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Achieving Ongoing Effectiveness + Resilience in Nonprofit Enterprises

Overview

The social sector has an urgent and essential role in affecting civil discourse and advancing the common good.

In order to be effective, social sector enterprises—also called nonprofits—must be clear in their missions and strategies, efficient in operating and stewarding funds, and resilient enough to overcome inevitable challenges. They also must provide safe environments for their workforce. All of these outcomes require dedicated skills and attention.

Nature of the Problem

Nonprofits face distinct and complex challenges, even under the best of circumstances. Various conditions can further complicate and entrench those challenges, including:

- Business operations out of synch with program lifecycle, leading to inefficiencies, coverage gaps, and inequities;
- Lack of strategic clarity and inadequate program planning, leading to scope creep, confusion over priorities, competition for resources, and unarticulated goals;
- Cultural norms that don't sustain strategic alignment or best business practices;
- Management deficiencies that lead to loss in accountability, erosion in morale, and deterioration in organizational climate;
- Lack of integrated assessment capabilities, short-circuiting feedback loops, and;
- Inability to effectively carry out punctuated activity like office moves, changes in administrative model, significant organizational initiatives and campaigns, rapid growth or loss in funding, sudden increase or loss in staff, and more.

The trouble with leadership

For a number of reasons, nonprofit business and planning systems may not be sufficiently developed or robust enough to operate under stress. Nonprofit organizational cultures may be more organic than intentional. As such, they are not always conducive to--and are sometimes at odds with--ongoing strategic alignment. This can cripple an organization's evolution, making it hard to maintain program strategy and core functions.

In the lean and pressing nonprofit environment, leadership and talented staff are often too over-committed to drive enterprise-level improvements themselves. Leadership often does not have the time or capacity to "own the problems" and create custom solutions to organizational challenges--or to manage the changes necessary to surmount the problems. Even growth-minded leadership may not always possess the expertise to drive lasting organizational change.

Change and failure

Business transformation consultant [Carolyn Reid](#) writes, "change is the new constant in the organization." Yet, an oft-cited trope claims [70%](#) of all change efforts fail. Business magazine [Fast Company](#) writes, "When looking at WHY change efforts fail, it's because we do not approach the change from (a) holistic organic view of the organization." And in Harvard Business Review, [Nohria and Beer](#) writes:

> ...the reason for most of those failures is that in their rush to change their organizations, managers end up immersing themselves in an alphabet soup of initiatives. They lose focus and become mesmerized by all the advice available... about why companies should change, what they should try to accomplish, and how they should do it. This proliferation of recommendations often leads to muddle when change is attempted.

The implementation gap

When it comes to operationalizing organizational improvement ideas, some nonprofits suffer from a pernicious [implementation gap](#)--the lag or chasm between creating a policy and putting it in play.

Once an idea is born, it might be developed and promoted and considered and examined and approved, and then neglected to the point of oblivion. The good idea never gets implemented, so the desired improvement never happens. Resources have been spent that would have been better spent elsewhere. And perhaps worst of all, staff has become inured to and cynical about change, which can have a chilling effect on innovation.

It is critical for a change leader to not only provide achievable ideas, but to also support them through to fruition. [Jenny Abamu](#) writes that, "The right recommendation that can't be implemented properly is the wrong recommendation."

Utilizing Strategic Consultants

In order to resolve organizational challenges and bring about change, author and professor [Peter Digiammarino](#) writes that, "New competence (is) provided by a source outside the organization." With this in mind, a common contemporary fix is to engage a management or strategy consultant. Not only is the practice ubiquitous in the marketplace, but organization development (OD) scholarship refers to "the consultant" when referring to the agent of change.

The short-term consultant model, however, while essential and irreplaceable for projects throughout the organization, does not suffice to enable and acculturate enterprise-level change.

Consultants are not usually in a position to institutionalize systems or foster a culture to sustain strategic alignment. Innovator Steve Jobs believed that, "Since they typically swoop in to offer advice and recommendations on a project, but don't stick around to see the success or failure of their ideas, (consultants are) only seeing a part of the process." Indeed, in her article Million-Dollar Advice, Jenny Abamu suggests clients desire some more "skin in the game" from their consultants.

While contemporary business management models may assume short-term consultants are the predominant drivers of organizational change, our theory of change challenges and expands upon

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that assumption. In an article about corporate management theory, The Economist writes that, "Management theory is ripe for a Reformation of its own." The same holds true for social sector organization development.

Theory of Change

In order for the social sector to thrive and effectuate its mission, the enterprises that comprise it must sustainably deliver mission results while also managing inherent change; they must have capacity to innovate, recover, adapt, and scale.

