Quotes from *Managing the Non-profit Organization* by Peter Drucker  
(1990, Harper Business)

**Preface:**  
“The non-profit institution neither supplies goods or services [like a business] nor controls [like gov’t]. Its ‘product’ is neither a pair of shoes nor an effective regulation. *Its product is a changed human being.* The non-profit institutions are human change agents.” (p. xiv)

Challenges of non-profits:  
“The first is to convert donors into contributors. ...I consider it a national disgrace, indeed a real failure, that the affluent, well-educated young people give proportionately less than their so-called blue-collar parents used to give. ... To make contributors out of donors means that the American people can see what they want to see -- or should want to see -- when each of us looks at himself or herself in the mirror in the morning: someone who as a citizen takes responsibility. Someone who as a neighbor cares” (p. xvii)

“...second challenge...: to give community and common purpose. ... the great majority of Americans live in big cities and their suburbs... they still need community. And it is working as unpaid staff for a non-profit institution that gives people a sense of community, gives purpose, gives direction - whether it is work with the local Girl Scout troop, as a volunteer in the hospital, or as the leader of a Bible circle in the local church.” (p. xvii-xviii)

“Again and again when I talk to volunteers in non-profits, I ask, ‘Why are you willing to give all this time when you are already working hard in your paid job?’ And again and again I get the same answer, ‘Because here I know what I am doing. Here I contribute. Here I am a member of a community.’” (p. xviii)

“Precisely because volunteers do not have the satisfaction of a pay check, they have to get more satisfaction out of their contribution. They have to be managed as unpaid staff. But most non-profits still have to learn how to do this.” (p. xviii)

**PART ONE: THE MISSION COMES FIRST: and your role as a leader**

1. **THE COMMITMENT**

“The non-profit organization *exists to bring about a change in individuals and in society.* ...the ultimate test is not the beauty of the mission statement. The ultimate test is *right action.*”

The central issue is not the qualities of the leader...  
“The leader who basically focuses on himself or herself [as leader] is going to mislead. ... What matters is the leader’s mission. Therefore, the first job of the leader is to think through and define the mission of the institution.”

**SETTING CONCRETE ACTION GOALS**

Examples:  
“...the mission statement of a hospital emergency room: ‘It’s our mission to give assurance to the afflicted.’“  
“...mission of the Girl Guides: ‘To help girls grow into proud, self-confident and self-respecting young women.’“  
“...mission of the Salvation Army, ... to make citizens out of the rejected.” (P. 3)

“My favourite mission def’n... is not that of a non-profit institution, but of a business. It’s a def’n that changed Sears from a near-bankrupt, struggling mail-order house at the beginning of the century into the world’s leading
It’s our mission to be the informed and responsible buyer first for the American farmer and later for the American family altogether.” (P 4)

“Almost every hospital I know says, ‘Our mission is health care.’ And that’s the wrong def’n. The hospital does not take care of health; the hospital takes care of illness. You and I take care of health... An even more serious failing of this mission is that nobody can tell you what action or behaviour follows from saying, ‘Our mission is health care.’”

“A mission statement has to be operational, otherwise, it’s just good intentions. A mission statement has to focus on what the institution really tries to do and then do it so that everybody in the organization can say, This is my contribution to the goal.”

“The task of the non-profit manager is to try to convert the organization’s mission statement into specifics. ... the mission may be forever... as long as the human race is around, we’ll be miserable sinners. And as long as the human race is around, there will be sick people... alcoholics and drug addicts and the unfortunate...”

“But the goal can be short-lived, or it might change drastically because a mission is accomplished.”

“One of our most common mistakes is to make the mission statement into a kind of hero sandwich of good intentions. It has to be simple and clear. ... You can only do so many things. ... As you add on, you have to abandon... think through what are the few things we can accomplish that will do the most for us, and which are the things that contribute either marginally or are no longer of great significance.” (P 6)

THE THREE ‘MUSTS’ OF A SUCCESSFUL MISSION

#1: “Look at strength and performance. Do better what you already do well, if it’s the right thing to do. The belief that every institution can do everything is just not true.”

#2: “Look outside at the opportunities, the needs. Where can we with the limited resources we have, and I don’t just mean people and money, but also competence, really make a difference, really set a new standard? One sets the standard by doing something and doing it well. You create a new dimension of performance.”

#3: “…look at... what we really believe in. A mission is not, in that sense, impersonal. I have never seen anything being done well unless people were committed.”

(Uses the story of the Ford Edsel to illustrate this) “Everyone thinks the Edsel failed bec Ford didn’t do its homework. In fact, it was the best-engineered, the best-researched, the best-everything car. There was only one thing wrong with it: nobody in the Ford Motor Co. believed in it.” (P 7)

“So one asks first, what are the opportunities, the needs? Then, do they fit us? Are we likely to do a decent job? Are we competent? Do they match our strengths? Do we really believe in this? ...So you need three things: opportunities, competence and commitment. Every missions statement... has to reflect all three or it will fall down on what is its ultimate goal...” (P 8)

2. LEADERSHIP IS A FOUL-WEATHER JOB

Uses Winston Churchill as example: “The most successful leader of this century...”

“...for twelve years, from 1928 until Dunkirk in 1940, he was totally on the sidelines, almost discredited, because
there was no need for a Churchill. Things were routine or, at any rate, looked routine. When the catastrophe came, thank goodness, he was there. Fortunately or unfortunately, the one predictable thing in any organization is the crisis. That always comes. That’s when you do depend on the leader... The most important task of an organization’s leader is to anticipate crisis. Perhaps not to avert it, but to anticipate it. To wait until the crisis hits is already abdication...” (P. 9)

“You cannot prevent a major catastrophe, but you can build an organization that is battle-ready, that has high morale, and also has been through a crisis, knows how to behave, trusts itself and where people trust one another.” (P. 9)

The problems of Success
“Problems of success have ruined more organizations than has failure, partly because if things go wrong, everybody knows they have to go to work. Success creates its own euphoria. You outrun your resources. And you retire on the job...”

“...one has to grow with success. But one also has to make sure that one doesn’t become unable to adjust.” Sooner or later, growth slows down and the initiation plateaus. Then it has to maintain its momentum, its feasibility, its vitality and its vision.” (P. 10)

“Non-profits ... have no ‘bottom line’. They are prone to consider everything they do to be righteous and moral and to serve a cause, so they are not willing to say, if it doesn’t produce results then maybe we should direct our resources elsewhere. Non-profit organizations need the discipline of organized abandonment perhaps even more than a business does.” (P. 11)

“The starting point [to innovation] is to recognize that change is not a threat. It’s an opportunity... Don’t wait. Organize yourself for systematic innovation. ...you, the leader of the organization, must set the example.” (P.12)

“First, organize yourself to see the opportunity. ...most of our current reporting systems don’t reveal opportunities; they reveal problems. [!!!] They report the past.” (P. 13)

“...the most common mistake, the one that kills more innovations than anything else, is the attempt to build too much reinsurance into the change, to cover your flank, not to alienate y’day.”

“Then you must set up [the new innovation] separately...” (Or else if you try to integrate it into the old, the old will dominate it.)

THE INNOVATIVE STRATEGY:
“...everything new requires hard work on the part of true believers [in the innovation], and true believers are not available part time.” (P. 15)

HOW TO PICK A LEADER
“If I were on a selection committee to choose a leader for a non-profit organization and there were a roster of men and women as candidates, what would I look for? First, I would look at what the individuals have done, what their strengths are. Most selection committees I know are overly concerned with how poor the candidate is. Most of the questions I get are not: What is he or she good at, but we think this person is not too good at dealing with students, or what have you. The first thing to look for is strength (you can only perform with strength) and what they have done with it.” (p. 16)

“Second, I would look at the institution and ask: What is the one immediate key challenge? It may be raising
money. It may be rebuilding the morale of the organization. It may be redefining the mission... I would **try to match the strengths with the needs.**” (p. 16)

“Then I would look for, **call it character or integrity.** A leader sets an example, especially a strong leader. He or she is somebody on whom people, especially younger people, in the organization model themselves... [Drucker asked a 70+ yr. old man who led a world-wide organization and was famous for getting right people to right places in his business]: “What do you look for?” And he said, ‘I always ask myself, **would I want one of my sons to work under that person?** It he is successful, then young people will imitate him. Would I want my son to look like this?” (p. 17)

“...in the non-profit agency, **mediocrity shows up almost immediately.** One difference is that the non-profit has a number of bottom lines, not just one.” (p. 17)

“...the non-profit exec. does not have the luxury of dealing with one dominant constituency either [unlike business: shareholders or gov’t: getting re-elected]. ...you have a **multiplicity of constituencies**, each of which can say no and none of which can say yes... your boards, your trustees.” (p. 17)

“...you can’t be satisfied in non-profit organization with doing adequately as a leader. **You have to do exceptionally well,** because your agency is committed to a cause... you want people who ... take their roles seriously [not themselves]. Anyone in that leadership position who thinks he’s a great man or a great woman will kill himself and the agency. (pp. 18-19)

**YOUR PERSONAL LEADERSHIP ROLE**

“The new leader of a non-profit **doesn’t have much time to establish himself** or herself. Maybe a year. To be effective in that short a time, the role the leader takes has to fit in terms of the mission of the institution and its values” (p. 18)

“‘You have two things to build on: the quality of the people in the organization, and the new demands you make on them. What those new demands will be can be determined by analysis, or by perception, or by a combination of both.” (p. 18)

“There are simply **no such things as ‘leadership traits’** or ‘leadership characteristics’... we are talking about skills that perhaps cannot be taught but they can be learned by most of us.” (p. 18)

“The leaders who work most effectively... never seem to say ‘I’... **they don’t think ‘I’**. They think ‘we’; **they think ‘team’**. They understand their job to be to make the team function. They accept the responsibility and don’t sidestep it, but ‘we’ gets the credit. There is an identification (very often, quite unconsciously) with the task and with the group. This is what creates trust, what enables you to get the task done.” (p. 19)

“[Talks about Shakespeare’s Henry V, who when he become king, ignores his former boozing companion]. “As a leader, you are visible; incredibly visible. And you have expectations to fulfill. .. You are visible; you’d better **realize that you are constantly on trial” **” (p. 19)

