

SUSTAINABLE STRATEGIC PLANNING^A

(4-17-17)



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^A This book is built upon a template derived from Sustainable Strategy (M. Light, 2017). All content herein © Mark Light, 2017. Thanks to Dottie Bris-Bois for invaluable editing, clarifying insights, and sharing examples of her sustainable strategy work.

FOREWORD

Same bed, different dreams.
Chinese Proverb

Leading a public service agency is hard work. Research shows that executive directors spend four years or less in the role, that 65 percent are first timers in the job, and that less than half of all new executives want to play the role again.¹ Working in the sector often results in a mixed bag of feelings for executive directors who “enjoy their jobs as a means of addressing important community needs (mission) but don’t want to do it again because of the high stress involved (burnout).”²

Though some experts on nonprofit management bemoan the state of the field,³ there is much to celebrate when it comes to leading service organizations. Most executives take the jobs because of the “mission of their agencies as well as their own desire to help others and to give back to their communities.”⁴ As a result, almost all experience a high level of enjoyment in their work.⁵

Executive directors are not alone. Nonprofit employees are also “highly motivated, hardworking, and deeply committed [and are] motivated primarily by the chance to accomplish something worthwhile.”⁶ Perhaps this is why paychecks only incentivize 16 percent of the nonprofit workforce compared to stimulating nearly half of those who work in the private sector.⁷

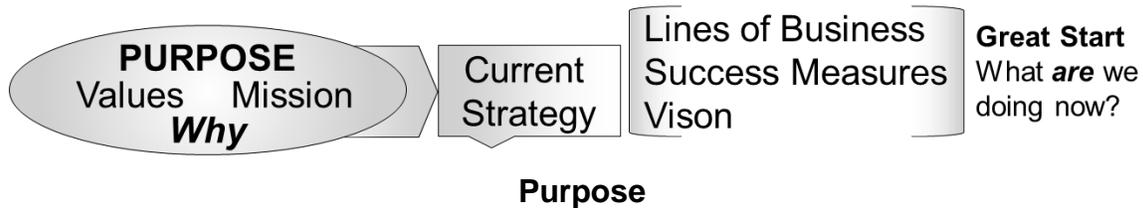
More than money, a recent report on what people earn sheds light on what really counts: “In any economy, the best jobs provide emotional as well as financial rewards.”⁸ This statement reflects what workers in the nonprofit sector already know: almost all who work in the industry experience a high level of enjoyment in their work.⁹ Another survey found that **the number one attribute of a dream job was making a difference in people’s lives.**¹⁰

If it is true that “in our hearts, we would all like to find a purpose bigger than ourselves,”¹¹ where better to find it than the nonprofit sector?

SUSTAINABLE STRATEGY

GREAT START

He who has a why to live for
can bear almost any how.
– Nietzsche



Purpose is who you are. It has two elements: values and mission.

There are many top managers and leaders in organizations who honestly believe that the key motivator in the workplace is pay. You may know some of these people. They say, “I remember when a person got a dollar for a dollar's work” or “My paycheck is enough motivation.” However, while money is a consideration, it is not as important for many. Daniel Pink, for example, says that it takes three things to motivate people in the workplace: “(1) *Autonomy* – the desire to direct our own lives; (2) *Mastery*: the urge to get better and better at something that matters; and (3) *Purpose* – the yearning to do what we do in service of something larger than ourselves.”¹²

What we may miss in all this is the obvious fact that purpose-driven people need a purpose. They need to have it reinforced on a regular basis. Most certainly, when you recruit new employees to the agency, you need to be clear about your organization's purpose.

Purpose contains two distinct elements. The first is the values and seeable behaviors that guide conduct. The second is the mission that addresses customers, the difference they experience in their lives, and how the organization is different from its rivals.

Values

Values guide your conduct. They are the talk that you walk, they are how you do the work.

Walking your talk – living your values – is akin to authenticity, which means “owning one's personal experiences, be they thoughts, emotions, needs, wants, preferences, or beliefs.”¹³ Other descriptions of authenticity include “genuine, reliable, trustworthy, real, and veritable”¹⁴ and “to know, accept, and be true to one's self . . . they know who they are, what they believe and value, and they act upon those values and beliefs while transparently interacting with others.”¹⁵

Fred Luthans and Bruce Avolio observe that authentic managers “lead from the front, going in advance of others when there is risk for doing so . . . Such ‘walking the talk’ has been shown to be much more effective in influencing others than coercing or persuading.”¹⁶ Indeed, trust and performance are significantly related¹⁷ and an important source of competitive advantage.¹⁸ James Kouzes and Barry Posner make use of the phrase *model the way* and state, “Exemplary leaders go first. They go first by setting the example through daily actions that demonstrate they are deeply committed to their beliefs.”¹⁹

Your talk ultimately refers to your values, which are like your car in that no matter where you are, what road you're on, where you're heading, or who's in the car with you, the car stays the same. Jim Collins and Jerry Porras define values in their best-selling *Built to Last* as the “organization’s essential and enduring tenets, not to be compromised for financial gain or short-term expediency.”²⁰

Why should you care about having a clear set of values?

First, how can you test your actions against your values when you don't know what they are in the first place? How can you “walk your talk” if you don’t know what the talk should be? How can you “lead by example” if you don’t know the example you are trying to set?

Many conflicts between people occur because of value clashes. These differences not only happen with customers and clients, but also with employees and family members. It is all about the assumptions we make. I assume that my seventeen-year-old son has the very same perspective I have when it comes to taking responsibility. I assume that our marketing director shares my dedication to serving school audiences when, in fact, she may be dedicated to the customer who pays big bucks for a seat to the latest blockbuster, not the kids who come for free.

In reality, most of us have “values defaults” just like the word processing programs we use. I use margins set at one inch, Ariel font set at 12 point with page numbers at the top right. Anyone who uses my computer will get this document format because it is set as my default. Just like my monitor settings, I have particular values that govern my behavior. These values are mine and mine alone, not yours, not my organization.

Put simply, in the absence of direction from the agency, employees, volunteers, and board members will default to their personal, particular values. Explicitly outlining values gives rise to the possibility that these people will adapt them, especially if leaders at the top model these beliefs and the behaviors that reflect them.

Expecting people to know your values without espousing them is values by clairvoyance. This assumes that you know what my values are, that you respect my values, and that you care about them. Leadership frequently falls into this trap. They seem to believe that others can read their minds when it comes to their beliefs and preferences; that others should know that lending a hand without asking is important

and you should do it. It just doesn't work this way. Employees are not mind readers. If the leaders of the nonprofit organization want certain values embraced in the workplace, they need to spell them out explicitly, promote them throughout the organization, model them, and take action if people are not observing them.

The challenge to values is that people frequently give them lip service as a fad of the day. You'll come into the office one day and find that a manager has put up a framed picture of an eagle soaring in the mountains with a pithy saying about teams. That's not the same as clear and concretely articulated values.

Second, organizational values often contain your competitive advantage, which is what makes you different from your rivals. The important things to people in organizations likely are matters of the heart and these often give you the edge in an increasingly competitive nonprofit environment. If making your clients healthy is the hill you will die on, as the saying goes, consider it a value; it is an enduring tenet of how you do business and "not to be compromised for financial gain or short-term expediency."²¹

Third, because organizational values are so important to people, they offer you an immediate tool to judge the appropriateness of everything you do. A faith-based organization that believes in the sanctity of their house of worship may want to reconsider teen-night films with R ratings in the church basement.

