin moving in that direction.

Keys for Mastering the "Consulting" Approach

- Use the "cascade" process to gather information. Conduct team meetings, starting with the top of the organization then branching out. Groups should include natural teams, i.e. supervisor and direct reports, departments, etc. The groups meet and discuss vision, then have meetings with their direct reports and so on, down to line employees. Establish a committed group of facilitators to be available as a resource and to help draw out discussion. Solicit ideas, critiques, and feedback. Ensure information makes it back to the top leader.
- Build in protection against deterioration of the message. Start each meeting with the same message, updated as the vision evolves. This can be done in a written message. However, reading a document can lead to misinterpretation.
- Gather and disseminate results. Collect anonymous comments from participants after each meeting.
- Don't try to "tell" and "consult" simultaneously. Don't tell them what you think the vision should be and then ask what they think. People will think that you've told them what you want so why should they bother offering any other suggestions.

Co-creating

You and other members of the organization, through a collaborative process, build a shared vision together.

Keys for Mastering the “Co-creating” Approach

- Start with a personal vision.
- Treat everyone as equals.
- Seek alignment, not agreement.
- Among teams, encourage interdependence.
- Avoid “sampling.”
- Have people speak out only for themselves.
- Expect and foster reverence for each other.
- Consider using an “interim vision” to build momentum.
- Focus on dialogue, not just the vision statement.



Individual Exercise

- 1.) Read the scenario below.
- 2.) Consider which approach to building a shared vision you would use.

10 minutes - group discussion after individual exercise

Building a Shared Vision

A major funder just pulled out. One year from now the organization's operating budget will be down by 30%.

The organization is presented with an opportunity to expand its geographic territory but the funds and staffing to do so are limited. If you seize this opportunity, there is a risk of failure. Everyone is going to have to work harder. Initially, the costs are going to be greater than the rewards.

The Board is considering the possibility of outsourcing all maintenance. They don't want to move forward with this without strong support from staff.

The board is pushing to expand the services offered by the organization. You have your own thoughts about what needs to be done but want to make sure you haven't missed anything.

A major funding shortfall has created a need to dramatically reduce expenses. The obvious choice is layoffs.

The new property has been fraught with maintenance problems and cost overruns. You are being pressured by the Board to fix it.

As the new executive director, you now see a need to change the culture to a more service oriented, less political environment.



Building a Shared Vision

Approach	What Leaders Do	What Leaders Say	Does Vision Already Exist	Who Decides on the Final Vision	Communication Method	Level of Ownership & Commitment	Comments
Tell	Demand compliance	"This is the plan. Everyone has got to be on board with it. We can't afford anything less than complete commitment."	Yes - Final Form	Those in authority	Top-down communication	Low	Telling is generally the least effective approach. However, it can be effective when employees understand the levity of the situation.
Sell	Seek buy-in	"This is the plan, and I believe it is the right thing. But it will only be successful if everyone is on board. Here's why I think is the best way to go."	Yes - Final Form	Those in authority	Top-down communication		The boss spells out the benefits of the proposed change in an attempt to get people to "buy into" it. Employees buy-in but with a very low level of agreement. Can create resentment, withdrawal of support and even sabotage.
Test	Seek Feedback	"This is the plan. Tell us what you think about it and we will consider incorporating your ideas."	Yes - Draft Form	Those in authority	Top-down & bottom-up communication		This approach may limit feedback since a "finished" plan is presented to employees.
Consult	Seek input	"We are developing a plan and would like to solicit your ideas and opinions before putting pen to paper."	No	Those in authority	Top-down & bottom-up communication		This approach encourages full engagement of employees as they think through the ramifications of their own ideas.
Co-create	Collaborate	"We've got a blank sheet of paper. Let's sit down and create the plan together."	No	Everyone	Conversation	High	This approach normally produces the best results, particularly in the case of organization-wide change efforts. People rarely resist what they helped create.

Adapted from www.martinleith.com