[What are the basic competences needed of a leader?] “... the first... **willingness, ability and self-discipline to listen.** Listening is not a skill; it’s a discipline. Anyone can do it. All you have to do is **keep your mouth shut.**” (P. 20)

“The second... is the **willingness to communicate,** to make yourself understood. That requires infinite patience.... You have to **tell us again and again and again.** And demonstrate what you mean.” (P. 20)
“The next most important competence is **not to alibi yourself**. Say: ‘This doesn’t work as well as it should. Let’s take it back and re-engineer it.’  “We either do things to perfection, or we don’t do them. We **don’t do things to get by**. Working that way creates pride in the organization.” (P. 20)

“The last basic competence is the willingness to **realize how unimportant you are compared to the task**. Leaders need objectivity, a certain detachment. They subordinate themselves to the task, but **don’t identify themselves with the task**. The task remains both bigger than they are, and different. The worst thing you can say about a leader is that on the day he or she left, the organization collapsed.” (p. 20)

“One of the great strengths of Churchill and one of the great weaknesses of FDR was that Churchill, to the very end, when he was in his nineties, pushed and furthered young politicians. That is a **hallmark of the truly effective leader, who doesn’t feel threatened by strength**.” (P. 21)

“Most leaders I’ve seen were neither born nor made. They were **self-made**. We need far too many leaders to depend only on the naturals.” (P. 21)

THE BALANCE DECISION:
“One of the key tasks of the leader is to **balance up the long range and the short range**, the big picture and the pesky little details.... one is the balance between seeing only the big picture and forgetting the individual person who sits there, one lonely young man in need of help... The opposite danger is becoming the prisoner of operations. That’s much harder to avoid.” (P. 24)

[another balancing problem]: “...between **concentrating resources on one goal and enough diversification**. If you concentrate, you will get maximum results. But it’s also very risky. Not only may you have chosen the wrong concentration, but in military terms you leave your flanks totally uncovered. And there’s not enough playfulness; it doesn’t stir the imagination.”

“The even more critical balance, and the toughest to handle, is between **being too cautious and being rash**.”

“Finally there is **timing**, and this is always of the essence. ... I’ve seen more **institutions damaged by too much caution that by rashness**, though I’ve seen both... make sure you know your degenerative tendency [are you too rash, or too cautious?] and try to counteract it.” (P. 24)

“Then there is the balance betw. opportunity and risk. One asks first: **is the decision reversible?** If it is, one usually can take even considerable risks. In the non-profit institution, you constantly **must gauge whether the financial dimension of a risk is too great**. ... then one asks, Is it a risk we can afford? All right, if it goes wrong, it hurts a little. Or is it a risk that, if things go wrong, will kill us? Or the trickiest of them all, the risk we can’t afford not to take.” (P. 25)

THE DON’TS OF LEADERSHIP
“Far too many leaders believe that what they do and why they do it must be obvious to everyone in the organization. It never is. Far too many believe that when they announce things, everyone understands. No one does, as a rule. ... Effective leaders have to spend a little time on making themselves understood. They sit down with their people and say: This is what we were faced with. These are the alternatives we saw, the alternatives we considered. They ask: What is your opinion?”

[the second ‘don’t’]: **Don’t be afraid of strengths in your organization**. This is the besetting sin of people who run organizations. ...you run far less risk of having able people around who want to push you out that you risk by
being served by mediocrity.”

“...finally, don’t pick your successor alone. We tend to pick people who remind us of ourselves when we were twenty years younger. First, this is pure delusion. Second, you wind up with carbon copies, and carbon copies are weak... I’ve seen many cases in business, but even more in non-profit institutions, where able people picked a good number two to succeed them. Somebody who is very able, provided you tell him or her what to do. It doesn’t work. Partly out of emotional commitment, partly out of habit, the perfect number two is put into the top spot, and the whole organization suffers.”

“The last don’ts are: Don’t hog the credit, and Don’t knock your subordinates... The leader has responsibility to his subordinates, to his associates.” (p. 26-7)

[Last sentences in the chapter:] The most important do, I have said again and again already: Keep your eye on the task, not on yourself. The task matters, and you are a servant.” (p. 27)

3: Setting new Goals
[an interview with the head of the Girls Scouts of America, Frances Hesslbein - deals with the start-up of Daisy Scouts for 5 yr. olds]

Drucker: “...I’ve seen so many first rate non-profit services fail because they were just offered [a position without training, job description, etc], instead of the non-profits’ managers making sure that everybody who has to do something knows what has to be done, is trained to do it, has the tools.”

“...You look at the volunteers as your most important market simply because the # of volunteers you can bring in determines how many girls you can serve. [reminds me of “pray to the Lord of the harvest to thrust out laborers...”] And you make a determined, continued effort to find the right people. Then you treat them, not as volunteers but as unpaid members of the organization.” You determine their job, you set the standard you provide the training and you basically set their sights high. That, in my experience, is the secret to the crucial marketing problem of so many non-profit organizations, the volunteer professionals who get their satisfaction out of their work, not the paycheck.” (p. 34)

4: What the Leader Owes
[Interview with Max De Pree, chairman of Herman Miller, Inc.]

De Pree: “...a leader needs to see himself in a position of indebtedness. Leaders are given the gift of leadership by those who choose or agree to follow... the leader owes certain assets to an organization. In some organization, that would be the ability to recruit the right people... another important asset is the ability to raise the necessary funds. ... [another is] the values of the organization... the leader is accountable for expressing them, making them clear and ensuring to the people in the organization that the values will be lived up to in a way in which decisions are made. Vision comes under the heading of legacy...

“...any time we talk about accountability and about achievement, it has to be clear that we are going to delegate thoroughly. Delegate with a certain abandon so that people have space in which to realize potential, in which to be accountable, in which to achieve. I don’t believe we can achieve organisational goals without that congruency. I believe it is more the responsibility of the leader to forge that integration [of one’s abilities and the best task for them] than it is of the individual. It’s the kind of thing that a follower has the right to expect from a leader.” (P. 40)
De Pree: “A leader **must have vision.** It is natural for a leader to be a person who is primarily future-oriented... these things are not exactly the same things.  ...I happen to believe that the **first duty of a leader is to define reality.** Every organization, in order to be healthy, to **have renewal processes,** to survive, has to be in touch with reality.”

[People’s search for opportunity]: “...for self-realization, for being part of a social body that is attractive and rewarding. Opportunity for doing work which will help me to reach my potential. Opportunity to be involved with something that’s meaningful. Opportunity to be an integral part of something. We do not develop vital surviving organizations unless we take into account these needs for meaningful work, for a chance at reaching our potential for good social relationships.”

De Pree: “[re expectations of volunteers] ...I think it’s better to **err on the side of being more demanding of a person than of being less demanding.**”

Drucker: :“And be willing to have a high casualty rate?”
De Pree: “Yes. But organizationally speaking, the casualty is not necessarily terminal. One of the things that I feel we need to understand better in organization life is the role of grace. Mistakes are not terminal. Mistakes are part of education with, of course, some exceptions. When we challenge people on the high side, the odds are much better that we’re going to get both better performance and more development of the person.”

Drucker: “On two conditions... **One has to be willing to give the person who tries a second and perhaps a third chance,** but I wouldn’t waste my breath on people who don’t even try.”

De Pree: [re mentorship] ...mentorship, in a certain sense, depends on chemistry. People make a connection. ...I believe that the best way to have mentorship take place is to reward it visibly when it happens rather than to try to structure it.”

De Pree: “...the way in which you judge the quality of leadership by what I would call the tone of the body, not by the charisma of the leader, not by how much publicity the company gets or the leader gets, or any of that stuff. How well does the body adjust to change? How well does the body deal with conflict? How well does the body meet the needs of the constituency or customers, whatever it is? That is, in the end, is the way you judge the quality of leadership.

**5: Summary: The Action Implications.**

“We hear a great deal these days about leadership, and it’s high time we did. But actually, **mission comes first.** Non-profit institutions exist for the sake of their mission. They exist to make a difference in society and in the life of the individual. **The first task of the leader is to make sure that everybody sees the mission, hears it, lives it.**  If you lose sight of your mission, you begin to stumble and it shows very, very fast.”

“...start from the outside. **The organization that starts out from the inside and then tries to find places to put its resources is going to fritter itself away. Above all, it’s going to focus on y’day. One looks to the outside for opportunity,** for a need.

[quotes John Donne, from a sermon]: “Never start with tomorrow to reach eternity. Eternity is not being reached by small steps.” So we start always with the long range, and then we feed back and say, **What do we do today?**

“...the difference betw. what so often passes for planning in American business and what the Japanese do. It’s not
that they are better planners. It is that they start out by saying, Where should we be ten years hence? And we start by saying, What should be the bottom line for the quarter... They start with the long range and feed back.” (p. 47)

“But action is always short term. So one always has to ask: Is this action step leading us toward our basic long-range goal, or is it going to sidetrack us, going to divert us, going to make us lose sight of what we are here to do?” (p. 47)

“We also need to be result-driven... need is always a reason, but by itself it is not enough... There also has to be something to point at and say, We have not worked in vain... The leader’s job is to make sure the right results are being achieved, the right things are being done.

“Leadership is accountable for results. And leadership is always asking, Are we really faithful stewards of the talents entrusted to us? ...the gifts of people... the gifts of money. Leadership is doing. It isn’t just thinking great thoughts; it isn’t just charisma; it isn’t play-acting. It is doing. And the first imperative of doing is to revise the mission, to refocus it and to build an organize and then abandon. It is asking ourselves whether, knowing what we now know, we would go into this again...

“An old medical proverb says that the body can only take in the new if it eliminates the waste products. This is therefore the first action requirement: the constant resharpening, the constant refocusing, never really being satisfied. And the time to do this is when you are successful.” (P. 48)

“The next thing to do is to think through priorities. That’s easy to say. But to act on it is hard because it always involves abandoning things that look very attractive...” This may be the ultimate test of leadership: the ability to think through the priority decision and to make it stick.” (P. 48)

“Leadership is also example. The leader is visible; he stands for the organization... the leader has to live up to the expectations regarding their behavior... the leader represents not only what we are, but above all, what we know we should be.”

“So it is a very good rule when you do anything as a leader, to ask yourself, Is that the kind of person I want to see as my leader? And if you follow that rule, you will avoid the mistakes that again and again destroy leaders: sexual looseness... petty cheating, all the stupid things we do. (P. 49)

“We are creating tomorrow’s society of citizens through the non-profit service institution. And in that society, everybody is a leader, everybody is responsible, everybody acts. Everybody focuses himself or herself. Everybody raises the vision, the competence and the performance of his or her organization. Therefore mission and leadership are not just things to read about, to listen to. They are things to do something about. Things that you can, and should, convert from good intentions and from knowledge into effective action, not next year, but tomorrow morning.” (P. 49)

**PART 2: FROM MISSION TO PERFORMANCE**

1: Converting Good Intentions Into Results

“The non-profit institution is not merely delivering a service. It wants the end use to be not a user but a doer. It
uses a service to bring about change in a human being.  In that sense a school, for instance, is quite different from Procter and Gamble. It creates habits, vision, commitment, knowledge. It attempts to become a part of the recipient rather than merely a supplier. Until this has happened, the non-profit institution has had no results; it has only had good intentions.” (P. 53)

“Napoleon said that there were three things needed to fight a war. The first is money. The second is money. And the third is money. That may be true for war, but it’s not true for the non-profit organization. There you need four things. You need a plan. You need marketing. You need people. And you need money.” (P. 53)

“Non-profit institutions that do well used to think they didn’t need marketing. But, as a famous old saying by a great 19th cen. con[artist] has it, “It’s much easier to sell the Brooklyn Bridge than to give it away.” Nobody trusts you if you offer something for free.” (P. 53)

“...marketing for a non-profit uses many of the same terms and even many of the same tools as a business, it is really quite different because the non-profit is selling something intangible. Something that you transform into a value for the customer.” (P. 54)

“...in designing a non-profit’s service and marketing ... focus only on those things you are competent to do... Don’t put your scarce resources where you aren’t going to have results. This may be the first rule for effective marketing.” (P. 55)

“... the second rule... know your customers. Yes, I said customers... define a customer as a person who can say no. [for instance] the Boy Scouts or Girl Scouts have even more customers: they have the parents, and they have the kids. But then there are the volunteers, without whom no scouting organization could be run.” (P. 55)

“The non-profit institution also needs a fund development strategy. The source of its money is probably the greatest single difference betw. the non-profit sector and business and gov’t. A business raises money by selling to its customers; the gov’t taxes. The non-profit institution has to raise money from donors.” (P. 56)

“Almost by def’n, money is always scarce in a non-profit institution. Indeed, a good many non-profit executives seem to believe that all their problems would be solved if only they had more money. In fact, some of them come close to believing that money-raising is really their mission.” (P. 56)

“...a non-profit institution that becomes a prisoner of money-raising is in serious trouble and in a serious identity crisis. The purpose of a strategy for raising money is precisely to enable the non-profit institution to carry out its mission without subordinating that mission to fund-raising. That is why non-profit people have now changed the term they use from ‘fund-raising’ to ‘fund development’. Fund-raising is going around with a begging bowl, asking for money because the need is so great. Fund development is creating a constituency which supports the organization because it deserves it. It means developing what I call a membership that participates through giving.” (P. 56)

“Your first constituency in fund development is your own board. One of the things we have learned about managing non-profit institutions is that the old-type board, the board that simply was in sympathy with the institution, is no longer enough. You need a board that takes an active lead in raising money, who members give both of themselves and by being fund-raisers, fund developers.” (P. 57)

“You also want something else on the board which has to do with money: the ability to audit the balance betw. your program and your resources. That is what gives you assurance... a business earns its money on its own. The money of the non-profit institution is not its own; it is held in trust for the donors. And the board is the guardian
to make sure the money is used for the result for which it has been given.” (P. 57)

“...It used to be that two or three rich people in the community supported the Church. That doesn’t work anymore. Not only is the Church more expensive, but demands on people of great wealth have gone up out of sight. And proportionately, there are so many fewer of them around. So the non-profit executives must build a mass base.” (P. 57)

“It is increasingly dangerous to depend on emotional appeal alone. A friend of mine who heads a major international relief organization speaks of ‘compassion fatigue’. There is so much misery in the world that we are becoming ... hardened...” (P. 58)

“In fund development you appeal to the heart, but you also have to appeal to the head... The non-profit manager has to think through how to define results for an effort, and then report back to the donors, to show them that they are achieving results. You also have to educate donors so that they can recognize and accept what the results are ... a donor doesn’t automatically understand what the organization is trying to do.”” (P. 58)

2. Winning Strategies
There is an old saying that good intentions don’t move mountains; bulldozers do. In non-profit management, the mission and the plan - if that’s all there is - are the good intentions. Strategies are the bulldozers. They convert what you want to do into accomplishment.... One prays for miracles but works for results, Augustine said. (p. 59)

IMPROVING WHAT WE ALREADY DO WELL
* the Japanese do this - they improve, more than innovate
“To work systematically on the productivity of an institution, one needs a strategy for each of the factors of production. The first factor is always people. It’s not a matter of working harder; we learned that long ago. It’s a matter of working smarter and above all, of placing people where they can really produce. The second universal factor is money. How do we get a little more out of the money we have? It’s always scarce. And the third factor is time.” (P. 61)

“One needs productivity goals and ambitious ones. Whenever I sit down with people to discuss productivity goals, they say, ‘You are way too high.’” (p. 61) [are ours?...]

“Constant improvement also includes abandoning the things that no longer work” (p. 61)
“...how does a pastor set a strategy? First the pastor has to define the goals. What is he or she trying to do? Sure, you make certain assumptions about people if you are a pastor. You make the assumption that it probably increases their chance of salvation if they do go to church... not every pastor has the same vision. You may find people who say, I just bring them to church; that’s the main goal. The next one will say, No, I only want to bring certain kinds of people in. Both are in the same profession, but see their mission differently... So you have to ask, What are the specific results I want?
“...First, you need the goal, and it’s got to fit your mission. But it also has to fit the environment in which you work. Then you think through specific results for specific areas.”

I once sat in on a meeting at which a very successful pastor said, “Any fool who is ordained can build a large church in five to seven years if he focuses on five market segments. He has a youth ministry, a singles ministry, a young-married ministry, a home ministry for the shut-ins, and a ministry for the elderly. The rest is hard work.” Then he added, ‘Of course, the targets you set for these five depend on the community you are in.” (p. 63)
First, the goal must be clearly defined. Then that goal must be converted into specific results, specific targets, each focused on a specific audience, a specific market area. You may need a great many such specific strategies.”

Next, you will need a marketing plan and marketing efforts for each target group. How are you going to reach this specific segment? You now need resources people, above all, and money. And the allocation of both.

“Next comes communication, lots of it and training. Who has to do what, when, and with what results? What tools do they need? In what language do they have to hear it?”

Then you need logistics for want of a better word. What resources are required? I’m always reminded of the old story that whenever Napoleon’s brilliant marshals came out with great plans … Nap. would listen silently and then ask, “How many horses does it require?” Usually they hadn’t thought it through and their plan outran the available horses. That’s very typical.

Finally, you ask, “What do we have to see results?” Try not to be impatient. But you must be able to see whether you are on course when the results come in. … How do you measure your achievement so that you realize that in this area, which is crucial, we are way behind in our schedule? … You need feedback and control points.”

“…the steps are the same for every organization.” (p. 64)

“To carry out the process, you need to use both written and verbal communication.”

“…one ‘don’t’ on strategy. Don’t avoid defining your goals because it might be thought ‘controversial’. … One always make compromises on implementation. But one does not compromise on goals, does not pussy-foot around them, does not try to serve two masters.”

“here’s another don’t: don’t try to reach different market segments with the same message.”

HOW TO INNOVATE:
“Usually there is no lack of ideas in non-profits organizations. What’s more often lacking is the willingness and the ability to convert those ideas into effective results. What is needed is an innovative strategy.” (p. 66)

“One strategy is practically infallible: refocus and change the organization when you are successful. … (p. 66) The responsibility for this rests at the top, as in everything that has to do with the spirit of an organization.”

“…the executives who run innovative organizations must train themselves to look out the window, to look for change.”… (p. 67)

“The pastoral church which is such a significant sociological phenomenon in today’s America looks at changes in demographics, at all the young, professional, educated people who have been divorced from their background and need a community, need help, comfort and spiritual sustenance.” (p. 67)

“Then you look inside your organization and search for the most important clue pointing the way to change: generally, it will be the unexpected success.

The second question is, Who in our organization should really work on this?” That’s a crucial question.”

“Then think through the proper marketing strategy. What are you really trying to do?”

THE COMMON MISTAKES
“One is to go from idea to full-scale operation. Don’t miss testing the idea.”

“but also don’t go by what "everybody knows" instead of looking out the window. What everyone knows is
usually twenty years out of date.”
“The next most common mistake is righteous arrogance. Innovators are so proud of their innovation that they are not willing to adapt it to reality. It’s an old rule that everything that’s new has a different market from the one the innovator actually expected. [1]” (p. 69)
“Another common mistake is to patch up the old rather than to go all-out for the new.”
“Don’t assume that there is just the one right strategy for innovations. Everyone requires thinking through anew.” (p. 70)
“When a strategy or an action doesn’t seem to be working, the rule is, If at first you don’t succeed, try once more. Then do something else.” (p. 71)

“There’s no joy in Heaven over empty churches,” St. Augustine wrote sixteen hundred years ago to one of his monks...

3. DEFINING THE MARKET - Interview with Philip Kotler
* non-profit organizations were developing finance and accounting expertise, and beginning to become more aware of management principles, but not aware of marketing. “Most confuse marketing with hard selling or advertising...” (p. 74)

“The most important tasks in marketing:
* studying the market
* segmenting it,
* targeting the groups you want to service
* positioning yourself in the market
* creating a service that meets needs out there.
Advertising and selling are after-thoughts.”

* Marketing is... finding needs and filling them [which] produces positive value for both parties.”

* marketing is “STP: segmenting, targeting and positioning” “Positioning is... How do we put ourselves across to a market we’re interested in? How do we stand out in some way? ... (you do it by) cultivating certain strengths and putting them across as meaningful to the market you’re going after.”