Most organizations will have a good idea of the values that should govern behavior. But many do not specify the "seeable in action" behaviors that bring those values to life. This is a shame because most people have different things in mind when hearing a value like "trustworthy". For one person, trustworthy means keeping your promises; another will say telling the truth.

Clarifying the organization's values is the first step in building its purpose. Making values even stronger is the addition of behaviors, which is uncommon in most planning protocols. By doing this, you have the chance to make expectations about behaviors clear when recruiting new staff members, onboarding them effectively, and then managing performance. The table below lists organizational values and behaviors in action for an agency. The team generating these ideas and results did so in about 30 minutes using the BAM process (brainstorming, affinity grouping, and multi-voting) shown in Appendix A:

Ideas	Results
<ul style="list-style-type: none"> • collaboration, team players • optimistic, excited, well-intentioned, positive, enthusiastic, energetic • cooperative • good communicators, open, effective communication, shared goals, share information, diverse, flexible 	<ol style="list-style-type: none"> 1. Collaborative <ol style="list-style-type: none"> a. Optimistic b. Cooperative c. Effective communicators

Ideas	Results
<ul style="list-style-type: none"> • customer-centered, service-oriented, user-friendly, community-oriented, concern for community, customer focused, asset to nonprofits • respectful, show you care, truthful • responsive to needs, attentive, listen to customer, timely • above and beyond, solution-driven, asking, solve problems, value adding, provide quality, provide added quality 	2. Customer-centered <ul style="list-style-type: none"> a. Respectful b. Responsive c. Solution-driven
<ul style="list-style-type: none"> • professional, quality, competent, excellence • results-driven, execute effectively, have standards, results-oriented, provide value • thorough, dedicated, committed, hard work, loyal to mission • knowledge-based and experienced, resourceful, works with knowledge, committed to evidence-based practice, knowledgeable, know the business 	3. Professional <ul style="list-style-type: none"> a. Results-driven b. Dedicated c. Fact-based
<ul style="list-style-type: none"> • accountable for actions, integrity, trustworthy • fair, consistent, objective • transparency, sharing information, positive, negative feedback, make problems known, honest • keep confidences, straightforward, keep commitments, above board, keep word 	4. Trustworthy <ul style="list-style-type: none"> a. Fair b. Transparent c. Promise keepers

Mission

Mission focuses your action; it is what you do.

It's no debate that mission is a sine qua non of high-performing nonprofits; Peter Drucker, for example, says it is the first thing for-profits can learn from nonprofits.²² Here's why:

Mission focuses the organization on action. It defines the specific strategies needed to attain the crucial goals. It creates a disciplined organization. It alone can prevent the most common degenerative disease of organizations, especially large ones: splintering their always-limited resources on things that are "interesting" or look "profitable" rather than concentrating them on a very small number of productive efforts.²³

Paul Light in his study of innovative nonprofit and government organizations also found this pragmatic nature of mission: "Without a strong sense of mission, nonprofit and government organizations cannot long sustain innovativeness. They will have no basis on which to say either yes or no."²⁴

Take malfunctioning teams for example. When things go wrong, people often search for the root causes of the difficulties. Carl Larson and Frank LaFasto save you time with their analysis: "In every case, without exception, when an effectively functioning team

was identified, it was described by the respondent as having a clear understanding of its objective . . . and the belief that the goal embodies a worthwhile or important result.”²⁵

Besides the benefit of giving focus, a well-constructed mission is the first step of the strategy stairway that ultimately ends in boots-on-the-ground programs.

Mission is also valuable as the “sex drive of organizations.”²⁶ James Phills, director of the Center for Social Innovation at Stanford explains: “The function of a mission is to guide and inspire; to energize and give meaning; and to define a nonprofit and what it stands for.”²⁷ Kasturi Rangan writes, “Most nonprofits have broad, inspiring mission statements – and they should . . . After all, the mission is what inspires founders to create the organization, and it draws board members, staff, donors, and volunteers to become involved.”²⁸

Another benefit of a well-crafted mission is to “distinguish one organization from other similar enterprises”²⁹ and “reveals the image the company seeks to project.”³⁰ As such, it becomes a repository of what the organization sees as its competitive advantage.

A final benefit is for communications: “In just a few sentences, a mission statement should be able to communicate the essence of an organization to its stakeholders and to the public: one guiding set of ideas that is articulated, understood, and supported.”³¹

Nonprofits aren’t the only ones making good use of mission statements. Jim Collins and Jerry Porras assert that the mission, which they call a firm’s core ideology, is an essential element of successful visionary companies.³² Lending credence to this view is the news that mission statements are the number three management tool for two-thirds of global firms.³³ Little wonder this is true given the evidence of the relationship between mission statements and positive financial performance.³⁴

A well-crafted mission addresses three questions:

1. **Who do we serve**, our customers, clients?
2. **What transformation** do they experience?
3. **How are we better than rivals**, our competitive advantage?

Notice that the verbs in these questions are present tense. As such, the mission statement is about what you are doing in the here and now; it is not about where you’re going in the future. In other words, a mission is not a strategy for the future. A mission is in the present tense and describes the why of the organization; strategy is future oriented. It is where are we going.

As you review your mission with the three questions, you may decide that what you are actually doing now isn’t exactly what you should be doing. This can have significant ramifications and can take real effort and time to achieve the present tense of a mission.

Who do we serve?

By beginning mission with the question of customers, you ensure that they are its focus. This is the foundation of successful businesses and no organization can ever do wrong by concentrating first on its customers. As Harvey Mackay, the author of five business bestsellers, so aptly says:

Successful organizations have one common central focus: customers. It doesn't matter if it's a business, a hospital, or a government agency, success comes to those, and only those, who are obsessed with looking after customers.

This wisdom isn't a secret. Mission statements, annual reports, posters on the wall, seminars, and even television programs all proclaim the supremacy of customers. But in the words of Shakespeare, this wisdom is "more honored in the breach than the observance." In fact, customer service, in a word, stinks.

What success I've enjoyed in business, with my books, my public speaking, and the many volunteer community organizations I've worked for, has been due to looking after customers – seeing them as individuals and trying to understand all their needs.³⁵

Even with all the evidence, many worry that if they define a specific customer, it will be limiting to the scope of activity. Unfortunately, **no organization can be all things to all people and defining the customers makes it possible to concentrate effectively.** The most important aspect for Peter Drucker is defining the primary customer. He warns that it is "very tempting to say there is more than one primary customer, but effective organizations resist this temptation and keep to a focus."³⁶

The key issue is to answer the question with authority and explicitness. "Youth and children" is a good start for a customer description at a Big Brothers – Big Sisters chapter, but "7 to 13-year-old children from at-risk, single parent households" is much better because it gives more usable information that will aid the organization to construct its lines of business in the near term and ensure accountability later on.

Peter Drucker's five-question protocol for evaluating "what you are doing, why you are doing it, and what *must* you do to improve"³⁷ begins with mission, which he immediately follows with "Who is our customer?"³⁸ He defines his two types of customers this way:

The *primary customer* is the person whose life your work transforms. Effectiveness requires focus, and that means *one* response to the question . . . *Supporting customers* are volunteers, members, partners, funders, referral sources, employees, and others who you must satisfy.³⁹

There are a great many ways to get at the answer, but the one I like the best is the BAM process (described in Appendix A). Whatever process you use, if you are going to work with a group of people, the only "no-matter-what" recommendation is to avoid perfecting words or phrases suggested. You should leave word-smithing to a capable person or small crew to present to others for review later.

