

How to Use
Good to Great
for the Social
Sector to Make
Your Nonprofit
Great

WORKBOOK

Now that you have read *Good to Great and the Social Sectors*, it is time to act. Let's make your organization great.

Goal

The goal of this workbook is to take you through the sections of *Good to Great and the Social Sectors*, break up the ideas, and give you a place to actually brainstorm how your organization will implement the lessons.

Reading the book is fine, but if you want your organization to be great, you'll have to act on the lessons Jim Collins teaches.

So, let's get to it!

Good to Great and the Social Sectors

Sections:

- I. Defining "Great" — Calibrating Success without Business Motives
- II. Level 5 Leadership — Getting Things Done within a Diffuse Power Structure
- III. First Who — Getting the Right People on the Bus within Social Sector Constraints
- IV. The Hedgehog Concept — Rethinking the Economic Engine without a Profit Motive
- V. Turning the Flywheel — Building Momentum by Building the Brand

Section 1

Defining “Great”—Calibrating Success without Business Motives

In the nonprofit sector we need to measure our success by the outputs, the things we are supplying to beneficiaries or giving to society.

NOT MONEY. Money is NOT an output in the nonprofit sector.

“The confusion between inputs and outputs stems from one of the primary differences between business and the social sectors. In business, money is both an input (a rescue for achieving greatness) *and* an output (a measure of greatness). In the social sectors, money is *only* an input, and not a measure of greatness” (5).

“For a social sector organization, however, performance must be assessed relative to mission, not financial terms” (5).

In other words, your organization is looking at...

HOW EFFECTIVE ARE WE...

at accomplishing our mission?

at addressing the needs of beneficiaries?

“Hold yourself accountable for progress in outputs”

Now it's your turn.

Step 1: Goals

What are your organization's **output goals**?

What difference do you really want to make?

What results do you want to see in your organization?

Here are a few examples:

- more schools built
- lives changed
- more women out of the sex trade
- more kids adopted into good homes
- happier beneficiaries
- kids lives changed by education

And remember, "...endowment, revenues and cost structure [are] input variables, not the output variables of greatness" (7).

Your output goals are not to have more donors, grow your budget, or bulk up an endowment fund. Your output goals are the impact that you want to make.

Step 2: Deciding How to Measure Your Goals

Now that you have output goals, how will you measure them to track your progress?

For example, let's say we are an organization building schools around the world. We decided that your real output goal is to change the lives of more children through education.

- Here are some ways we could measure, or track, our progress:
- more schools built
 - better attendance at schools already built
 - more graduates
 - happier children than when they didn't have school
 - offering more educational enrichment opportunities (books, lessons, etc.)

What are some ways that your organization can measure your goals?

Step 4: Collect Data

Over time, you'll **collect data** and set **stepping stone goals**.

For example:

If we want to provide quality instruction to the kids in our schools, we have these stepping stone goals (small goals that will ultimately lead to our output goals from the beginning of this exercise):

This month we will...
hire one more teacher
research best learning and teaching practices
train teachers with the new practices

Then, we will watch the kids to see if they are learning better. Perhaps we will give them a survey or test to see if they are learning better.

The data you collect will be dependent on the goals that you set at the beginning of this exercise, but (once again), "What matters is that you rigorously assemble evidence—quantitative or qualitative—to track your progress" (7).

What are some stepping stone goals that your organization has for the next few months?

What are some ways that you will collect the data?

(Surveys? Observation? Tests? Comparison?)

Step 5: Look for Improvement

Once you start collecting data...

Take some time to look at your baseline and compare it to where you are after working towards your goals for a while.

Are you improving?

Are you still at the baseline?

Are you further from your goal than when you started?

If you're improving, then you know you are on the right trajectory and you need to keep pushing!

If you aren't improving... what can do change to start seeing some results?

In the space below, write what progress you have seen:

Now, in the space below, write what you can change or improve:

Section 2

Level 5 Leadership—Getting Things Done Within a Diffuse Power Structure

Leadership in the nonprofit sector is different from the business sector in that the leadership is typical more diffuse.

This is why, Jim Collins says, it is even more important to be a good leader.

The goal is to be a level 5 leader. One that inspires those around you and works for the cause wholeheartedly.

Below, take some time to write about your own leadership style:

Do you see any places for improvement?

Now, write some goals for improvement:

“True leadership only exists if people follow when they have the freedom not to. If people follow you because they have no choice, then you are not leading” (13).