“...take churches, for example.... on the one hand, a church should go after every person who wants religious experience, and so on. It should therefore be a very diverse institution. On the other hand, marketing would suggest that it would be more successful if it defined its target group, whether it be singles, divorced people, gay people, or whatever... And there is a problem of what I call market orchestration. How do you orchestrate very diverse groups and have a successful institution? That alone puts pressure on trying to define your market. It’s not everyone, but it’s more than one group...” (p. 78)

“So the mission may well be universal. And yet to be successful, the institution has to think through its strategy and focus on the main target groups in marketing and delivering its service. The same thing is true for fund-raising... (Kotler:) fund-raising requires careful identification of the appropriate sources of funds and the giving motives. Why does that donor give money? To whom does the donor give money?...”

{Drucker:} “... a good many of my friends in religious institutions have to grapple with being identifiable and yet at the same time not becoming separatist...”

Why market?: “Marketing really is spurred by the presence and the increase in competition that the institution
faces in a way that it never faced before. **Most organizations don’t get interested in marketing when they are comfortable.** Suddenly they find that they don’t understand their customers very well, and their customers are leaving that church... And these institutions become aware of a competitive situation.” (p. 81)

Who should lead the marketing? “The chief Exec. officer should, of course, be the chief marketing officer... (but) the work has to be delegated to someone who is skilled in handling marketing... (who) should sit with all the other officers as they try to visualize what the future of their institution will be.”

“...a good marketing program will build up more awareness and more loyalty or bonding with the public you are trying to serve. So one way to measure the contribution of marketing is to see whether more people know about our church, and more people like our church...”

“I’ve often said that non-profit organization that have no marketing, or little marketing, will probably take five to ten years to really install effective marketing procedures and programs if they’re fully committed to installing them... and many organization give up after one or two years...” (p. 83)

“Marketing in an organization is **everyone’s business**, certainly everybody who has anything to do with the customer...” you’re talking about a basic commitment” (p. 84)

4. BUILDING THE DONOR CONSTITUENCY:

   interview with Dudley Hafner (CEO of American Heart Association)

“What we used to call fund-raising, we now call fund development...”

“...for a non-profit organization to be really successful, you have to have a lot of people caring about how it does. You want that donor to take ownership in your program.”

“First of all, what you want to do is **acquaint donors with what you are as an organization**, what you are trying to get accomplished, so they can identify with your goals. [for this...] **you must have a very clear mission and very clear goals.** A (p. 86)

Drucker: “Let’s say you come to me. What would you say to me before I put my check into the envelope?”

Hafner: “We present a case for support which spells out the magnitude of the challenge, what we propose to do about it, how realistic is it to achieve that challenge, and how your gift can make a difference. In cultivating you, we would do that perhaps in a series of mailings throughout the year. If we were really cultivating you, we might ask you to get involved in some of our activities.” (p. 87)

Drucker: “And you have basic goals. First you have to get people to start giving, and then you have long-term goals for making them what I would call members in terms of their commitment, in terms of their being really not outside donors, but people concerned with the success of the organization..”

“...charitable giving is as much a force in the freedom of democracy as the right of assemblage or the right of vote or the right of free press. It’s another way of expressing ourselves very, very forcefully...”

“You go to great lengths to **study the market and to focus your message** on what in marketing we would call the values of the potential customers. And the second thing, you have very clear goals for a marketing campaign in which you market the American Heart Assoc. to potential investors, to people willing to commit themselves, if only in the beginning to a token donation just to get rid of the collector. I’ve had lots of people who said, ‘Tell me how
much you want so I can go back to the TV set.’ I’m actually quoting. But next year the same person will very often say, ‘That literature you left was very interesting..’ That’s when I have learned to say, ‘Last year you gave ten dollars; how about twenty-five this year?’ And half the time I get it.

“If it may be a dollar gift to get rid of you so they can go back to the TV set. But an organization that is concerned about its future will keep track of that dollar, and next year they’ll go back and they’ll encourage that to be $2, or $5 or $10, if it appears that individual could be giving at the level. Every donor becomes very, very precious.” (p. 90)

“For the long-term growth of an organization, you have to appeal to the rational in the individual as well as the emotional...”

“What we’ve found in asking for a specific gift (amount) is that it dramatically improves the return in our campaign...” People who find the appeal sets its sights a little bit too high are not offended; they’re usually flattered. For the individuals who are being asked to give less than they had in mind, we find they tend to go ahead and give what they had in mind anyway...”

(What one or two factors are crucial to fund development) “I’d pick out the care and treatment and cultivation of the donor. That’s number one. The second thing I would do is ask for a gift that is in relationship to the individual’s ability to give. Those things will give you long-term, stable growth...” (p. 96)

“...do we need volunteers to raise money next year? Technology has given us the means to go out and probably do a good job of raising money through the computer, through mail drops or telemarketing that leaves out the volunteer. But that would be a tragic mistake, because in the process you’ve also lost the constituency, you’ve lost the volunteer base, you’ve lost the course of strength and growth in the organization..” (p. 97)

5. SUMMARY: The Action Implications

“...many non-profits tend to slight strategy.... too many non-profit managers confuse strategy with a selling effort. Strategy ends with a selling effort. It begins with knowing the market - who the customer is/should be...”

“A non-profit also needs strategies to improve all the time and to innovate...”

“And then the non-profit institution needs a strategy to build its donor base.

All three of these strategies begin with research and research and more research...”

“The most important person to research is the individual who should be the customer, the people who are believers but who have stopped going to church... the potential customer” (p. 100)

“The typical non-profit institution still goes around telling donors, ‘Here is the need.’ But the ones that get results, the ones that attract and build a fund constituency, say, ‘This is what you need. These are the results. This is what we do for you.”

“The next step in non-profit strategy is... the training of your own people. Everyone in the hospital must be patient-conscious... It isn’t attitude, it’s behaviour. In fact, we have learned that attitude training is not very effective. The way to train people is behaviourally: this is what you do.” (p. 101)

PART 3: MANAGING FOR PERFORMANCE

1. WHAT IS THE BOTTOM LINE WHEN THERE IS NO “BOTTOM LINE”?

“Non-profit institutions tend not to give priority to performance and results. Yet performance and results are far
more important - and far more difficult to measure and control - in the non-profit institution than in a business.

eg: "What is the performance of a church? One may look strictly at attendance; but there is also the impact on the community. Both are perfectly respectable ways to measure performance, yet each leads to a very different way of running the church." (p. 107)

“It is not enough for non-profits to say: we serve a need. The really good ones create a want.” (p. 108)

“Two common temptations have to be resisted. First: recklessness.... But equally dangerous is the opposite - to go for the easy results. ... Both temptations have the same root: the non-profit doesn’t get paid for performance. ...In a business, performance is what the customer is willing to pay for. The non-profit does not get paid for performance. But it doesn’t get paid for good intentions, either.” (p. 109)

PLANNING FOR PERFORMANCE:
“Performance in the non-profit institution must be planned. And this starts out with the mission.... And then one asks: Who are our constituencies, and what are the results for each of them?... In the non-profit institution there have always been a multitude of groups, each with a veto power.” (p 109)

eg: “A school principal has to satisfy teachers, the school board, the taxpayers, parents, and in a high school, the students themselves. Five constituencies, each of which sees the school differently. Each of them is essential, and each has its own objectives.” (p. 110)

“The success of the growing pastoral churches largely depends on their realizing that the needs of young people, young married couples, singles and older people are different. The church has to set a performance goal with respect to each group and use competent individuals who can deliver performance.”

“The first, but also the toughest, task of the non-profit executive is to get all of these constituencies to agree on what the long-term goals of the institution are.”

“If you focus on short-term results, they [the differing interests of the constituencies] will jump in different directions. You’ll have a flea circus... unless you integrate the vision of all the constituencies into the long-range goal, you will soon lose support, lose credibility and lose respect.”

“...non-profit executives ... start out by defining the fundamental change that they non-profit institution wants to make in society and in human beings; then they project that goal onto the concerns of each of the institution’s constituencies.” ...“It’s not too difficult to do once it’s understood; but it’s hard work.” (p. 111)

MORAL VS. ECONOMIC CAUSES
“Non-profit institutions generally find it almost impossible to abandon anything.”

“...non-profits have to distinguish between moral causes and economic causes.”

A moral cause is an absolute good. Preachers have been thundering against fornication for five thousand years. Results, alas, have been nil, but that only proves how deeply entrenched evil is. The absence of results indicates only the efforts have to be increased. That is the essence of a moral cause.” (p. 111)

“In an economic cause, one asks: Is this the best application of our scarce resource? There is so much work to be done. Let’s put our resources where the results are.”
“There are always so many more moral causes to be served than we have resources for... [so] the non-profit institution has a duty -- toward its donors, toward its customers, and toward its own staff -- to allocate its scarce resources for results rather than to squander them on being righteous.” (p. 112)

“[the non-profit] has to judge itself by its performance in creating vision, creating standards, creating values and commitment and in creating human competence. [it must set specific goals and...] needs constantly to raise these goals -- or its performance will go down.” (p. 111)

2. DON’TS AND DO’S - THE BASIC RULES

“Non-profits are prone to become inward-looking... see the institution as an end to itself”

“In every move, in every decision, in every policy, the non-profit institution needs to start out by asking, Will this advance our capacity to carry out our mission?”

“Dissent... is essential for effective decision-making. Feuding and bickering are not... they destroy the spirit of an organization. [But]... they usually are symptoms of the need to change the organization ... are you organized for y’day rather than today?” (p. 114)

“A final don’t: don’t tolerate discourtesy. ...Where moving bodies are in contact with one another, there is friction. And manners are the social lubricating oil... One learns to be courteous -- it is needed to enable different people who don’t nec. like each other to work together.” (p. 115)

“The most important do is to build the organization around information and communication instead of around hierarchy.”

“Everyone needs to learn to ask two questions: What information do I need to do my job - from whom, when, how? And: What information do I owe others so that they can do their job, in what form, and when?” (p. 115)

“[years ago there was no information] Now we have enormous information capacity... individuals in the organization have to take information responsibility. Otherwise, we’ll drown in meaningless data.”“ (p. 115)

“...people must take responsibility for informing their bosses and their colleagues, and above all, for educating them... [and] need to take the responsibility for making themselves understood.”

“This requires that everyone think through and put down in writing what the organization should hold him or herself accountable for by way of contribution and results.”