Using BAM with a 23-person group including board and staff from a faith-based outdoor camping agency yielded the ideas and results shown in the table below in about 25 minutes:

Ideas	Results
<ul style="list-style-type: none"> • youth in our community, schools, other youth groups, future business leaders (63)^A <li style="text-align: center;">----- Ideas not chosen ----- • adult leaders, counselors, volunteers, board (26) • donors, foundations, contributors (23) • parents, families (8) • mankind, stakeholders, society values, society, communities (4) • community organizations, community ambiance, churches, community at large, penal institutions (2) • character organizations (1) • national office (0) • local businesses (0) 	Youth in our community

Notice in the table the demarcation line between the first and second grouping. Below that line are all the groupings that were “left off the table” after a discussion about which of the groupings truly represented the customers for the agency.

What transformation?

The typical mission statement tells us all about the products and services provided by the organization. Its essence is about the agency and not the customer. “Here are the products we sell” is the key message. Instead, **the mission should state the transformation the primary customers experience in their lives because of the organization.** What has changed in that person because of the interaction? What transformation occurs?

Whether it is health restored for a cancer patient or well-adjusted home lives for a family-service agency, the customer experience should contextualize how the constituent’s life is better because of the organization. The customer difference frequently describes why the organization exists; its reasons for being in business in the first place.

You should always construct the change in the context of the customer, not the organization. What transformation happened for the customer is the question, not what products you delivered. Your mission should focus on one change for the primary customer. Later on in the strategy process, you will articulate more detailed customer

^A Numbers in parenthesis are results of a multi-voting rating process where participants could vote with \$3, \$2, and \$1 chips in any combination for their highest rated grouping of ideas; higher numbers = higher rating.

differences to form lines of business, which are the agency's products, services, and programs.

"Life at its fullest" is an example of a customer difference for a person affected with Multiple Sclerosis. A performing arts center could easily consider an "enriched life" as a viable customer difference. After all, the customer isn't going to the theatre to just see a play or hear a symphony. The performance itself is actually a means to an end.

I ran a performing arts center and the statement used to describe the difference our customers experienced was "standing-ovation experiences." As we sought to make the life transformation even clearer, we changed it to "you are the star." Our customers loved it and they often reminded us of our statement when we failed to meet that commitment or when we exceeded expectations. We even had peer-nominated *Star Awards* that recognized outstanding customer service by staff members.

A Multiple Sclerosis Society chapter will certainly produce a slew of programs to help the newly diagnosed, education to keep those afflicted up-to-date, fund new research, direct disbursements for those without means, and create support groups to help people network with each other. However, none of these services belong in a mission statement. Therefore, the chapter settled on "Life at its fullest for people affected by Multiple Sclerosis."

Save the Children's difference is to make "lasting positive change in the lives of disadvantaged children." While this is very broad and some might prefer more definition, this clearly is a properly crafted difference statement and can give rise to significant strategies that can make it happen. Another example is A Big Brothers – Big Sisters chapter difference, which is "confident, competent, and caring young adults."

To reiterate once more - a mission statement should only include the life-changing transformation that its customers experience. Exemplifying this are the results for the outdoor camping agency shown in the table below:

Ideas	Results
<ul style="list-style-type: none"> • character, relationship with God, sense of honesty, values, value system, integrity (40) • skill set for life, success in life, experience, special skills, well rounded (30) 	<p style="text-align: center;">Character-centered</p> <p style="text-align: center;">Skills good for life</p>
<p style="text-align: center;">----- Ideas not chosen -----</p> <ul style="list-style-type: none"> • experience leadership at younger age, career path, learn to take initiative, structure, (20) • self-confidence, self-reliance, pride in yourself, confident in skills, higher self-esteem (15) • fun, sense of adventure, drug avoidance, travel (15) 	

Ideas	Results
<ul style="list-style-type: none"> • personal accountability, take responsibility, maturity (3) • support network, friendship, teamwork, respect for others, get along with others, male role model (1) • accomplishment, planning skills, goal driven, recognition, motivation (0) 	

How are we better than rivals?

The third question in designing the mission is about the competitive advantage your organization has over its rivals. **What edge will the company have that other organizations cannot match?** As John Pearce II and Fred David recommend, the effective mission “defines the fundamental, unique purpose that sets a business from other firms of its type.”⁴⁰

A Girl Scout council might choose scouting for “all girls” as an answer, thereby defining inclusiveness as its core principle. An agency with the difference of putting the American dream of a home within reach for people with low to moderate incomes decided that being the “go-to organization” was its competitive advantage. No other agency in the community would be able to match its position for one-stop shopping or for the breadth of its knowledge and services.

Every organization has a choice in what it becomes known for – its reputation, if you will. This choice is about the defining quality of its work and the edge that the organization will have over all others like it. What do we want to be known for and respected for? A Big Brothers – Big Sisters chapter chose “professionally supported one-to-one matches that deliver results.” While other mentoring programs exist in the community, no others state that they can match the professional support and the results that Big Brothers – Big Sisters delivers.

Ultimately, the question of how you are better than your rivals *is* your competitive advantage. Although improving the operations of your organization is essential, it is not enough to become high performing.⁴¹ Competitive advantage is the “presence of visible, obvious, and measurable ways in which your organization differs from and is better than its peers.”⁴² You want that competitive advantage to be sustainable over time because your organization can “outperform rivals only if it can establish a difference that it can preserve.”⁴³

Why should you care about your competitive advantage? Though you might believe you’re special, your customers, stakeholders, and especially funders may respectfully disagree. When they review your appeal, they may perceive you to be a lot like your peers. If there’s no discernible difference, you may end up on the short end of the stick. As painful as it may be to learn, and in the words of David La Piana and Michaela Hayes, “Foundations tend to see more proposals each year from nonprofits that, from their perspective, look alike . . . Unfortunately, if there is one belief that all funders share, it is that all nonprofits are the same.”⁴⁴

So how do you find your competitive advantage – the difference that can set you apart from others?

Expert David La Piana recommends you go about it this way:

- Using a **unique asset** (such as a strength that no other similar organization in your geographic area has) and/or
- Having **outstanding execution** (such as being faster, less expensive, or having better service than other similar organizations in your geographic area)⁴⁵

It's a bit like being in your own restaurant and deciding from the menu what dishes will become your signature. Take inventory of what you have or what you can do; then make a decision and run with it.

Additionally, Hitt, Ireland, and Hoskisson recommend that organizations analyze their resources (tangible and intangible), capabilities, and core competencies (valuable, rare, costly to imitate, and non-substitutable).⁴⁶ Using this method, "Resources are bundled to create organization capabilities. In turn capabilities are the source of a firm's core competencies, which are the basis of competitive advantages."⁴⁷ Once complete, you have an appreciation for what you're good at and what you're not. Typically, you want to play to your strengths and minimize your weaknesses. Here are the questions for your organization to answer:

1. What are your agency's **greatest resources**? There are two types: tangible (physical, financial, organizational, technological, etc.) and intangible (human resources, innovation, reputation, values, etc.). What does your agency have to work with? Pick the top two or three resources and list them as strengths.
2. What are your agency's **capabilities**? Make a list of all the things that the agency is *pretty* good at doing. Usually these are not specific lines of business, but could be the way the agency designs, delivers, and/or manages a line or lines of business. It could also be customer service, reputation, location, your facilities, or human talent.
3. What are your agency's **core competencies**? Look at the resources and the capabilities and decide which of them your agency is *really* good at doing. You should only have a few candidates for core competencies, which are "the activities that the company performs especially well compared with competitors and through which the firm adds unique value to its goods or services over a long period of time."⁴⁸

Here is an example from a theatre company:

Greatest Resources	Permanent Space	Abundance of local talent	Culture-driven city	Teaching artists on staff
Capabilities	Ability to sell tickets and attract audiences	Ability to identify local talent	Ability to host special engagement events	Building partnerships with teachers and schools
Core Competencies	Exceptional Theatre Inspired by Shared History	Works with Chicago Actors	Engages Audiences	Develops Art in Schools Programs

Now it's time to decide which of your ideas your possible competitive advantage are. Sometimes the answer is so obvious that there is no need for any deliberation. But stepping back and testing your capabilities against the four criteria of sustainable competitive advantage is a good idea:

1. Valuable capabilities allow your agency to “exploit opportunities or neutralize threats in the external environment [to create] value for customers.”⁴⁹
2. Rare capabilities are those that “few, if any, competitors possess. A key question to be answered is, ‘How many rival firms possess these valuable capabilities?’”⁵⁰
3. Costly to imitate capabilities are those that others cannot easily develop. Sometimes it is simply impossible to imitate a capability because of the cost. Other reasons could be unique historical conditions, ambiguity about how the capability works, and social complexity including interpersonal relationships.
4. Non-substitutable means there are no substitutes for your core-competency.