Impact and resilience require synergy between the four main components of organizational infrastructure:

- Program design - Strategy, goals, timeline and tactics to deliver on the mission
- Business systems - Administrative and core functions that support and enable program design and delivery
- Culture - Shared history, beliefs, values, and practices
- Management + Leadership - The ways individuals show up to make their contribution to keep the organization thriving toward its mission
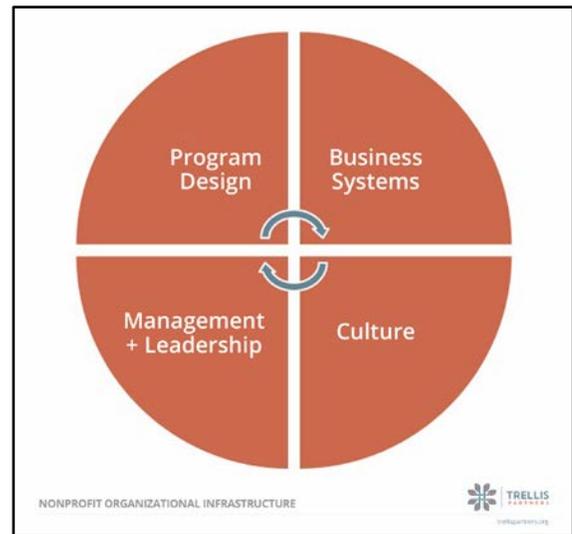
In order to align all four components, a nonprofit enterprise needs intentional intervention and direction. Improving and aligning organizational systems and bringing intentionality to organizational norms and behaviors requires dedicated leadership to drive and direct change toward those goals.

Whether an internal asset or an outside expert, the change leader leads and manages a campaign of organizational change until effective systems, planning, leadership, and cultural patterns are created and institutionalized.

Creating context for results

The change leader must leverage activity throughout everyday operations and program delivery to promote learning and continuous improvement. To maximize learning, s/he must derive as many lessons as possible from inevitable failures. At the base of sustainable change is learning.

Training expert Tala Nabong writes, "An organization with a learning culture encourages continuous learning and believes that systems influence each other." Bersin and Associates have found that, "The single biggest driver of business impact is the strength of an organization's learning culture."

And because change is hard, the change leader must remain compassionate with the complex emotional responses of stakeholders. S/he must inspire and drive progress while also leading through plateaus and discouragement. Given the peaks and valleys of change lifecycles, the change leader must be as personally invested in the success of the evolution as other community members.

A focused timeline

The change leader should work at every level within the organization, foster learning, and support emotional responses. Not only should this punctuated period of intervention be intentional, but also of limited duration. Niels Pflaeging writes, "Profound (organizational) transformation never takes more than 2 years—independent if it's about an organization with 20 people or 200,000."

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A commitment limited to two years is not an uncommon model in a variety of environments—it's long enough to make a difference and short enough to keep innovation important.

A term of two years or less motivates action toward impact, in large part because stakeholders can begin to see results in a short time. A commitment that stays under two years also helps obviate change fatigue, as stakeholders remain aware of the purpose of the change campaign.

And perhaps everyone is familiar with Parkinson's Law, which states "work expands so as to fill the time available for its completion." When significant or punctuated change needs to take place, a limited term provides the boundedness to keep it from being perpetual. A term commitment forces intentionality in an otherwise habituated culture.

Systems thinking

Organizational challenges and areas for improvement are found throughout the whole organization, so the change leader must work at every level of the enterprise. According to transformation designer and speaker Niels Pflaeging, "The problem is in the system—almost always."

Author [Marvin Weisbord](#) writes, "When people meet across levels... (and treat) problems as systemic rather than discrete... lockups are resolved. Relationships improve, walls come down, problems are solved, norms change."

The change leader must provide leadership at the systems level, exploring linkages between the many parts of a social enterprise. One of the most intuitive and economical ways Trellis Partners professionals drive sustainable change is with a focus on improving business systems.

We improve and integrate organizational operations at every point in the value chain. We've found that when the system works, culture follows. In Harvard Business Review, [Jay Lorsch and Emily McTague](#) write, "...cultural change is what you get after you've put new processes or structures in place to tackle tough business challenges..."

Proficient systems and operations enable the higher-order work in management, strategic alignment, planning, and assessment, all of which are imperative in scaling. An organization can't, for example, sustain effective management and decision-making if business and financial systems aren't working. An organization dare not jump into strategic planning if its management and decision-making are not well functioning. And there can be no effective evaluation or adjustment without strategic clarity.

Like Maslow's Hierarchy of Needs for individual development, an organization must have its basic

MASLOW FOR SOCIAL ENTERPRISES

needs met in order to achieve higher-order functions and organizational resiliency.