“Organizations are based on trust. Trust means that you know what to expect of people. Trust is mutual understanding. Not mutual love, not even mutual respect. Predictability.”

“It’s more important in the non-profit institution than it is in a business to insist on the clarity of commitments and relationships...” (p. 117)

“[re delegation]: the delegated task [must] be clearly defined, that there are mutually understood goals and mutually agreed-on deadlines, both for progress reports and for the accomplishment of the task... Delegation further requires that delegators follow up. They rarely do... [and] it is the duty of the person to whom a task is delegated to inform the delegator of anything unexpected that happens.” (p. 117)
STANDARD-SETTING, PLACEMENT, APPRAISAL

"Standards have to be concrete; for example, the standard for the emerg. room of the hospital which I quoted earlier: everyone who comes in is seen by a qualified person in less than a minute."

"Standards have to be set high... if you start low, you can never go higher. Slow is different from low" (p. 117)

"Clear standards are particularly important in the non-profit institution that is both centrally run and a ‘confederation’ of autonomous locals." [like our convention...]

"We have a number of large Protestant churches which staff and support several small ‘outreach’ churches, each with its own vestry, its own congregation, and its own locally raised budget. In all of them the standards have to be uniform across the board [in order to have both conformity and autonomy]."

"Next, such organizations need control of standards. That’s the most difficult thing to do. That’s where the Chief Exec. officer needs not so much skill as respect..." (p. 118)

"a confederation therefore requires that the top people constantly visit the organization’s various locations, that they do so personally rather than through staff. This is a basic requirement for the voluntary confederation, which mobilizes local energies for local performance but for a common mission that transcends local boundaries."

"And the people in the central organization must remind themselves all the time: we are the servants of the local chapter... We are not their bosses; we are their conscience."

"And the people in the local chapter... must remind themselves all the time: we represent the larger institution"

"Standards should be very high and goals should be ambitious. Yet they should be attainable. Indeed, they should be attained, at least by the star performers of the institution”

“...use the star performers to raise the sights, the vision, the expectations and the performance capacity of the whole organization One features performers... use star performers as the teachers of their colleagues... Nothing makes as much impact on a sales force as to have a successful salesman stand up before his peers and tell them ‘This is what has worked for me’“ (p. 119)

"People need to know how they do - and volunteers more than anyone else. For if there is no paycheck, achievement is the sole reward."

“An appraisal should always start out with what the person has done well.”

THE OUTSIDE FOCUS

“One more basic rule: force your people, and especially your exec.s, to be on the outside often enough to know what the institution stands for. ... Effective non-profits make sure that their people get out in the field and actually work there again and again.” (p. 120)

“In one of the most successful large hospitals... each staff member (including accountants and engineers) works one week a year on a floor as a nurse’s aide. And each of them every other year has himself or herself actually admitted under a fictitious name and spends 24 hrs. as a patient... every physician need to have been sick and a patient to be a good doctor.” (p. 120)
“And don’t let people stay forever in a staff position in the office. Rotate them regularly back into work in the field. It’s an old rule of effective armies that every officer rotates back into a troop command every few years.” (p. 120)

3. THE EFFECTIVE DECISION

“Executives... actually spend little time on decision-making. Far more of their time is spent in meetings, with people, or in trying to get a little info. Yet it’s in the decision that everything comes together.”

“Only executives can make decisions...”

“The least effective decision makers are the ones who constantly make decisions. The effective ones make very few.”

“The most important part of the effective decision is to ask: What is the decision really about? Very rarely is a decision about what it seems to be about (!)” (p. 121)

“Decisions always involve risk taking. And effective decisions take a lot of time and thought. [so don’t make unnecessary decisions]... Again and again, non-profit institutions go through a painful reorganization, moving staff and activities around because two people are feuding with one another. But they have been feuding for twenty years and will keep on feuding whatever the organization structure. Leave them alone.”

“...don’t make decisions on trivia... routine decisions are decisions that have no consequences, or at least no foreseeable consequences. Don’t waste time on them.” (p. 123)

OPPORTUNITY AND RISK

“The next question in decision making is opportunity vs. risk. One starts out with the opportunity, not with the risk.”

“There are three kinds of risk:

There is the risk we can afford to take. If it goes wrong, it is easily reversible with minor damage.
...there is the irreversible decision, when failure may do serious harm.”
...there is the decision where the risk is great but one cannot afford not to take it.”

THE NEED FOR DISSENT

[rule for first-rate decision makers:] If you have consensus on a matter, don’t make the decision. “
Adjourn it so that everybody has a little time to think. Important decisions are risky. They should be controversial. Acclamation means that nobody has done the homework.” (p. 124)

“You need dissent [to understand the issue clearly], but you have to make it productive.” (p. 124)

“...when you have dissent... you should never ask who is right. You should not even ask what is right. You must assume that each faction gives the right answer but to a different question. Each sees a different reality.” [so find out which question each faction is answering - it will allow you to gain understanding and even synthesis...]

“Emotions always run high over any decision in which the organization is at risk if that decision fails... [so] treat this as constructive dissent...”
“...in essentials unity, in action freedom, and in all things trust... trust requires that dissent come out into the open, and that it be seen as honest disagreement.” (p. 125)

“[non-profits] have a greater propensity for internal conflict than businesses precisely because everybody is committed to a good cause. Disagreement isn’t just a matter of your opinion vs. mine, it is your good faith vs. mine. Non-profit institutions therefore have to be particularly careful not to become riddled by feuds and distrust.”

“A second reason to encourage dissent is that any organization needs a nonconformist. If and when things change, it needs somebody who is will and able to change... you don’t want only yes-men... you want a critic -- and one the organization respects.”

“Bringing disagreement into the open... enables [exec.] to concentrate on the real issues. When you bring conflicts out in the open, a good many [unnec., trivial, meaningless conflicts] disappear.”

CONFLICT RESOLUTION
“You use dissent and disagreement to resolve conflict.”

“If you ask for disagreement openly, it gives people the feeling that they have been heard. ... you also know where the objectors are and what their objections are.” (p. 126)

“...in many cases you can accommodate them [the dissenters], so that they can accept the decision gracefully.”

“Another way to resolve conflict is to ask the two people who most vocally oppose each other... to sit down and work out a common approach. They do this by starting out with the areas in which they agree.” (p. 127)

“The third way...[of] defusing the argument. You say, ‘Let’s start out by finding out what we agree on. The disagreements often turn out to be peripheral...”

“finding common ground especially is what the elders of any tribe do to maintain unity.”

FROM DECISION TO ACTION
“A decision is a commitment to action. ...far too many decisions remain pious intentions.”

“In the West we tend to make the decision fast, and then we start to sell” it to the people in the organization” (the problem: by the time the decision is accepted, it’s obsolete)

“[The Japanese] build the implementation in before they make the decision... everyone who will be affected by the decision -- and especially everyone who will have to do something to carry it out -- is asked to comment on the issue before that decision is made” [very slow to us Westerners, but once the decision is made, they all can act on it.]

“A second way to lose the decision: go system wide immediately with the new policy or the new service.” (p. 128) [this is dangerous:] “Don’t try to convert everybody right away. ... I like to try the new in three different places with three different people...”

“The third caveat: no decision has been made until someone is designated to carry it out. Someone has to be accountable...”
“Finally -- common mistake #4 - I’ve seen wonderful decisions come a cropper because nobody really thought though who had to do what. ... who has to implement that decision so that he or she can actually act?”

“...you not only have to translate a decision into the language of the people... you also have to fit it into their assumptions. ...Then you have to follow up... Go... and look [don’t depend on reports]” (p. 129)

“Every decision is a commitment of present resources to the uncertainties of the future. This, acc. to elementary probability math., means that decisions will turn out to be wrong more often than right. At the least they will have to be adjusted”

“The decision always has to be bailed out. That requires two things:
1. ...think through alternatives ahead of time so that you have something to fall back on if and when things go wrong.”
2.... build into the decision the responsibility for bailing it out, instead of going in and arguing about who made what mistakes.”

“One weakness of non-profit institutions is that they believe that they have to be infallible... In non-profit institutions, mistakes are not permitted... instead we need to ask, Who is going to bail this out? Who is going to redirect the program or operation, and how?” (p. 129)

(skipped chapter 4, an interview: “How to Make the Schools Accountable”)

5. SUMMARY: The Action Implications

“Performance is the ultimate test of any institution. Every non-profit institution exists for the sake of performance in changing people and society. Yet performance is also one of the truly difficult areas for the exec. in the non-profit institution” (p. 139)

[the difference betw. business and non-profit]: “…there are few... perhaps the most important is in the performance area.” [for business: the financial bottom line]

“In the non-profit organization, there is no such bottom line. But there is also a temptation to downplay results. ... a temptation to say, We are serving in a good cause. We are doing the Lord’s work.... we are doing something to make life a little better for people and that’s a result in itself. That’s not enough.” (p. 139)

[one reason it’s not enough]: a business can waste its own money. But a non-profit will waste others’, donors’, money. That’s not right.

“...non-profit institutions find it very hard to answer the question: What, then are ‘results’ in our institution?”

“One sometimes has to remind them [leaders in a non-profit] of the Parable of the Talents in the NT. Our job is to invest the resources we have - people and money - where the returns are manifold.” (p. 140)

“There are different kinds of results. First, you have immediate results. Then you have the long-term job of building on those first results... ‘Are we getting better? Are we improving?’ and: ‘Do we put our resources where the results are?’

“We need to remind ourselves again and again that the results of a non-profit institution are always outside the
organization, not inside.” (eg: results for the teacher: kids who learn; for the Salvation Army: the alcoholics and hungry, etc...) [Drucker doesn’t believe good intentions and hopes can justify non-results.]

“One starts with the mission, and that is exceedingly important: What do you want to be remembered for as an organization -- but also as an individual?

Only when a non-profit’s key performance areas are defined can it really set goals. Only then can the non-profit ask, ‘Are we doing what we are supposed to be doing? Is it still the right activity? Does it still serve a need?’ And above all, ‘Do we still produce results that are sufficiently outstanding, sufficiently different for us to justify putting our talents to use in that area?’” (p. 141)

[Drucker doesn’t believe good intentions and hopes can justify non-results.]

“Results are achieved, too, by concentration, not by splintering. That enormous organization the Salvation Army concentrates on only four or five programs. Its executives have the courage to say, ‘This is not for us. Other people do it better.’ Or, ‘This is not where we can make the greatest contribution…”

“The statement, ‘This is what we are here for’ must eventually become the statement ‘This is how we do it. This is the time span in which we do it. This is who is accountable. This is, in other words, the work for which we are responsible.” (p. 142)

“…work isn’t being done by having a lovely plan... by a magnificent statement of policy... Work is only done when it’s done... by people... with a deadline... who are trained... who are monitored and evaluated... who hold themselves responsible for results.” (p. 142)

“…ask again and again...: ‘What should I hold myself accountable for by way of contribution and results? What should this institution hold itself accountable for by way of contribution and results? What should both this institution and I be remembered for?”

PART FOUR: PEOPLE AND RELATIONSHIPS
(your staff, your board, your volunteers, your community)

1. PEOPLE DECISIONS

“People decisions are the ultimate, perhaps the only, control of an organization. People determine the performance capacity of an organization. No organization can do better than the people it has.” (p. 145)

“…an effective non-profit manager must try to get more out of the people he or she has. [key to this]: whom we hire and whom we fire; where we place people and whom we promote. The quality of these human decisions largely determines whether the organization is being run seriously, whether its mission, its values and its objectives are real and meaningful to people rather than just public relations and rhetoric.”

“The rules for making good people decisions are well established... few of us follow them correctly.[!]”

“(start out with this premise): [We are] not [intuitive] judges of people.” [Therefore use a diagnostic process].”

“…learn not to depend on insight and knowledge of people but on a mundane, boring and conscientious step-by-
step process.” (p. 146)

“...the selection process starts with an assignment - not merely a job description...”

“Next, the exec. forces himself... to look at more than one person.... to avoid being blinded by friendship... prejudice... or habit.”

“Thirdly, while reviewing candidates, the focus should always be on performance. Don’t start with personality. Don’t start with the usual silly questions such as does he get along with people, or does she have initiative... they don’t tell you how a person performs. The right questions are: How have these people done in their last three assignments? Have they come through?”

“...fourth, look at people’s specific strengths. What have then shown they can do in their last three assignments?”

“Once you have come to the conclusion, yes, Mary Ann is the right person... go to two or three people with whom she has worked. If they all say, My only regret is that Mary Ann no longer works for me... make the job offer. But if they say, I wouldn’t take her back, start thinking again.”

“Selecting a person... does not end with the decision process. The second stage comes 90 days later... you’ve been on this new job 90 days. Think through what you have to do to be successful and come back and tell me. When she returns with her report, you can finally judge whether you have... the right person...” (p. 146)

HOW TO DEVELOP PEOPLE

“Any organization develops people; it has no choice. It either helps them grow or stunts them... forms them or deforms them.”

“What do we know re developing people? ...what not to do... don’t make the obvious mistakes.”

“First, one doesn’t try to build on people’s weaknesses. [that, tragically, is what schools do]

“...if you want people to perform in an organization, you have to use their strengths - not emphasize their weaknesses.”

“By the time people come to work, their personalities are set. ...[they] can develop manners and behaviour... learn skills and knowledge. But one has to use people’s personalities the way they are, not the way we would like them to be.” (p. 147)

“A second don’t is to take a narrow and short-sighted view of the development of people. [develop them] for a career and for a life.”

“Another thing... not to establish crown princes. [eg: the ‘comers’]. I have been working with organization now for around 50 yrs. and my experience is that the correlation between the high-promise people at age 23 and the performers at age 45 is very poor [!]“

“Lots of high flyers come out of business schools at the top of their class and are burnt out six years later.” (p. 148)

[a very successful pastor/developer of leaders] “He told me the church tries to provide four things to young people who show up for services: 1. a mentor to guide him or her 2. a teacher to develop skills
3. a **judge** to evaluate progress
4. an **encourager** to cheer them on.

[the pastor’s role?]: “I am the encourager. Nobody else can really do that except the person at the very top... I want people to make mistakes. They can’t develop otherwise. When they fall flat on their faces, somebody has to pick them up and say, go on. That’s my role.” (p. 148)

Two rules ... help understand what needs to be done...:
‘Don’t hire a person for what they can’t do; **hire them for what they can do.**” (slogan of the Assoc. of Handicapped)
[told him by his piano teacher:] ...you’ll never play Mozart the way the great pianists do, but there is no reason who you can’t do your scales as well...”

“Next, the non-profit exec. has to learn **how to place people’s strengths... focus on strengths**, then make really stringent demands, and take the time and trouble (it’s hard work) to review performance.”

“Sit down with people and say: **This is what you and I committed ourselves to a year ago. How have you done? What have you done well?**”

“...the **mission has to be clear and simple.** It has to be bigger than any one person’s capacity. It has to lift up people’s vision. It has to be something that makes each person feel that he or she can make a difference – so that each one can say, **I have not lived in vain.**” (p. 149)

“The worst thing an organization can do is limit its development of people by importing society’s class system into its own operations..” (p. 149)

“The old established rule [of utilizing people] is: **if they try, work with them. If they don’t try, you’re better off if they work for the competition.**” (p. 150)

“[in a non-profit] **people don’t work for a living, they work for a cause... so keep the flame alive...”** (p. 150)

“The sense of mission should be a tremendous source of strength for any non-profit organization”

“The non-profit exec. is always inclined to be reluctant to let a non-producer go. You feel he.. is a comrade in arms and make all kinds of excuses. So let me repeat the simple rule...: **If they try, they deserve another chance. If they don’t try, make sure they leave.**”

“...**ask: do our volunteers grow?** Do they acquire a bigger view of their mission and greater skill? ... the people who work for them [are] not a static resource, but... a dynamic growing force.” (p. 151)

“The most important way to develop people is **to use them as teachers. Nobody learns as much as a good teacher...** and no recognition is sweeter [in a non-profit] that to be asked, “Tell us what you do to be so effective.”

“...**the final development tool... for regularly employed staff workers...:** **Push them outside** (eg: to get outside training).”

“[in a non-profit **you want] top-performing subordinates.** ...The volunteer who performs isn’t out to get the paid exec.’s job, as a rule... [so should not be seen as a threat]. ...You want performers to put on the pressure. You want them to ask: **Why can’t we do more? Why can’t we do better?**” (p. 152)
BUILDING THE TEAM

“...non-profit organization most often fumble and lose their way despite great ability at the top and a dedicated staff because they fail to build teams. ...Yet teams do not develop themselves -- they require systematic hard work” (p. 152)

“To build a successful team, you don’t start out with people - you start out with the job. Ask: What are we trying to do?...What are the key activities [needed to achieve our results]?... Then and only then do you ask, What does each of the dozen people at the top have by way of strength? How do the activities and skills match?”

“A common mistake is to believe that because individuals are all on the same team, they all think alike and act alike. Not so. The strength of a team is to make the strengths of each person effective, and his or her weaknesses irrelevant.” (p.153)

PERSONAL EFFECTIVENESS ON THE JOB

“Once the right match is made, there are two keys to a person’s effectiveness...:
1. “...the person understands clearly what he... is going to do and doesn’t ride off in all directions.”
2. “...each person takes responsibility for thinking through what he or she needs to do the job.”

“[then]... go to all the others... and say, 'This is what you are doing that helps me... hampers me. And what do I do that helps... hampers you?’ That’s 80% of working effectively.” (p. 153)

“...if you go through these steps every six months... find that most obstacles disappear. The exec.'s first responsibility: ... enable [your people] to do the job. ... the only way to find out [what hinders, trips them up, slows them down] is to ask. Don’t guess -- go and ask.” (p. 153)

“...encourage people at all levels to ask themselves: What does our top management really have to know?... Educate the boss.” (p. 154)

THE TOUGH DECISION

“...old saying... every soldier has a right to competent command... to allow non-performers to stay on means letting down both the organization and the cause.” (p. 154)

“One common problem: [after being a job for many years] no more stimulus left in it... The solution....: repotting, to put the person in a different environment.”

“A tougher problem... the conflict between the need to ensure competence and the need for compassion. But the exec.s who agonize over this decision do worse than those who say, 'We made a mistake. I cut. It’s going to hurt, but I cut.” It’s usually cleaner, faster, and less painful.”

THE SUCCESSFUL DECISION

“The most critical people decision, and the one that is hardest to undo, is the succession to the top. It’s the most difficult because every such decision is really a gamble.” (p. 154)

“The only test of performance in the top position is performance in the top position - and there is very little preparation for it.”

“What not to do....: You don’t want a carbon copy of the outgoing CEO.”
“Be a little leery ... of the faithful assistant who for 18 years has been at the boss’s side anticipating his or her every wish, but has never made a decision alone.... people who are willing and able to make decisions don’t stay in the role very long.”

“Stay away, too from the anointed crown prince... [who probably] has managed to avoid ever being put in a position where performance is essential, measured and where he or she might make a mistake.”

“What are the positive ways to handle the succession decision? Look at the assignment. ...what is going to be the biggest challenge over the next few years? Then look at the people and their performance...”

“In the end, what decides whether a non-profit institution succeeds or fails is its ability to attract and hold committed people. Once it lose that capacity, it’s downhill for the institution, and this is terribly hard to reverse.”

(p. 155)

Are we attracting the right people [...we are willing to entrust the organization to them]?
Are we holding them? [inspiring them, recognizing them]
Are we developing them?" [so they are better than we are]

“...are we building for tomorrow in our people decisions, or are we just settling for the convenient and the easy today?” (p. 155)

2. THE KEY RELATIONSHIPS

“Every non-profit has a multitude of constituencies...” (p. 157)

“Begin with the board... in the typical non-profit... the board is deeply committed... [often exec. complain] that the board ‘meddles’“

“... need a strong board... that does the board’s work. The board not only helps think through the institution’s mission, it is the guardian of that mission and makes sure the organization lives up to its basic commitment... make sure the non-profit has competent... and the right management... appraise the performance of the organization”

“...in a crisis, the board members may have to be fire-fighters.”

“...board is also the premier fund-raising organ...”

“...if you leave the board’s role open and undefined, you’ll get one that interferes with details and yet doesn’t do its job.” (p. 160)

“... a strong board [always requires] very hard work on the part of the CEO... to bring the right people onto the board [and] to mold them into a team... point them in the right direction.”

“...the CEO is the conscience of the board...”