To decide which are your best core competencies, test them to decide which one (or two at most) sets you apart from your rivals—the ones that are your **competitive advantages**. Here is an example of an analysis for a theatre agency:⁵¹

	Theatre Inspired by History	Works with Chicago Actors	Engages Audiences	Art in Schools Programs
Valuable	Yes, unites audiences; increases self-awareness	Yes, champions Chicago talent	Yes, pre- and post-show activities spark dialogue	Yes, fosters learning
Rare	Yes, only theatre in Chicago devoted to this undertaking	No, many theatres only work with local artists	Somewhat, but immersive theatre is becoming more popular	No, many theatres offer art in classroom opportunities
Costly to Imitate	Somewhat, any theatre can produce plays about history	No, any theatre can use local artists	Yes, requires human and financial resources	No, most likely funding is available

	Theatre Inspired by History	Works with Chicago Actors	Engages Audiences	Art in Schools Programs
Non-substitutable	Yes, the mission requires the theatre only do plays inspired by history	Yes, company members become integrated within the organization and must be local	Yes, engagement efforts have become part of its reputation	Yes, interacting with the next generation is a stated goal in the strategic plan

So, what are your agency's **competitive advantage**? Although some organizations have multiple competitive advantages, try to have as few as possible. It's hard enough for folks in your agency to remember the mission let alone how you're going to win.

Therefore, pick the one that represents **what you do best**. Then briefly state it and discuss your conclusions. **Your competitive advantage should become a part of the new mission statement and new simplified mission statement.** In the example above, the one that became the company's competitive advantage is "Exceptional productions inspired by our shared history."⁵²

A word of caution: the danger with this approach is that the competencies you have now may not be the ones that you need in the future. If that is the case, you may need to create a new strategy to develop those needed competencies. Be forewarned that a strategy to build a competitive advantage can be of a scale equal to other major endeavors, as it often involves changing the culture of the agency. For example, the Victoria Theatre Association's core competency of making the customer the star took years of discipline. However, once established, it made a great difference.

Simplified Mission

In his popular book on motivation, Dan Pink uses the question "What's your sentence?" to clarify the need for succinct, yet powerful, mission statements:

In 1962, Clare Booth Luce, one of the first women to serve in the U.S. Congress, offered some advice to President John F. Kennedy. 'A great man,' she told him, 'is one sentence.' Abraham Lincoln's sentence was: 'He preserved the union and freed the slaves.' Franklin Roosevelt's was: 'He lifted us out of a great depression and helped us win a world war.' Luce feared that Kennedy's attention was so splintered among different priorities that his sentence risked becoming a muddled paragraph.⁵³

When you've answered the three mission questions, you can finally find the sweet spot that puts your mission statement together in a concise, inspiring, and memorable way – with just one sentence.

As simple as it sounds, constructing that one sentence is a matter of putting your answers to the three questions together in a way that works for you. The mission for the outdoor camping organization is “a place for youth in our community where everyone succeeds with character-centered skills good for life.”

Notice in this statement that there are no “provides this service or that service” statements. Services change over time, but your clients, transformation in their lives, and competitive advantage stay relatively stable.

Moreover, there is nothing tentative about “everyone succeeds”; it doesn’t say that the agency helps, assists, or tries. John and Miriam Carver say that words like this “can be fulfilled while having absolutely no effect upon consumers. Be tough; allow yourselves and your CEO no points for supporting, assisting, or advocating; rather, hold yourselves to the discipline of requiring results for people.”⁵⁴

People working on the mission statement sometimes struggle with letting go of old sentiments. They like the feel of the words or the historical context. There is no issue with using previously created mission statements if the mission explicitly addresses the three questions with authority. However, the process of defining a new mission using the aforementioned approach often makes a difference. Take the comparison of before and after mission elements from a theatre, as shown below:

	Old Mission	New Mission
Who	Unclear	Curious Chicago theatregoers
What transformation	Engage, enlighten, and entertain	Who better understand themselves and their collective past
How better than rivals	Unclear	Chicago’s only theatre company that unites curious theatregoers with exceptional productions inspired by our shared history

This new mission has the edge because it offers specific information to inform decisions. Less is more; definite is better than ambiguous.

Of course, most missions like the one for the theatre are not short enough to easily remember. This is why you need to work on the simplified mission. Even at 40 words, a mission statement is difficult to remember. The simplified mission takes the most important feature of the mission and distills it down into just a few words. It can become a rallying point for decision-making; it can be a constant reminder to board members, staff, and volunteers about the organization’s mission.

My favorite approach to a simplified mission is constructing it as a Haiku. As Chris Finney explains, “Your organization’s mission statement deserves to be elegant, precise, and even poetic because these words embody the reason your nonprofit exists.”⁵⁵ Keep it short and simple, hammer it home, and it likely will come to life. As a

core driver of decision-making, the complicated mission that no one can recall or understand serves little value to the organization. The simpler the mission, the better, and the more likely it will drive action on the front lines of work. The following shows two examples: one from a theatre and the other from a medical center serving the HIV Community:

Simplified Missions	
Better Understanding For curious Chicago theatregoers United by history	Client-centered care to the HIV community for a life worth loving

How do you know your mission is a good one? According to Peter Drucker, a well-articulated mission:

1. Is short and sharply focused.
2. Is clear and easily understood.
3. Defines why we do what we do, why the organization exists.
4. Does not prescribe means.
5. Is sufficiently broad.
6. Provides direction for doing the right things.
7. Addresses our opportunities.
8. Matches our competence.
9. Inspires our commitment.
10. Says what, in the end, we want to be remembered for.⁵⁶

Remember, if you keep it simple and work away at it, people will remember it.

Strategy

Strategy expert Michael Porter suggests that you address three questions in the process of building competitive strategy: “What is the business doing now? What is happening in the environment? What should the business be doing?”⁵⁷ In other words, let’s not worry about where we’re going tomorrow until we understand where we are today. After all, who would plan a trip without knowing the point of departure? That’s why we begin with a discussion of the lines of business followed by a review of the success measures.

Lines of Business

Though it’s true that purpose is the heart of the agency, it only begins to beat in the strategy. More specifically - and to broaden the definition - strategy brings purpose to life through the lines of business. Those lines of business make their home in the strategic plan.

You can do several different things to maintain a competitive position with your lines of business. Michael Porter advocates four strategic approaches:⁵⁸

1. You can be the low-cost leader that allows you to have above average profits or to charge less than your rivals.
2. You can differentiate your product and make it unique compared to your rivals. Making the customer the star was a way to do this for the Victoria Theatre.
3. You can choose which customers to focus on. For example, you might be the only agency to serve clients with Downs Syndrome in a certain community or at a certain age. Or as is the case in fundraising, you could choose to only focus on older, wealthy givers.
4. You can try to establish a position where you are low-cost with a differentiated product.