Trellis Partners' Approach

We appreciate that some nonprofit organizations may need only a light touch to develop internal capacity to lead their own change toward organizational effectiveness. We excel at supporting those efforts with assessments, workshops, and advisory services.

But with more than 15 years of proof of concept, Trellis Partners knows embedded executive engagement provides the intensive systems-level leadership and accountability required for sustainable organizational change.

Trellis Partners presents a new model of leading change toward organizational impact and resilience: The **term executive**. For a period of up to two years, the term executive is engaged as a regular employee and is dedicated to directing the co-creation of conditions that can sustain organizational effectiveness.

Four main principles

Four main principles undergird the distinct approach of the Trellis Partners' term executive model:

1. **Embedded leadership** – The practitioner must be fully embedded so as to develop internal relationships--learning the emotional culture and experiencing the evolution along with colleagues and reports. The term executive coaches and fosters cultural intentionality by fully engaging and experiencing how people behave, respond, interact, how decisions are made, how ideas are shared, etc. S/he works to build and maintain trust. Because a term executive is invested in the intervention, s/he feels the effects of the change process alongside staff and other stakeholders.

S/he also must be empowered as an executive so as to make the necessary assertions when influence is not enough. In describing the work of the change-agent COO, Nathan Bennet and Stephen A Miles write, "the magnitude of the challenge demands that the change-agent... have a degree of unquestioned authority."

2**. Inside-outsider perspective** – Expertise from outside the enterprise not only delivers the competencies that may not already exist within the workforce, but is also removed enough to be, as New York Times columnist David Brooks writes, "free from its central seductions, but also free to hear its core message in very new and creative ways." Brooks goes on to share, "A person at the edge of inside can be the strongest reformer. This person has the loyalty of a faithful insider, but the judgment of the critical outsider."

3. **Time-bound intervention** – The term nature of the model strikes the balance that otherwise is not provided in the marketplace--a long enough engagement to foster new habits, yet finite enough so significant change is not perpetual.

Cady, Devane, and Homan write, "Humans require a certain processing time with addressing ambitious issues... Don't risk the opportunity for breakthrough by scrimping on time." Another argument for dedicating sufficient time to a change campaign is that, to sustain new habits requires practice, and practice requires time. Rick Maurer writes, "Many managers confuse knowledge with skill. They teach people change management concepts, but don't give them time to practice their skills." Indeed, in her article about the role of habits in making last change, Shellie Karabell writes,"Creating change...depends more on uncovering and changing habits than we have known. Old habits can endure longer than the motivation to try something new, even for the most dedicated of employees."

Rapid change may not always be sustainable, and it is often not feasible. There is no magic wand that can quickly evolve a culture or develop leadership so they work in concert to support an organization's strategies and systems.

The time-bound nature of the Trellis model also focuses energy and resources toward the change effort. By binding the growth or change campaign within a two-year timeline, the Trellis model doesn't assume intensive cultural change will go on indefinitely.

The Trellis model is designed to develop self-sufficiency and achieve sustainable equilibrium and organizational resilience that lasts beyond the term. The organization engages resources, including attention, to a concerted change effort that develops and acculturates its own resilient systems. Trellis term executives lead, as Peter Giammarino writes, an "intentional, systematic, and sustained effort to evolve an organization in a specific way to perform better in the future."

4. **Work with what works** – Trellis Partners' term executives use an appreciative approach that seeks to strengthen what already works within an enterprise and enable more of it. Niels Pflaeging writes, "Removing obstacles in the system to promote profound change is clearly easier than introducing entirely new features... within a system."

Even a struggling organization isn't 100% entropy, and term executives find and leverage the things that work in leading staff to co-create the conditions they want and need for ongoing success. In their classic article on Appreciative Inquiry, Cooperrider and Srivastva write, "we largely create the world we later discover."

The "un-consultants"

Term executives are not short-term, part-time consultants. We embed expert practitioners as full-time, regular employees on the executive teams of social enterprises for a term of six months to two years to drive change campaigns in pursuit of ongoing organizational effectiveness. We work ourselves out of a job. We leave organizations stronger than when we joined them.

From the first day of engagement, the Trellis term executive looks at the framework of organizational systems; identifies short, medium, and long-term organizational growth objectives; and readies staff and stakeholders for a campaign of organizational change.

In large part, by leveraging day-to-day opportunities for improvement, the term executive leads organizational transformation while also capably managing business operations. The term executive also creates a context to maximize the results and effectiveness of consultant(s) engaged to provide essential expertise and meet various organizational needs.