“I have rarely seen strong boards in co-ops... where the boards are elected by the membership.” [that’s what our convention is, a co-op...]
“Over the door to the non-profit’s boardroom there should be an inscription in big letters that says: *Membership on this board is not power, it is responsibility.*”

“...a very controversial question, that of an age limit [Drucker says he has been opposed to age limits (in all other things)] But when it comes to boards, I have reluctantly come around to the idea that it is best to limit membership to two terms of, say, three years each. After that you go off the board. Three yrs. later you may come back on again. But at age 72 or so, you go off... and stay off...” (p. 159)

“...another common problem... the badly split board. ... more likely to happen in non-profit institution ...because the mission is, and should be, so important. ... At this point, *teamwork betw. chairperson and CEO becomes absolutely vital.*”

**TWO WAY RELATIONSHIPS**

“[the CEO] starts building [a] two-way relationship with the staff, with the board, with the community, with donors, with volunteers, and with alumni, by asking: “What do you have to tell me?” not “This is what I am telling you.”

“That question (what do you have to tell me?) *brings problems out in the open.* ...most of the problems that bother people so much turn out to be nonnon-profitroblems when you bring them out in the open [!] (they are ‘pebbles in the shoe’ and don’t need an orthopedic surgeon... “

“...true test of a relationship... it can function *despite* problems.”

**RELATIONS WITH THE COMMUNITY**

“Effective non-profits *train their volunteers to represent them in the community* [and so enhance the respect the non-profit has].” (p. 160)

“Far too few service organizations even know who their ‘alumni’ - ex-patients or graduates - are. That, I think, is probably one area where each non-profit manager can easily improve the institution’s community standing.” (p. 160)

**3 FROM VOLUNTEERS TO UNPAID STAFF**

Interview with Father Leo Bartel, Rockford, Ill.)

“...[we] hired lay people to do work that used to be done by priests and Sisters.... but primarily we are expanding through volunteers...”

“...the volunteers of the past were ‘helpers’. Our volunteers now are ‘colleagues’... they are really ‘unpaid staff.’

“... have a Lay Ministry formation program... certifies [key people] after training as leaders... a two year period... seven courses which range from Scripture to communications to evangelisation to theology.... have 120 in the program... dropout rate is very, very small.” (p. 163)

[How do you maintain quality control?] “...[by having] a *common vision.*”

“[people are] painfully aware of their lack of experience and lack of preparation [so encourage and train them]”
“...**have high expectations**... people will live up to the expectations that others have for them.”

[dealing with incompetence] ...you come and say, ‘We have looked at you and what you are good at is over here. It’s not where you are.’ **You are really helping the person [by addressing the incompetence]**. But very few exec. understand that. **Most bosses shirk it.**” (p. 165)

“It takes a lot of courage to say a discouraging word... to face somebody and offer them an alternative... Yet in many cases it’s a great relief to the person.”

[question from Father Bartel: how do you inspire the laity?] Drucker: “...that’s the wrong question. We have learned that **one inspires the leaders.**” [An excellent response!]

“[Drucker:] ...Jesus picked only 12 Apostles. If he had picked 60 he couldn’t have done it... [he was always saying] ‘Don’t you understand?’... work with the leaders because there is a rule in human affairs that the gap betw. the leaders and the average is a constant...” (p. 167)

[Drucker’s advice from a teacher in WWII]: “Young man, if you ever grow up, you will learn that one needs both St. Paul and St. James.”

[the leader’s job is] “...helping people achieve. There is not greater achievement that to help a few people get the right things done. That’s perhaps the only satisfactory definition of being a leader.” (p. 169)

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**4 THE EFFECTIVE BOARD** (Interview with Dr. David Hubbard, President, Fuller Theological Seminary)

“...management of ... non-profit institutions [is] a **partnership betw. the board and the professional staff.** I used a side-by-side organization chart, with the board of trustees in one column and the faculty in another column, and the president’s office and ... members of admin. inbetween. **All three are centers of power...”** (p. 171)

“My task... to promote understanding and fellowship and relationships between those [three] centers and keep them running parallel...”

“A board needs to know that it owns the organization ... but for the sake of the mission... Board members ... own it because they care.” (p. 172)

“...have people who are open to [the] mission... **renew the board with fresh appointments** [if it is getting inflexible]... The more power is concentrated in a few people on a board, the more likely the situation will turn unhealthy.”

“...Fuller does not have a rotation system... chosen to take a tougher line - to **evaluate performance** when a board member’s term is up.... for board members who do perform, we like long, continuous service. In higher education, continuity is important. **Learning how the institution works takes literally years.**” (p. 172)

“... The Trustee Affairs Committee [make the decision to appoint or not reappoint]... That’s a group of half a dozen senior trustees... usually on the recommendation of the CEO.” (p. 173)

[four major roles]

Board members are **governors.** When they sit around the table and vote their ‘I so move’ they govern the
Board members are sponsors... giving money and raising money.
They are ambassadors - interpreting the mission of the institution, defending it... representing it to their constituencies...
Finally, they are consultants; almost every trustee will have some professional skill which would be expensive if you had to buy it. I can call certain trustees and ask a legal... admin... educational question and get an almost instant reaction.” (p. 173)

“[the role of the board in raising money]... “when we recruit trustees we say to them, ‘We expect you to give proportionate to your means... we would prefer Fuller to be second [priority in giving] behind the commitment to the local church.’ ... I will also talk to them about including Fuller a part of their estate...” (p. 173)

[how many days a year of involvement] “...eight to ten days a year, incl. board mtgs., perhaps a special committee assignment, extra reading, and them some duty of entertaining on behalf of the seminary... We also take them periodically on study tours...” (p. 174)

“...the CEO has two primary areas of service.
I have to care for the vice-presidents, whom I supervise and who have no other boss but me.
And I have to care for the trustees, who have no other direct and immediate.... contact with the institution beside me... I have one assistant whose key priority, aside from managing my own schedule, is to service the board of trustees.” (p. 174)

[the problem of board meddling]: “...take that innovative energy and channel it into the process... try to get each board member to talk about his... concern in the board mtg. Our board meets three times a yr; in every session there will be at least one hour when board members can form their own agenda on the spot. We call it open forum...” (p. 175)

Drucker: [the issue of bringing controversial issues to the board] “... one of the things CEOs have to learn is that a subject belongs at the board level precisely because a subject is controversial, and the sooner the better...”

Hubbard: [Yes] “(A) We share bad news first. (B) We tell bad news at 110 percent and good news at 90 percent in order to compensate for our tendency to cheat... Ducking controversy or minimizing difficulty, snowing people with [unrealistic] reports... that’s terrible leadership.”

“(don’t let the board have to find out things from outside...) “Keeping the board well informed is hard work. It takes time ... on the phone... a report... mobilizing the staff/VPs... calling trustees ... do it today, get the message through... calls come back... correspondence starts... That’s all labor-intensive. We have no choice but to do it.” (p. 176)

[when the board must make a hard decision/a change] “We always try to work for a win situation... best done one on one... use a point person, the committee chairman, for instance, for the kind of change I am proposing... you have to talk to the people who would be viewed as the point person on a part. issue [because you can’t talk to all trustees about every issue].” (p. 176)

“...there are untitled board leaders ...patriarchs and matriarchs... try to work with them... look particularly for pockets of opposition and work with them.” (. p. 177)

“If someone loses in a board vote, I make it may aim at the first possible break to go to the person who lost and thank him or her for the courage to express a contrary opinion... respecting the dignity of trusteeship [even if you disagree]”
“...they are called trustees because they are trusted. But **trustees also need to be trustors**... they have to trust the CEO... [so don’t lose credibility with them!] ...nobody [is] clever enough to outsmart a board over any length of time and succeed” (p. 178)

Drucker: “...the most important thing I heard [that you implied] it is to the benefit of an institution to have a strong board... tendency of many CEOs... have a board that won’t do any harm...”

“The second reason... to get this strong board, the **non-profit exec. has to do a lot of very hard work. find the right people and train them. building relationships with the board is a crucial... task of the CEO**” (p. 179)

**5 SUMMARY: THE ACTION IMPLICATIONS**

“...no greater difference... betw. business and non-profit... than in managing people and relationships...[in non-profit, the ‘volunteers”, as well as the staff] need achievement; the satisfaction of service, or they become alienated...” (p. 181)

[business has not experience with “volunteers”] [in non-profit] “Not only is the number of volunteers increasing. They are taking on more and more leadership functions.“

“...the non-profit exec. deals with a **greater variety of stakeholders**...”

“...the non-profit board plays a very different role from the company board... more active and... more of a resource... and more of a problem if not managed properly.”

[the non-profit exec. must know how to manage people]:

**People require clear assignments**... true of volunteers... the board... the employed staff... need to know what the institution expects of them.” (p. 182)

“the non-profit **must be information-based**... from the individuals doing the work to the people at the top [as well as from top down]... a non-profit organization **has to be a learning organization**” (p. 183)

[must have an emph. on performance, but also on compassion] “They [the volunteers] owe performance, and the **exec. owes them compassion**. People given a second chance usually come through. If people try, give them a second chance. If they try again and still do not perform, they may be in the wrong spot...” (p. 183) (if they don’t try at all, encourage them to go work for the competition...)

“A recurring problem... **people who volunteer because they are profoundly lonely**... sometimes these people for psych. or emotional reasons simply cannot work with other people... if there isn’t [any non-profit] job, they must be asked to leave.” (p. 183)

[for a board to prosper] “… the Chief Exec. must develop a clear work plan... to be productive, the board must be informed... [not] try to hide things from the board, play little games...”

“Everyone... CEO or volunteer foot-soldier, needs first to think through his or her own assignment. **What should this institution hold me responsible for?**”

“...next responsibility... make sure that the people [you work with/depend on] ...understand what you intend to concentrate on...” ( p. 184)
“...the learning and teaching responsibilities:
  What do I have to learn?
  What does this organization have to learn?”

“[and exec. needs to sit down and listen to key people]
  "What do I need to know about you and your aspirations for yourselves...
  do you see opportunities we don’t seem to being taking advantage of? ... threats?
  What are we doing well?... badly? What improvements...?”
Make sure to listen (and take approp. action)

“... ask... ‘What am I doing that helps you... hampers you?’