Any of these approaches might be magical, but without lines of business that exchange something of value between you and your customers, you have nothing to make the magic visible. **Your lines of business are the, programs, products, or services of value for your customer.**

Lines of business (LOBs) are different from other activities within the organization because they are ends, not means. They must stand the customer-change test. First, there is a customer external to the organization. Second, there is a life-changing difference for that customer.

At first, many people have difficulty thinking about LOBs. It seems an acceptable idea for a manufacturer, but it's a foreign concept when it comes to a housing agency or mentoring organization. It doesn't take long, however, for people to get the hang of things when you ask the question in the context of core programs, services, and activities. In fact, the typical nonprofit has five or more LOBs compared to small for-profits that usually have just one.⁵⁹

Because people naturally think first about products or services that are provided to the customers, they can lose sight of the life-changing difference they are trying to achieve. Consequently, LOBs often stray far from the purpose. This drifting, which is sometimes referred to as mission creep, is tacitly endorsed by funders who typically put new programs ahead of established ones and project funding over general operating support. Because funders commonly provide support for new programs as a three-year commitment, getting out of the program early is very hard to do. The customer-change test helps you stay true to your purpose.

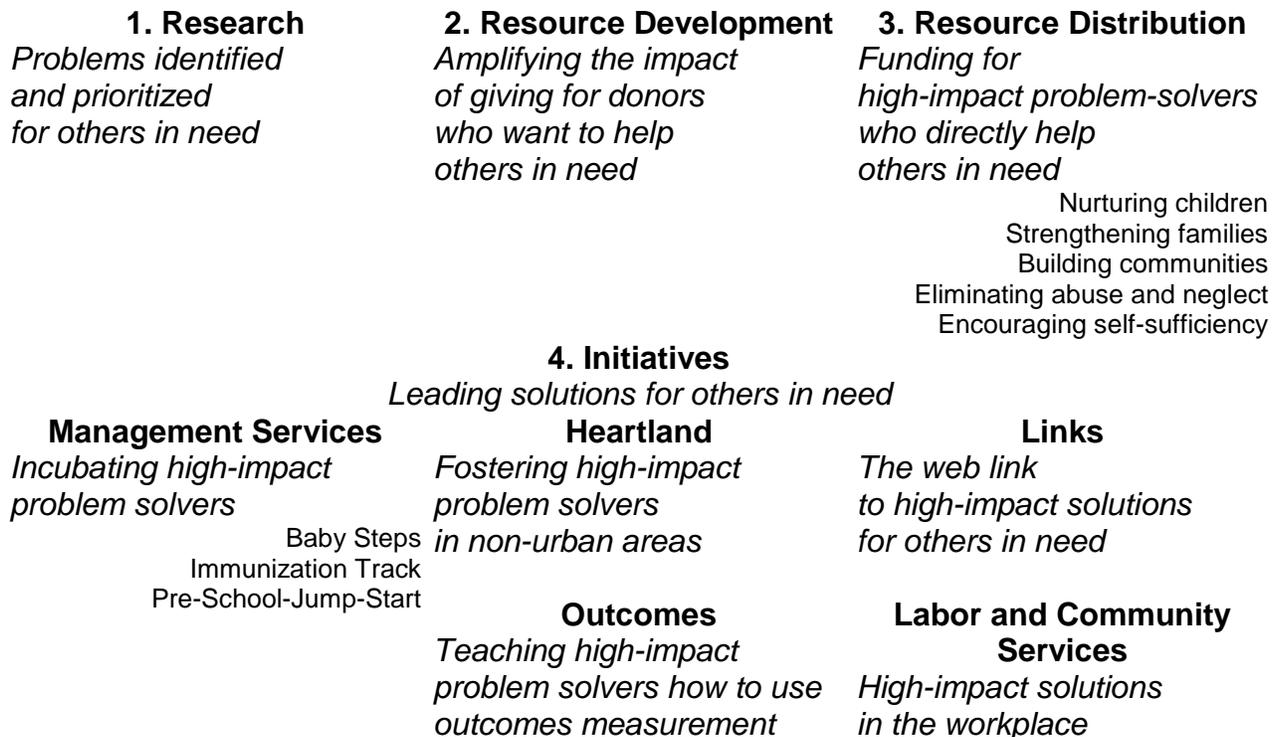
Some people involved with the organization may profess little interest in seeing LOBs listed out. "We already know what we do," they say. But board members and staff alike are often surprised to see that what they thought was a relatively simple operation may be much more dynamic. The benefit for the seasoned board member is to see the wide array of LOBs; the value for the new board member is to see them for the first time. In this process, some organizations decide that the array of LOBs is simply too broad to sustain; other organizations choose to expand.

An example from a local United Way identified 14 distinct lines of business:

Research	Eliminating abuse	Preschool-Jump-Start
Resource development	Heartland	Links
Nurturing children	Encouraging self-sufficiency	Labor services
Strengthening families	Baby Steps	Outcomers
Building communities	Immunization Track	

Fourteen LOBs is common for an active organization such as a United Way that provides direct services, but this list is too broad to be memorable to most people – especially those pressed for time. After all, experts say that the maximum number of “chunks” of information we can easily retain in our short-term memory appears to lie between five and seven (plus-or-minus two).⁶⁰

Organizing by theme allowed United Way to group its LOBs into four major categories that not only made its work more understandable to stakeholders, but also helped focus the organization:



Some staff and board members may wonder why we don't show administrative activities as LOBs given their significance to the organization. No one would deny that marketing and bookkeeping is central to the success of most nonprofits, but these and other administrative duties usually directly support the LOBs; they are undoubtedly vital, but they also are a means to an end and simply do not pass the customer-change test.

On the other hand, many people treat fundraising as a LOB because of its importance to the organization. After all, most LOBs only break-even with the help of contributed income.⁶¹ Especially with regard to general operating support, funds relate to all the activities of an organization, as opposed to one specific LOBs. As such, it is quite possible to identify a credible customer-change statement. An example of how it might look follows:

Fundraising

*The joy of giving to help others in need
for those with a generous heart*

Individuals
Corporations
Foundations
Special Events
Planned Giving

Another example of an activity that is a means to an end, but that you could consider a LOB, is selling Girl Scouts cookies. Representing as much as 60 percent of the revenue of some chapters, this is a major source of funds. Some chapters will see it as a LOB; others won't. One council that saw cookie sales as a LOB felt strongly that this activity built confidence for the girls; another council thought that the buyers of the cookies were the customers and the difference was both in helping build confidence for the girls as well as enjoying delicious cookies. In other words, Girl Scouts cookies feed the soul and the sweet tooth.