Strong deliverables

Over the course of six months to two years, the Trellis term executive creates conditions to increase an enterprise's capacity to manage change, improve systems, and enable learning. After the Trellis term executive's tenure, an organization will have tools and capabilities--and norms and processes that sustain them--to operate and deliver on its mission more efficiently for a generation or two before turning with intentionality to a new set of challenges.

The Trellis Partners' term executive aims to leave a term engagement stronger than when s/he started, and s/he works throughout the term so staff and stakeholders will see evidence of that resilience within about two years. As the intervention evolves, the term executive begins to ready organizational staff and systems for new levels of independent practice and increased self-reliance.

By the end of a term executive's engagement, staff and stakeholders will be equipped with:

- Sufficient and scalable facility, supplies, and equipment
- Efficient and resilient business and core function systems
- Effective organizational management skills and resources
- Improved decision-making and planning
- Clarified and aligned roles and responsibilities
- Demonstrable mission and strategic clarity and alignment
- Increased capacity for assessing program impact
- Enabled culture of learning to sustain and continue growth

What's more, the term executive plans for succession so the staffing structure includes the talent to succeed her or him and capably manage programs and business operations.

Assessments, Workshops + Advisory Services

For organizations with the skills, enthusiasm, and capacity to provide change leadership from within their workforce, Trellis Partners offers lighter-touch services to help teams understand their infrastructure and enable them to manage the change necessary to strengthen it.

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Our assessments identify challenges and their root causes, estimating scope and scale of resolution. We develop means-appropriate recommendations and spell out implementation steps.

Additionally, we develop custom, interactive workshops to deepen understanding and capacity across teams and the components of an organization's infrastructure: program design, business systems, culture, and management and leadership.

Closure

Once a social enterprise has well-functioning infrastructure, effective management, and a culture of learning, it is better equipped to surmount and grow from the changes and challenges that will continue to come its way, thereby increasing its impact. But a dedicated and sustained, yet finite, intervention often is necessary to develop that infrastructure to the point where it can be resilient.

Trellis Partners' advisors and term executives do all this while fostering candor and compassion. They take seriously their role as intervener, leader, manager, and mentor in organizations that may be sensitive from instability and/or struggling with costs and implications of change.

Trellis Partners develops a capable workforce to lead organizational change toward ongoing effectiveness. And with the innovative term executive model, we embed executive expertise right into your workforce to deliver on growth and transformation goals.

Appendix: Term Executive Methodological Framework

	Refine + Improve Business Systems	Strengthen Program Design/Planning	Enable Leadership + Management	Foster Intentional Culture
Embedded Leadership	Embedded leader takes responsibility for effective, functional organizational systems (i.e. owning the problems); experiences business system functionality first-hand; enables stakeholder involvement in co-creating and managing business systems.	Embedded leader facilitates that whole system works on strengthening planning--enabling and maximizing impact and readiness throughout the organization.	Embedded leader provides constancy/stability while challenging leaders through a period of intensive learning and change; works toward trust with stakeholders.	Embedded leader sustains activity toward intentional culture while new norms are acculturated; assures that all stakeholders are accountable and responsible to one another for developing the organizational culture they intend and desire.
Inside-outsider Perspective	Outsider with experience developing and acculturating organizational systems helps identify what is missing, critical, and needed.	Outsider sees programs with fresh eyes and leverages best practices to improve an organization's internal planning activities.	Outsider sees management with fresh eyes and leverages best practices to enrich an organization's internal management; brings objectivity to leverage cognitive diversity.	Outsider illuminates how culture (norms, values, behaviors) impacts organizational systems and strategy; challenges unhelpful norms and behaviors.
Time-bound	Time-bound commitment motivates improving business systems within 6-9 months to undergird ongoing growth and change; provides push for innovation.	Time-bound commitment immediately introduces and enables a results orientation (i.e. What are we seeking to achieve?) to heighten strategic clarity and alignment; facilitates the development of program planning tools.	Time-bound commitment provides intensive leadership push to develop and coordinate change and effectiveness initiatives; enables leaders to sustain and habituate best practices even beyond the term.	Time-bound commitment acts upon the urgency and importance of aligning culture, systems, and strategy. Limited time allows for development of custom, systems-level solutions, yet doesn't assume intensive culture change will be perpetual.
Work with What Works	Appreciative approach identifies current business functionality and develops it before reinventing new ways of doing things; factors for team desire paths in processes.	Appreciative inquiry identifies current program planning approaches and uses them as basis for ongoing improvements.	Appreciative approach strengthens and clarifies effective leadership structures, promotes engagement by drawing upon community members' strengths and fostering leadership at all levels; garners trust of all stakeholders with authentic encouragement.	Cultural change requires patience, empathy, and appreciation of organizational history.