“If they say they don’t know how they are doing, build feedback into your system.... they have jobs to do [so]
enable them to do it...”

“The effective non-profit exec. ... takes responsibility for making easy for people to do their work, easy to have
results, easy to enjoy their work... make sure they get results.” (p. 185)

PART 5: DEVELOPING YOURSELF AS A PERSON, AN EXECUTIVE, A LEADER

1 YOU ARE RESPONSIBLE
“The first priority for the non-profit’s own development... strive for excellence... craftsmanship. Without
craftsmanship there is neither a good job, nor self-respect, nor personal growth. ...[don’t] do the job to get by,
[hoping] that nobody will notice.” (p. 189)

“(don’t) allow the lack of resources, of money, of people and of time (always the scarcest) to overwhelm you and
become the excuse for shoddy work.” (p. 189)

“...serious attention to self-development... is not a luxury...”

[your volunteers must sense they are growing/developing] “In fact, you don’t want people who stay on... just
because that’s what they’ve always done but who don’t believe in [the organization] anymore.” (p. 190)

“You want constructive discontent... [eg: that staff or volunteers...] come home exhausted after a big meeting,
complaining..., and then respond, ‘But it’s so important!’ if someone asks them why they stay on.” (p. 190)

“the key... organizing the work so everyone feels essential to a goal they believe in... [even in a church or 12000
members Drucker works with] there are no parishioners... only paid and unpaid ministers... The church has
almost no paid staff. Instead of the usual paid, ordained, youth minister, this church has six unpaid and
unordained individuals who, together, do the one full-time job... each of these volunteers sits down twice a yr. and
writes a letter to him/herself (a copy to the pastor) answering these questions, ‘What have I learned? What
difference to my own life has my work with kids at the church been making?’” (p. 190)

TO MAKE A DIFFERENCE
“...the person with the most responsibility for an individual’s development is the person himself...”
“everyone ...must be encouraged to ask themselves: What should I focus on so that, if it’s done really well, it will
make a difference both to the organization and to me?” (p. 191)

“you can only make yourself effective - not anyone else.”
“create a record of performance... complaining about stupid bosses/board/subordinates... won’t create that record.”

“It’s your job and your responsibility to talk to those on whom you depend and who depend on you to find out in a systematic way what helps/hinders/needs to be changed.” (p. 191)

“All the people I know who have grown review once or twice a year what they have actually done, which part of that work makes sense and what they should concentrate on.”

“...I’ve learned to sit down with myself for two weeks in August and review my work over the last year...Where have I made an impact?... Where do my clients need me - not just want me but need me?...where have I been wasting their time and mine?... Where should I concentrate next year...”

“...the big step in self-development: how to move beyond simply aligning his...vision with that or the organization to making that personal vision productive.” (p. 192)

“...enable the organization to see itself as having a bigger mission that the one it has inherited...”

(a sample of how to do it): conductor Bruno Walter wrote a letter to each orchestra member at the end of the season: “...what have you learned this season as a result of our working together?”

“The critical factor for achieving this kind of success is accountability - holding yourself accountable.”

“...the important thing is not that you have rank, but that you have responsibility... [realize]: I’ve got to grow up to the job... [that may mean] acquiring skills [eg: you may already know computers] but now you have to learn to work with people.”

“You ask: what do I have to learn and what do I have to do to make a difference?” (p. 193)

[Wise advice]: “For good performance we give a raise. But we promote only those people who leave behind a bigger job than the one they initially took on.”

“...an executive leads by example. And the greatest example is precisely the dedication to the mission of the organization as a means of making yourself bigger...”

2 WHAT DO YOU WANT TO BE REMEMBERED FOR?

“To develop yourself, you have to be doing the right work in the right kind of organization. The basic question is: Where do I belong as a person?’ This requires understanding what kind of work environment you need to do your best.” (p. 195)

“We all tend to take temperament and personality for granted. But it’s very important to take them seriously and to understand them clearly because they’re not too subject to change by training.”

“If the thoughtful answer to the question, ‘Where do I belong?’ is that you don’t belong where you currently work, the next question is, ‘Why?’”

“The right decision is to quit if you are in the wrong place, if it is basically corrupt, or if your performance is not
being recognized.” (p. 196)

“RE-POTTING” YOURSELF

“Sometimes a change ... is essential in order to stimulate yourself again.” (p. 196)

“...when you stop learning in a job, you begin to shrink.” (p. 196) ... “Burnout much of the time is a cop-out for being bored.” (p. 197)

“Perhaps all that is needed is a small shift... [or] to take on a volunteer job with another organization... you need the extra, and different, stimulus to put different parts of yourself to work, both physically and mentally.”

“Most work is doing the same thing again and again. The excitement is not the job, it is the result. Nose to the grindstone, eyes on the hills.”

“To build learning into your work, and keep it there, build in organized feedback from results to expectations. Identify the key activities in your work, perhaps even in your life. When you engage in such activities, write down what you expect to happen. [months later] compare your expectations to what” (p. 197)

“look at the people in your own organization... what do they do really well, and how do they do it? In other words, look for successes...” (p. 198)

“...practice what I call preventive hygiene so as not to allow yourself to become bored... build in challenges.” (p. 198)

DOING THE RIGHT THING WELL

“Most of us who work in organizations work at a surprisingly low yield of effectiveness [what a dismaying statement]... most [exec.s] work hard and know a great deal. But fully effective ones are rare... effectiveness is more a matter of habits than behaviour...”

“The first step toward effectiveness...
[1] ...decide what are the right things to do. Efficiency, which is doing things right, is irrelevant until you work on the right things.”
[2] Decide your priorities
[3] Work with your own strengths... make effective what you have, not what you don’t have.”

“...you identify strengths by performance. There is some correlation betw. what you and I like to do and what we do well. ...a strong correlation betw. what we hate to do and what we do poorly...” (p. 199)

“Strengths are not skills, they are capacities... Strengths vary from person to person... morning people... perceptive people... conceptual people. [for instance].” (p. 199)

“Too many people think they are wonderful [with people] because they talk well. They don’t realize that being wonderful with people means listening well.” (p. 199)

SELF-RENEWAL

“Expect the job to provide stimulus only if you work on your own self-renewal, only if you create the excitement, the challenge, the transformation that makes an old job enriching...” (p. 200)
“the most effective road to self-renewal... **look for the unexpected success and run with it.** [ie: don’t be problem-oriented...]

[often an exec. faces reports with the front page summarizing the under performing areas] Non-profit exec.s should make the **first page** show the areas where the organization **over performed** against plan or budget because this is where the first signs of unexpected success begins to appear.”

“...some of the problems would work themselves out if we paid more attention to the things were working exceptionally well.”

“The three most common forcing tools for sustaining the process of self-renewal are **teaching, going outside the organization and serving down in the ranks**... [have the exec.s] work once or twice a year at the level where service is delivered...”

**WHAT DO YOU WANT TO BE REMEMBERED FOR?**
[his teacher asked him as a 13 yr. old].  “...if you still can’t answer it by the time you’re fifty, you will have wasted your life.”

“I’m always asking that question: What do you want to be remembered for?”

**3 NON-PROFITS: THE SECOND CAREER**
Interview with Robert Buford (founder of Leadership Network)

Buford:... how to reallocate my own sense of identity from how well I do in business, basically a life of accumulation, to one of service [a life of giving away...]” (p. 203)

“You can choose the game you’re in but **not the rules** of the game. [that is: you can choose the options, but not the consequences...]

“There comes a time in everyone’s life when one has to decide what the critical concerns are and what the subordinate concerns are.”

“...I use the same entrepreneurial skills [for non-profit] that I’ve had all along. But I use the different purpose and in a different cause.”  (p. 206)

[Questions to ask]
Drucker: “Start with: What is the purpose? Who is the master?”
Buford: “Who is the customer? And what does the customer consider value?”

[re integrity] “...I’ve made it a rule that I’m simply **not going to take shortcuts and cheat,** because I assume I’ll get caught.”

“...it’s important... for people who work in an organization to have an outside interest, to **meet people** and not just become absorbed in their own small worlds. And **all worlds are small worlds.**” (p. 207)

“[pastors often don’t do this] When you say to a pastor, perhaps you should go on the board of the local hospital, he says, I’m too busy.”
[advice for developing people] “...stay in touch with your constituency, or you run the risk that they will change and you won’t... [because] the role of a service organization... is to serve.” (p. 208)

Drucker: [a great pastor] made it his habit to take off about four of five Sundays a year, go to other churches and sit in the congregation...”

Buford: [another pastor] “...makes it his practice to go to the offices of his members on a frequent and disciplined basis to meet them on their turf.” (p. 208)

(4 The Woman Executive - didn’t take notes)

5 SUMMARY: THE ACTION IMPLICATIONS

“You are responsible for allocating your life. Nobody else will do it for you.” (p. 222)

“Developing yourself begins by serving... not by leading”

“...a person needs focus. Michael Kami, our leading authority on business strategy today, draws a square on the blackboard and asks: “Tell me what to put there. Jesus? or money? I can help you develop a strategy for either one, but you have to decide which is the master.”

“I do it [get people to focus] by asking ... what they want to be remembered for - that’s ‘the beginning of adulthood’, acc. to Augustine.”

“You start by developing your own strengths, adding skills and putting them to productive work.” (p. 223)

“...no matter how a boss drives you, or ignores you, ultimately it is the individual’s own responsibility to work on his or her own development.”

“...one can only overcome weakness by developing strengths”

“Next, you work on the tasks to be done, the opportunities... start with the task, not with yourself.”

[two parallel lines for self-development] One is improvement, to do better what you already do reasonably well. The other is change, to do something different... Change when you are successful, not when you’re in trouble. [Ask] ...Am I producing results or just relaxing in a comfortable routine, spending effort on something that no longer produces results.” (p. 223)

“...the more achievement-minded and successful you are, the more likely you are to be immersed in the task at hand, immersed, above all in the urgent.” (p. 224)

[have someone ask you] “Does it still make sense? Are you still getting the most out of yourself?”

[develop] “...the practice of keeping score on yourself... it is always painful for me to see how great the gap is betw. what I should have done and what I did do. But slowly I improve, both in setting goals and in achieving results.”

“...I conclude by asking you to ask yourself, what will you do tomorrow as a result of reading this book? And what will you stop doing?” (p. 224)