The level of detailing within LOBs – including how many lines you have – should stop when it becomes difficult to develop reasonable customer-change statements as shown in the following two tables:

Big Brothers – Big Sisters Chapter

Core Match
*Building
7-13-year-old Littles
into confident –
competent –
caring young adults*

High School Mentoring
*Building
15-17-year-old Bigs
into confident –
competent –
caring young adults*

Teen Mothers
*Building pregnant
and parenting teens
into confident –
competent –
caring parents*

MS Chapter

Newly Diagnosed
*You're not alone
for those newly diagnosed
MS Peer Connection
Moving Forward
Knowledge Is Power*

Research
*Ending devastating effects
for those living with MS*

Support Groups
*The fullest life possible
for those living with MS*

Direct Disbursements

*Solutions for those
without means*

Equipment
Direct Counseling Referral
Counseling

Update Education

*Staying current
for those living with MS*

Fall Education Conference
National Television Conference

As shown in the examples above, the preferred way to describe the LOBs is with brief customer-change statements of no more than six to eight words in length. Sometimes the statement includes the customer and the difference; sometimes organizations will use descriptions that are more about products or services as demonstrated in the fair housing agency below:

Housing Discrimination	Predatory Mortgage Lending
<p>General Public Individuals are more aware and assert their fair housing rights</p>	<p>General Public Individuals are aware and avoid becoming victims</p>
<p>Housing Providers/Professionals Individuals and companies are better educated, and greater compliance is achieved</p>	<p>Housing Providers/Professionals Individuals and companies are better educated, and assist in protecting customers</p>
<p>Enforcement Meritorious complaints are identified and violations are challenged and proven</p>	<p>Intervention for Victims Residents' rights are asserted and remedies are achieved</p>
<p>Research/Advocacy Problems and barriers are identified, prioritized, and publicized</p>	<p>Research/Advocacy Problems are identified, prioritized, and publicized</p>

Drafting a list of current LOBs takes very little time. You first generate a list of all the products, services, and programs that your agency delivers to the customers or clients of the organization. You then develop a customer-change statement for each. It's that simple.

It is usually the executive director's task to outline the LOBs. There is no best practice; some leaders will quickly list all the products, services, and programs that the organization is delivering and group them in a logical fashion. Others will involve key professional staff in a group setting and use brainstorming to develop the list of current LOBs. Once done, you are ready to work on the success measures.

Success Measures

As is the case with LOBs, you use success measures to answer Michael Porter's question: "What is the business doing now?"⁶² Unlike the LOBs customer-change statements that represent a qualitative perspective, success measures look at this question from a quantitative viewpoint.

Like LOBs and their customer-change statements, success measures provide a powerful way to ensure that the purpose comes to life. After all, “what you measure is what you get.”⁶³ Perhaps this explains why **more than four out of five nonprofits use program output measures to evaluate performance.**⁶⁴

If a shareholder wants to know how a for-profit company is doing, she typically takes the measure at the bottom line. Whatever this bottom line is called - be it shareholder wealth, net profit, share price, or return on investment - for-profits depend on financial information as a fundamental measure of their success. Nonprofits, on the other hand, have no such single measure. As William Bowen, President Emeritus of The Andrew W. Mellon Foundation puts it, “There is no single measure of success, or even of progress, that is analogous to the proverbial bottom-line for a business.”⁶⁵

Jim Collins of *Good to Great* fame takes a similar view: “For a business, financial returns are a perfectly legitimate measure of performance. For a social sector organization, you must measure performance relative to mission, not financial returns.”⁶⁶ Indeed, the idea that nonprofits are unable or incapable of paying attention to the bottom line is widely held.

Michael Porter and Mark Kramer assert that nonprofits “operate without the discipline of the bottom line in the delivery of services.”⁶⁷ Regina Herzlinger says that nonprofits lack the “self-interest that comes from ownership . . . they often lack the competition that would force efficiency [along with] the ultimate barometer of business success, the profit measure.”⁶⁸

Yet, these viewpoints fall far short of the reality. Exemplary nonprofits depend upon measurable results to determine effectiveness, including financial results. Twenty years ago, Rosabeth Kanter and David Summers recognized that “nonprofits are increasingly setting more stringent financial goals, reporting ‘operating income’ as though it were ‘profit.’”⁶⁹

Peter Drucker asserts, “nonprofit enterprises are more money-conscious than business enterprises are. They talk and worry about money much of the time because it is so hard to raise and because they always have so much less of it than they need.”⁷⁰ In other words, that nonprofits don’t, shouldn’t, or can’t use financial returns to measure performance is as much a myth as the idea that nonprofits can’t make a profit at all.⁷¹

To be fair, it’s not that nonprofits don’t have measures; it’s just that many aren’t financial or written down. Furthermore, nonprofits often have measures based on the quality of things, which is very challenging because it’s softer in texture. “How much” is significantly easier to measure than “how good.” Peter Goldmark, former President of the Rockefeller Foundation, describes it this way: “You don’t have a central financial metric that is really central . . . You are dealing with squishier intangible issues of social change or public attitudes and behavior.”⁷²

In other words, it is one thing to measure how many people quit smoking at the weekly cessation class, but quite another to do it with “such subtle outputs as tender loving care in a nursing home, or appreciation of art and music in cultural values.”⁷³ That said, many now see this viewpoint as a cop-out; it is possible to measure such things and the best nonprofits do it regularly. Take appreciation of art and music for example. A ballet company can easily count standing ovations after a performance, the number of tickets sold, and the number of intermission walk-outs; all are perfectly legitimate surrogates for customer enjoyment.

Effective success measures can contain a wide variety of components including outcome indicators, financial measures, and activity reports. Measures do not tell the reader whether the organization is doing a good job or is in need of corrective action. Measures are measures, nothing more, nothing less.

Most success measures have a clear activity linked to them, such as tickets sold, classes attended, grades achieved, number of customers, number of customers who return, or number of customers that leave the organization. To measure outcomes is to be thoughtful about analyzing what matters to your organization. And gathering this information is no walk in the park.

Is measuring outcomes “worth it” for your organization? The United Way of America early on recognized the “tension between the need for technically sound methodologies, which can be expensive and time consuming, and the staffing, funding, and workload realities that constrain nearly all service agencies.”⁷⁴ Moreover, **measuring activity is the first step in any program to measure outcomes.**

When choosing criteria for success measures, an important condition is that the measures be easy to use. An indicator built around readily available information is often preferable than building one from scratch. Furthermore, you should consider the cost of using the measure, as there is very little point in having brilliantly designed success measures that require a quarter-time staff member for tracking. A reasonably good success measure that you can use easily without cost is usually superior to a great performance gauge that is expensive.

In the process of building success measures that evaluate LOBs, there is a natural tendency to generate more ways than can possibly be managed. The number and permutation of success measures is surprisingly broad and you can forget that measuring performance takes time and effort - resources that are limited in most nonprofits. You are best to stick with the “less is more” approach and see how fruitful your results are.

As you consider what outcomes to measure, you should always include the elements of your mission. Like the well-known blood pressure, pulse, and temperature at every visit to the doctor, these mission benchmarks are usually composed of no more than three or four success measures with a global texture. It is quite common to see success measures related to financial condition and total number of clients served. These

indicators shown in the table below for an economic development organization, offer an effective way to ascertain quickly the overall performance and health of the agency:

Mission Success Measures (\$ in thousands)	Year 1	Year 2	Year 3	Year 4
Attendance #	24	18	24	31
Total Revenue \$	1,220	1,240	1,460	1,640
Earned \$	450	521	797	970
Contributed \$	770	718	664	671
Net Income \$	(189)	(47)	65	(42)

Success measures tell a story. As shown by the example, attendance had a big jump a few years ago along with income. The earned-to contributed ratio seems to be improving, but shows dramatic change from year-to-year and net income has been consistently negative. Looking forward, the organization seems to anticipate continuing difficulties.

Like all success measures, the narrative told is always open to interpretation. Perhaps the organization is committed to build its clients, which means planned deficit spending. Perhaps the organization is slowly sinking or maybe the organization's growth is making it hard to concentrate on its core LOBs.

Is it reasonable to use IRS Form 990s in success measures? The good news is that they provide a good deal of information and are "a reliable source of information for basic income statement and balance sheet entries."⁷⁵ They offer you a reasonable way to compare your agency to others, which is very useful. However, beyond these basic entries, beware.