Section 3

First Who—Getting the Right People on the Bus Within Social Sector Constraints

It is really critical in the social sector to get the right volunteers, board members, employees and interns into your organization.

In other words...

“First get the right people on the bus” (13).

“...it would be more difficult to get the wrong people off the bus, so he focused instead on getting the right people on the bus” (14).

“...start by focusing on the First Who principle—do whatever you can to get the right people on the bus, the wrong people off the bus, and the right people into the right seats” (14).

How can you do this in your organization??

Jim Collins recommends creating “early assessment mechanisms” or key indicators of a volunteer, employee, intern, board member, etc. being great (not just good) in their position.

What are some key indicators or “early assessment mechanisms” that you could use with board members?

Here are some ideas:

1. **Commitment to the mission:** In the board member’s first year, do you see that they are truly committed to the organization and to the mission?
2. **Dedication to fundraising:** Is the board member actively engaged in fundraising? Are they going above and beyond with fundraising?
3. **Participation in Meetings:** Does the board member come to the meetings with things to discuss? Are they actively working in between meetings?

Come up with some early assessment mechanisms for the following groups in your organization.

Also, consider how long you will give each person to show that they are great.

Volunteers

Board Members

Executive Director

Employees

Interns

In the second half of this section, Jim Collins talks about how you actually have to get the wrong people off the bus if they aren't GREAT.

So, let's think of some ways that you can nicely let people go (even volunteers) if they aren't great.

For example,

Maybe volunteers come on board knowing that after 20 hours they'll meet with someone about continuing or not.

Perhaps Interns have a project to do and then they will be evaluated.

Furthermore, maybe board members have 6 months and then they will come before the board to see if they will stay on for a full term.

What are some of your own ideas?

“Lack of resources (pay/compensation) is no excuse for lack of rigor (work ethic/drive)—it makes selectivity all the more vital” (15).

Section 4

The Hedgehog Concept—Rethinking the Economic Engine without a Profit Motive

“The pivot point in *Good to Great* is the Hedgehog concept. The essence of a Hedgehog Concept is to attain piercing clarity about how to produce the best long-term results, and then exercising the relentless discipline to say, “No thank you” to opportunities that fail the hedgehog test. When we examined the Hedgehog Concepts of the good-to-great companies, we found they reflected deep understanding of three intersecting circles: 1) what you are deeply passionate about, 2) what you can be the best in the world at, and 3) what best drives your economic engine” (17). In the case of the social sectors, Jim Collins changed “what best drives your economic engine” to your “revenue engine.” In other words, the Hedgehog Concept is that your organization must pick what you will be best at within your mission and align your revenue streams to match that mission.

“The critical step in the Hedgehog Concept is to determine how best to connect all three circles, so that they reinforce each other. You must be able to answer the question, “How does focusing on what we can do best tie directly to our resource engine, and how does our resource engine directly reinforce what we do best?” And you must be right” (22).

Take some time below to brainstorm your own organization’s Hedgehog Concept:

And remember...

“A great social sector organization must have the discipline to say, “No thank you” to resources that drive it away from the middle of its three circles. Those who have the discipline to attract and channel resources directed solely at their Hedgehog Concept, *and to reject resources that will drive them away from the center of their three circles*, will be of greater service to the world” (23).

In other words, let’s say your organization has the opportunity to apply and receive a grant from the Federal Government. Your Hedgehog Principle is that you are alleviating poverty in women in Uganda. This grant, though, is focused only on addressing the needs of young girls in Uganda who don’t have the opportunity to go to school. It’s a lot of money, but it isn’t the center of your Hedgehog Concept. If you truly want to be great, you will have to pass up this opportunity and wait for the perfect match.

Section 5

Turning the Flywheel—Building Momentum by Building the Brand

This section of the book focuses on building momentum. “by focusing on your Hedgehog Concept, you build results. Those results, in turn, attract resources and commitment, which you use to build a strong organization” (23). Collins acknowledges that in business the momentum is usually build by a connection between a businesses financial success and capital resources. But, he says, “I’d like to suggest that a key link in the social sectors is brand reputation —built upon tangible results and emotional share of heart —so that potential supporters believe not only in your mission, but in your capacity to deliver on that mission” (25).

What is your organization’s current brand reputation?

What do you want to become your brand reputation?

Set at least 5 goals or things to work on to get your organization to its ideal brand reputation:
