



A Powerful New Tool for Change

Out-of-the-box change is possible if you follow these steps.

By Doug Eadie

Continuously tweaking your organization can pay off handsomely. But it won't ensure that your organization thrives and grows over the long haul. That's why I wrote my newest book *Leading Out-of-the-Box Change*. What do I mean by "out-of-the-box" change? In a nutshell, out-of-the-box change:

- **Is driven by your organization's vision** (beyond the boundaries of your mission!) in terms of what it aspires to be and to do over the long run: the range of services and products you envision offering; the mix of clients and customers you envision serving; and the organizational structure you envision creating (Do you see yourself, for example, growing by actively pursuing mergers or acquisitions?)
- **Focuses on innovation** that transcends programmatic and functional boundaries.
- **Is centered on issues** that can't be handled by the usual planning and budgeting processes because of their complexity and the amount of risk involved.

Examples of out-of-the-box change that clients of mine have accom-

plished include the following:

- **A public-transportation agency** built a light rail line to supplement its bus service.
- **A community college** created a high-tech training center in partnership with local corporations.
- **A nursing home** diversified into assisted living as part of its vision to encompass the whole continuum of care.
- **A social-service agency** expanded and restructured its governing board to promote stronger strategic decision making.
- **An international association** merged with a sister association.

None of these initiatives could have been handled through business-as-usual planning and budgeting processes. They don't fit in any of the conventional operational boxes; they're out-of-the-box changes.

Take the Portfolio Approach

I'm happy to report good news on the planning front. In recent years a powerful change-focused planning method has been developed and tested in all sectors—for-profit, public, and nonprofit. I call it the change investment portfolio process.

Your portfolio process will be completely separate from your regular planning and budgeting processes. It will produce out-of-the-box change in the form of concrete projects that I call change initiatives. You can house these change initiatives in your organization's change investment portfolio until you're ready to mainstream them into your operations (or abandon them if they've proved unworkable).

The change initiatives housed in your organization's portfolio are intended to address a small number of issues—think of them as "change challenges"—that your organization is facing. These issues will be in the form of opportunities to grow—in terms of program diversification, revenue generation, or clients—and challenges and threats to your organization's stability and growth.

The most challenging aspect of the portfolio process is selecting issues to address: ones that are so high-stakes and complex that they can't be handled through your usual processes. How do you zero in on the right issues? Follow these four steps:

1. Update your organization's strategic framework—its mission, core values, and vision for the long-range future. Doing so will help you clarify:

- ethical rules to govern subsequent planning and operations
- your desired end state
- programmatic and organizational boundaries that should be crossed only after very serious consideration.

Be sure to involve your board members in this step. Helping to update your organization's strategic framework is a crucial way to help turn your board members into ardent champions for out-of-the-box change.

2. Identify out-of-the-box issues by asking, "Should we take action to do something we're not currently doing?" Seek out ways to translate your vision into reality. Look for challenges that might keep you from achieving your vision.

Arbitrary cycles such as three or five years make no sense.

Do you see yourself growing by actively pursuing mergers?

3. Select issues to address by doing the following:

- Assess the costs of *not* dealing with the issue. These may include such costs as a damaged reputation, a financial penalty, or a missed grant opportunity.
- Estimate the costs of taking action (including time, money, and risk) and your organization's capacity to take action.
- Choose issues that are likely to provide the most favorable benefit/cost ratio.

4. Create change initiatives (projects) to address the issues you've selected. Add these to your change investment portfolio. This step offers the greatest opportunity for involving staff and volunteers who are not members of your board or executive team and turning them into committed owners of the change.

Note that each issue will have its own time frame, which is why arbitrary cycles such as three or five years make no sense. For instance, let's say you're handling four change initiatives: (1) developing and pilot testing a new member service; (2) redesigning your governance struc-

tures; (3) building an international presence; and (4) merging with a sister association. The first initiative may take 18 months, the second 24 months, the third 30 months, and the fourth six months.

The important thing is not to rush into or through anything. Avoid making premature decisions or jumping to conclusions too early in the process. Take the time you need to choose the right issues, create the best projects, and see each one through to fulfillment.

Work in Two Phases

As you design your planning process, think of it as unfolding in two major phases:

- **Phase 1:** Plan a day-long retreat to address steps 1 and 2. Invite your board, CEO, executive team, and other key stakeholders. At the retreat, use a brainstorming approach. At the end of this phase, you should have a preliminary version of your updated strategic framework. You should also have identified a number of strategic issues that your organization might tackle.
- **Phase 2:** Use small teams to address steps 3 and 4. For example, your executive team might work with your board's planning committee to pinpoint the highest priority issues. Staff and volunteer task forces might design projects to tackle those issues.

The Times They Are A-Changing

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- **Adapt to Change to Survive** (Vol. 24, No. 2)
- **Putting Your Vision to Powerful Use in Your Organization** (Vol. 13, No. 4)
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- **Five Golden Rules for Board-Executive Retreats** (Vol. 26, No. 1)
- **Spears Carriers for Change** (Vol. 29, No. 5)

You can then submit these to the board for final approval. ■

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