Some may argue that there is too much financial information provided, but like all success measures, you want enough information to illustrate the organization's performance. For the economic development organization, including four annual accounts was necessary because something quite worrisome was happening in the three most recent years. Had these success measures been in place, perhaps the board and executive director would have seen the challenge much earlier when the deficit was more manageable.

While the mission success measures offer a snapshot of the organization, they do not offer the full picture that comes from adding in the LOBs success measures. The table below illustrates selected success measures from a regional theatre. These indicators are ready for presentation to the board of directors at a meeting that will focus on developing a new strategic plan for the coming fiscal year. In this example, there are two primary categories for a theatre series. The first are the activities success measures that are mostly about counting; the second are the satisfaction success measures.

Lines of Business (In thousands)	Year 1	Year 2	Year 3
Activity: Attendance #	25.3	16.7	14.5
Subscriptions #	2.4	2.4	1.9
Single Tickets #	13.4	3.2	5.5
Income \$	691	4	352
Net Income \$	(143)	(155)	(177)
Satisfaction: Renewal %	70	73	56
Standing Ovations %	48	26	56
Intermission Walkouts %	7	16	8
Buy-to-Attend Ratio %	87	78	86

The success measures are neutral and offer the chance for interpretation and discussion. For example, what has caused the 46 percent drop in total attendance for the resident series from 25,300 in Year 1 to 14,500 in Year 3? How does this drop correlate to the improvement for series losses and improvement in renewal rate?

Notice in the second grouping of success measures that the criteria are about customer satisfaction. Renewal rate is the percentage of subscribers who renew from one season to the next. The way customers felt about the shows in Year 2 could be the cause of the steep drop from Year 2 to Year 3 because standing ovations were down, intermission walkouts were much higher, and the buy-to-attend rate – a measure of word of mouth – was down. These are all indicators of satisfaction. The agency adjusted the repertory in Year 3 to a more pleasing mix, which shows in the results.

Though quantitative survey research might get at customer satisfaction in a way that is more generalizable and a qualitative interview study could yield more nuanced information, these are expensive and time consuming approaches. In the success measures above, the organization is taking advantage of readily available information: ushers can easily count standing ovations and intermission walkouts; the computerized ticket system can easily do the other two. In many respects, these success measures are measuring the outcome of a satisfied attendee.

What follows is another example of success measures built using the Excel [Success Measures Template](#). This time the example comes from a health care agency:

Success Measures (\$ in thousands)	2011-12	2012-13	2013-14	2014-15
Profit & Loss Contributed Revenue \$	5,057	5,451	5,368	5,675
Non-contributed Revenue \$	279	208	398	381
Total Revenue \$	5,336	5,659	5,765	6,056
Total Expenses \$	5,270	5,642	5,769	5,874
Excess/(Deficit) \$	66	18	(4)	182
Balance Sheet Assets \$	818	851	871	1,322
Liabilities \$	358	374	397	152
Net Assets \$	460	477	473	893
Capital Structure Total Margin \$	0.01	0.00	(0.00)	0.03
Current Ratio #	1.8	2.0	1.9	5.4

Success Measures (\$ in thousands)	2011-12	2012-13	2013-14	2014-15
Working Capital \$	273	357	329	673
Operating Reserves \$	207	170	253	616

A

Lines of Business	2011-12	2012-13	2013-14	2014-15
Addiction Services: % Sobriety \geq 90				60
Clinic Services: Clients #				861
Mental Health: Clients #				600
Prevention Duluth: Clients #				2,315
Prevention Midtown: Clients #				4,800
Resources: Revenues \$				7,620

Note that the above success measures for the first three years of the LOBs are blank. This is because there is usually a paucity of information available when first starting to use the method. In the example below, the Victoria Theatre Association illustrates how its programming group of LOBs works over a longer period:

Success Measures	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Productions #	60	51	56	54	108	172
Performances #	378	330	345	324	468	470
Total Attendance #	311K	302K	311K	297K	462K	351K
By Brands: Broadway #	174K	179K	158K	151K	225K	179K
Community #	92.1K	70.2K	88.8K	90.2K	86.9K	106K
Select #	45.2K	52.6K	64.2K	56.2K	150K	66.5K
Total Income \$	5.58M	5.89M	5.29M	5.41M	11.9M	8.47M
By Brands: Broadway \$	4.82M	5M	4.32M	4.41M	8.7M	6.65M
Community \$	172K	164K	191K	305K	261K	426K
Select \$	592K	734K	777K	698K	2.9M	1.39M

Vision

Strategy isn't just about the future; it's about defining where we are today.⁷⁶ Peter Senge says that a vision statement is a "**shared picture of the future**"⁷⁷ and it can be more important than anything else. After all, as scholar and expert Henry Mintzberg

^A **Total Margin:** "This is the bottom line . . . the one [measure] that tough, no-nonsense managers of all stripes supposedly focus on single-mindedly" (T. A. McLaughlin, 2009, p. 83). Formula = Revenue minus Expenses] divided by Revenue

Current Ratio: "the most widely recognized measure of liquidity . . . the ratio should be at least 1" (T. A. McLaughlin, 2009, p. 75). Formula = Current Assets divided by Current Liabilities

Working Capital: According to Charity Navigator, Working Capital determines "how long a charity could sustain its level of spending using its net available assets, or working capital, as reported on its most recently filed Form 990" ("Glossary," 2010). Formula = Unrestricted plus Temporarily Restricted Net Assets

Operating Reserves: A more conservative view of working capital because you use unrestricted net assets and exclude land, building, and equipment, and temporarily restricted assets (Blackwood & Pollak, 2009, p. 9). Formula = Unrestricted Net Assets minus Land, Building, and Equipment plus Mortgages & Notes

notes, “vision – expressed even in imagery, or metaphorically – may prove a greater incentive to action than a plan that is formally detailed, simply because it may be more attractive and less constraining.”⁷⁸ In sustainable strategy, vision contains two elements: the statement and strategies.

Statement

In sustainable strategy, you will likely remake your vision, but in the meantime, you certainly should include it in your Great Start Report. An example vision from a theatre company is:

A preeminent nationally recognized
Chicago arts organization

Strategies

Like most agencies, you have current strategies already underway. Upon completing your strategic plan, you may choose to continue these strategies, modify them, add additional strategies, or terminate those currently in progress. Here is how an arts agency defined its current strategies underway:

	Better Space for Staff	Insightful Productions	Sustainable Growth
Outcome	Boost morale by creating a better workplace for staff	Increase knowledge through deep cultural experiences for Chicago theatregoers	Strengthen all facets of the organization to benefit all stakeholders

As you move forward through the process, keep in mind that there is an inclination to overcomplicate things. Think about your sustainable strategic plan as a house that you’re moving into – you’ll make it your own over time. As Albert Einstein says, “Everything should be made as simple as possible, but not simpler.”⁷⁹

Once you complete the Great Start Report, your organization can firmly establish where it is *today* by identifying its purpose, values, mission, current vision, and existing strategies to prepare you for thinking about *tomorrow* in the next report.

BAM

One of the most useful tools for generating ideas during the sustainable strategy process is BAM, which stands for brainstorming, affinity grouping, and multi-voting rating. It begins with brainstorming, which is a technique used to generate as many ideas as possible. There are five official steps to structuring this first step:

1. The central brainstorming question is stated, agreed on, and written down for everyone to see.
2. Each team member, in turn gives an idea. No idea is criticized. Ever!

