Three Steps to Follow When Strengthening Your Organization

By: Steve Zimmerman, Spectrum Nonprofit Services

Buffeted by a stream of external forces like the pandemic, worker shortages, and inflation the past three and a half years, nonprofit leaders have faced a constant need to consider changing aspects of their organizations to remain effective and sustainable – how they deliver programs, how they deal with increased costs, how they meet constituent needs, how they fundraise, and many others.

Steve Zimmerman, Principal of Spectrum Nonprofit Services

And we're not done yet. We all can see forces on the horizon that will require more changes to strengthen nonprofit organizations to ensure they can sustainably deliver on their missions.

Changing how an organization delivers programs or raises money takes time and is hard. Even in the for-profit sector, 70% of organizational change initiatives fail, according to management expert John Kotter. However, there are three key steps leaders can take to increase the likelihood of success.

1. Build needed support among key influencers

An Executive Director of a youth organization recently shared how youth habits have changed since the pandemic. Her team had a great idea of how to adjust the organization's programming to accommodate these changes. With great excitement, she presented a strategy at a board meeting that would increase accessibility and impact by bringing programming more into the community – only to be met by resistance from some long-time board members who didn't see the need for changing "from how we've always done it." The vocal board members, while small in number, convinced others to put off making any decisions, leaving the leadership team disheartened and the number of youth served by the organization diminished.

It would be great if everyone involved with the organization agreed with the change that should happen. It is also unlikely. It is hard to introduce new ideas at large meetings, such as board meetings, where a single voice can derail the conversation.

Leaders, however, don't need everyone convinced at the beginning for change to happen. In a recent article in the *Harvard Business Review*, author Greg Satell cites a University of Pennsylvania research study suggesting that "the tipping point for change is getting 25% of people in an organization on board. So, rather than trying to convince the skeptics from the outset, a much more effective strategy is to identify people who are already enthusiastic about the idea."

Start by identifying the influencers among the board and staff who might be open to new ideas, and then have detailed one-on-one conversations with them. These conversations should focus on communicating the challenge the organization faces to create a sense of need and urgency.

> At the Florentine Opera in Milwaukee, Wisconsin, CEO Maggey Oplinger utilizes these conversations to engage emerging talent to not only get fresh new ideas, but also to develop future leaders of the organization."

Once there is an understanding, bring together a task force made up of board and staff as appropriate to seek input and work to co-create a meaningful, impactful, and sustainable vision for the future. At the Florentine Opera in Milwaukee, Wisconsin, CEO Maggey Oplinger utilizes these conversations to engage emerging talent to not only get fresh new ideas, but also to develop future leaders of the organization.

As the work progresses, use the excitement of the task force to bring others along by asking them to share with their peers both the need for change and potential solutions. People need to hear things multiple times. Inviting the whole task force to speak allows people to hear about it in more than one way and from more than one voice, hopefully leading to them embrace the desired change.

2. Support people AND the journey

Change happens when people are motivated for it to happen. Too much change, however, can be exhausting. 65% of respondents to a corporate survey by PwC said they had "change fatigue"– and that survey was done in 2014, well before the pandemic caused monumental cultural shifts.

Events like nonprofit employees leaving or funders not renewing gifts force nonprofit leaders to think about how their organization must change. As they explore options, they must also recognize the personal attachment many may have to how the organization currently operates. Whether it is a change in personnel or a shift in the budget, there are often serious implications for members of the organization. These implications shouldn't become a barrier, but they shouldn't be dismissed. Listening to, understanding, engaging, and supporting the people who may be affected – board members, employees, volunteers, and constituents – is essential for change efforts to be successful.

This support for the change can be accomplished by setting up group conversations. Creating safe spaces for people to express their concerns about perceived barriers, and then collectively brainstorming solutions to overcome them, allows people time to process and identify improvements. Success requires leaders to listen authentically; you don't have to cede all decision-making, but you do need to respect that stakeholders have information and perspectives you may not have. "Lunch and Discuss" sessions with board and staff are an excellent way to have small group discussions.

Setting and communicating a clear timeline for change also lets people understand the journey ahead. Even if the path isn't always clear, acknowledging the uncertainty and creating transparency around the process are important.

During the pandemic, a mental health organization I know embraced online therapy – a concept that just six months earlier had been rejected by therapists. What was different? Not only was the need now abundantly clear to the therapists, but the Clinical Director made sure they received proper technological support, addressed their concerns about confidentiality, and even set up support groups for therapists to discuss how they were coping with the change. By the need being clear and employees being supported, the transition has continued post-pandemic and is seen as a great way to increase their reach and impact.

3. Celebrate small wins – even if the win is learning

We often think of the path to success as a straight line: we identify the change needed and the action steps to create it, and all that is left to do is implement. Big changes like adding a new program or changing your funding mix can have many twists and turns and take years to complete. Without marking progress along the way, people will lose motivation.

Break the vision down into phases and understand the first steps necessary to proceed. The annual budgeting process provides a natural space to integrate new initiatives into the operations of an organization. Think about what can be accomplished in the next year and build it into the budget and, ultimately, into operating plans. In doing so, change initiatives shouldn't be seen as an "extra" but rather a new way of conducting an organization's work.

Celebrating progress is important to gain momentum and allows a leader to "sell success" incrementally.

Not every step will be a success. Successful change requires allowing failure to happen and learning from experience. Set up a regular time (perhaps quarterly) for the team to debrief, collectively learn, and understand either what assumptions were wrong or where execution unraveled. Angie Moellering, CEO of Lutheran Social Services of Indiana, incorporates this approach into their "Balanced Scorecard," which summarizes organizational performance, and discusses it with her leadership team at least quarterly. These discussions are essential for course corrections refining the strategy moving forward, resetting timelines if needed, and identifying opportunities that might have otherwise been missed.

Additionally, this collective learning creates a strong team that is continually learning and will improve the chances of long-term success.

Leadership for change

As the world changes around us, nonprofit organizations need to adapt as well. Change can be hard for people who are deeply involved with organizations, care about them, and depend on their services.

Change demands leadership. Leaders must bring people together and celebrate the past while recognizing that what worked before might not work in the future. By leaders building support among key influencers, supporting people and the journey and celebrating small wins (even if the win is learning what won't work), organizations will be able to embrace our changing world and move forward to meet their mission when it is needed most.

Steve Zimmerman is the Principal of Spectrum Nonprofit Services where he provides training and consulting focused on the areas of strategy and finance for nonprofit organizations throughout the country. He is the co-author of two books, *The Sustainability Mindset* and *Nonprofit Sustainability,* and has also contributed to *Nonprofit Management 101*. Steve's writing has appeared in *Harvard Business Review, The Nonprofit Quarterly,* and various BoardSource publications and he is a frequent keynote speaker at nonprofit conferences. He is a member of the LEAP Ambassador Community and a Certified Public Accountant. Learn more at www.spectrumnonprofit.com.