3. As ideas are generated, write each one in large, visible letters on a flipchart or other writing surface [like Post-it® notes].
4. Ideas are generated in turn until each person passes, indicating that the ideas (or members) are exhausted.
5. Review the written list of ideas for clarity and to discard any duplicates.⁸⁰

The wonderful thing about BAM is that it allows everyone to have a voice in the process, but no one can dominate it. The quiet members who never speak up finally have a chance to offer input because you directly ask them to do so; the overbearing members finally get a chance to listen—albeit, this is not necessarily of their choosing. To be sure, facilitating a brainstorming session takes practice, but most executive directors can become quite good at leading these sessions rather quickly. That said, bringing in a facilitator, or training someone in house to handle the process, can be helpful so that the executive director and senior staff can participate actively.

Here, for example, is a short list of 20 ideas from a question about board member duties answered by seven people:

advocate, ask questions, attend, attend events, be active, be ambassadors, be educated, contacts and resources, dedicated, do the work of the board, get money, give money, good representatives, make good decisions, participate, prepare, promote, provide tech expertise, recruit others, sit on subcommittees

When I do brainstorming, I like to go around the table at least twice and stop when the ideas get saturated. This usually occurs when members become exhausted and you start hearing lots of synonyms for things already up on the board, literal repeats, and passes. Keep in mind that for a group of 15 people, you might end up with 40-50 ideas—a full board of ideas.

With this many ideas, you need some way to manage them. A technique called **affinity grouping arranges the answers into common themes** that become the final board member duties. Here are the steps:

1. Phrase the issue under discussion in a full sentence.
2. Brainstorm at least 20 ideas or issues.
3. Without talking, sort ideas simultaneously into 5-10 related groupings.
4. For each grouping, create a summary or header cards using consensus.⁸¹

When using this technique, invite the participants to help sort the ideas, while the facilitator remains in control. This is a game of horseshoes where getting close is good enough, but being too far away is bad. In other words, you don't want to end up having just one or two groupings when 10 are actually present. You can build an affinity diagram quickly, but you want to practice this before going before a group. You have to be able to see the trees for the forest and that takes some practice.

Looking at the small group of ideas from above, start with one that seems like a root idea. Using advocate as an example, there are three other ideas that belong: be ambassadors, promote, and good representatives. The table below shows the results:

Ideas	Results
contacts and resources, get money	Raise money
recruit others, sit on subcommittees, do the work of the board	Do the board's work
be ambassadors, promote, good representatives, advocate	Champion the organization
prepare, be educated, dedicated, ask questions, make good decisions, attend, provide tech expertise, be active, participate, give money, attend events	Make good decisions

The final step in the BAM process is **multi-voting to prioritize or rate the final ideas**. The easiest tool is weighted multi-voting that I like to call "Take it to Vegas," where a blue dot equals \$3, a red dot equals \$2, and a green dot equals \$1. Each person gets one dot of each color to distribute on any grouping of ideas. They can put all their dots on one grouping or spread the dots around. Adding up the money yields a strong sense of priority as shown in the following table:

Ideas	Results
prepare, be educated, dedicated, ask questions, make good decisions, attend, provide tech expertise, be active, participate, give money, attend events	Make good decisions (21)
contacts and resources, get money	Raise money (13)
be ambassadors, promote, good representatives, advocate	Champion the organization (8)
recruit others, sit on sub committees, do the work of the board	Do the board's work (0)

In the case of the last grouping that earned no points, you'd have a choice of whether to keep it in the mix. Remember that prioritization does not necessarily require discarding groupings; it's simply a method for establishing importance. **Indeed, perhaps less important than what is at the top of the list is what ends up at the bottom.** Multi-voting is a good way to winnow out the things that you're not going to pursue further.

A word of caution: not every BAM process requires the multi-voting step. Sometimes the consensus of the group is so strong, it is not necessary. This is also true when time is at a premium or when prioritization is not necessary.

The supplies you'll need for a BAM process include four lightweight aluminum telescoping display easels, four packages (three boards per package) of 30" x 40" foam boards, magic markers, a roll of clear packing tape, and 10 packages of 5" x 8" Post-it®

notes. You should also get black magic markers and sticky dots in blue, red, and green colors.

Assemble the foam boards into six bigger 60" x 80" boards by taping the adjoining seams on both sides. Leave two boards blank and load the four other boards with Post-it® notes in vertical columns, seven notes to a column with seven columns to a board. Put the two blank boards abutting each other spanned across the four easels. Place the four loaded boards, one behind the other, in the middle of the two blank boards (leaving one-half of each blank board on each end).

Arrange the participants around a table set up in an open U shape with an equal number of comfortable chairs on the three exterior sides. Put the easels at the head of the open U. You're now ready to go!

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ENDNOTES

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- ² (Jeanne Peters & Wolfred, 2001, p. 21)
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- ⁴ (Jeanne Peters & Wolfred, 2001, p. 14)
- ⁵ (Jeanne Peters & Wolfred, 2001, p. 20)
- ⁶ (P. Light, 2002a, pp. 9-10)
- ⁷ (P. Light, 2002a, p. 10)
- ⁸ (Brenner, 2008, p. 8)
- ⁹ (Jeanne Peters & Wolfred, 2001)
- ¹⁰ ("How the economy looks to you," 2008)
- ¹¹ (Handy, 1998, p. xix)
- ¹² (Pink, 2009, p. 204)
- ¹³ (Harter, 2002, p. 382)
- ¹⁴ (Luthans & Avolio, 2003, p. 242 italics removed)
- ¹⁵ (Avolio, Gardner, Walumbwa, Luthans, & May, 2004, p. 802)
- ¹⁶ (Luthans & Avolio, 2003, pp. 248-249)
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- 19 (Kouzes & Posner, 2002, p. 14)
- 20 (J. C. Collins & Porras, 1994, p. 73)
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- 25 (Larson & LaFasto, 1989, p. 27)
- 26 (Bart, 1997, p. 9, bolding added)
- 27 (Phills, 2004, p. 52)
- 28 (Rangan, 2004, pp. 112, 114)
- 29 (David & David, 2003, p. 11, bolding added)
- 30 (Pearce II, 1982, p. 15)
- 31 (Allison & Kaye, 1997, p. 57)
- 32 (J. C. Collins & Porras, 1994)
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- 34 (Baetz & Bart, 1996; Bart & Baetz, 1998; Bartkus, Glassman, & McAfee, 2006; Pearce II, 1982; Pearce II & David, 1987)
- 35 (Quoted in Blanchard & Bowles, 1993, pp. ix-x)
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- 48 (Hitt et al., 2009, p. 81)
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- 50 (Hitt et al., 2013, p. 85)
- 51 Thanks to Dottie Bris-Bois for sharing this example.
- 52 Thanks to Dottie Bris-Bois for sharing this example.
- 53 (Pink, 2009, pp. 154-155)
- 54 (Carver & Carver, 1997, p. 144)
- 55 (Finney, 2008)
- 56 (Drucker, 1999, p. 20)
- 57 (Porter, 1998b, p. xxviii capitalization removed)
- 58 (Porter, 1998b)
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- 62 (Porter, 1998b, p. xxviii capitalization removed)
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⁷⁵ (Froelich, Knoepfle, & Pollak, 2000, p. 251)

⁷⁶ (Light, 2017)

⁷⁷ (Senge, 1990, pp. 9, bolding added)

⁷⁸ (Mintzberg, 1994b, p. 293)

⁷⁹ (Frank, 2001, p. 791)

⁸⁰ (Brassard & Ritter, 1994, p. 20)

⁸¹ (Brassard & Ritter, 1994, pp. 12-14)