



Improving the lives of older Americans

Going for the Gold: Applying “Good-to-Great” in Your Agency

Peter Lowet

Former NCOA VP, Strategy and Organizational Transformation

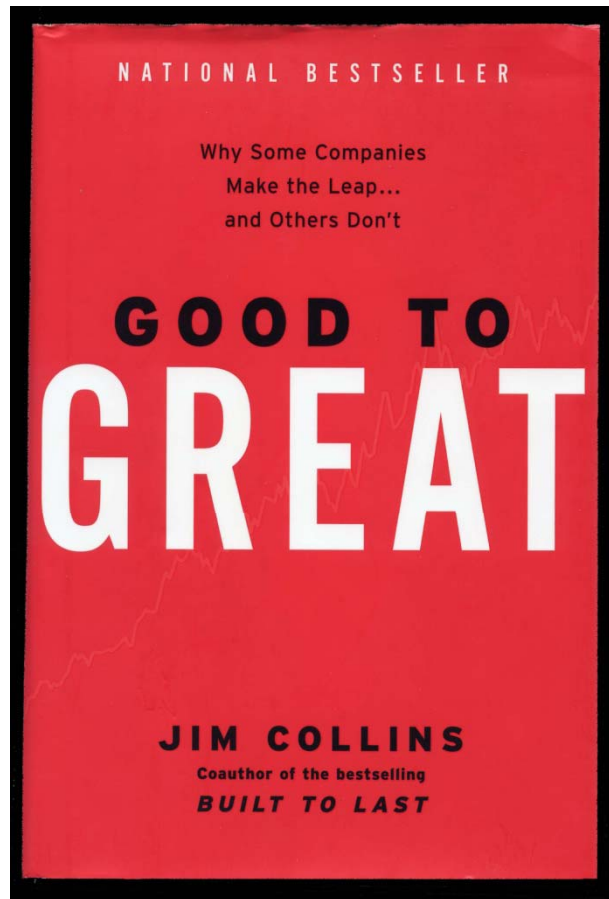
November 18, 2010



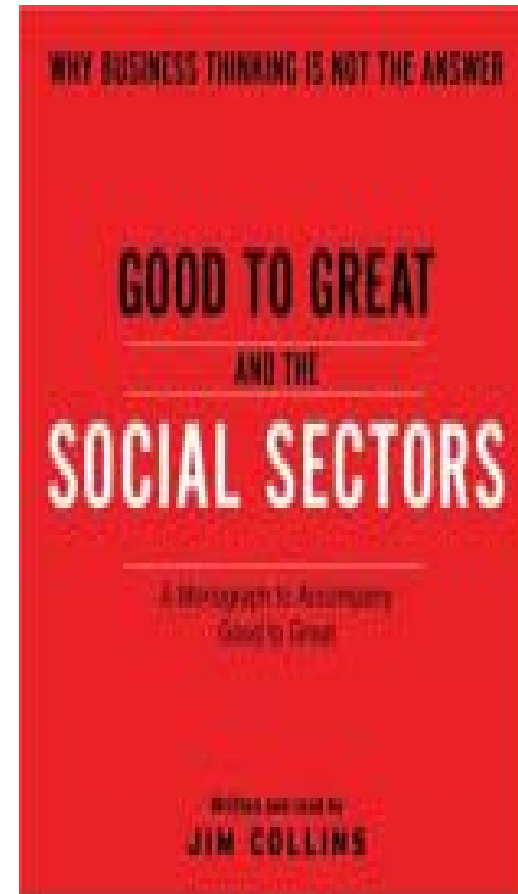
Agenda

- Succinct overview of G2G Principles
- In-depth look at how NCOA re-examined and re-focused itself using G2G
- Practical tips for taking your organization from G2G

Good to Great by Jim Collins



(2001)



(2005)

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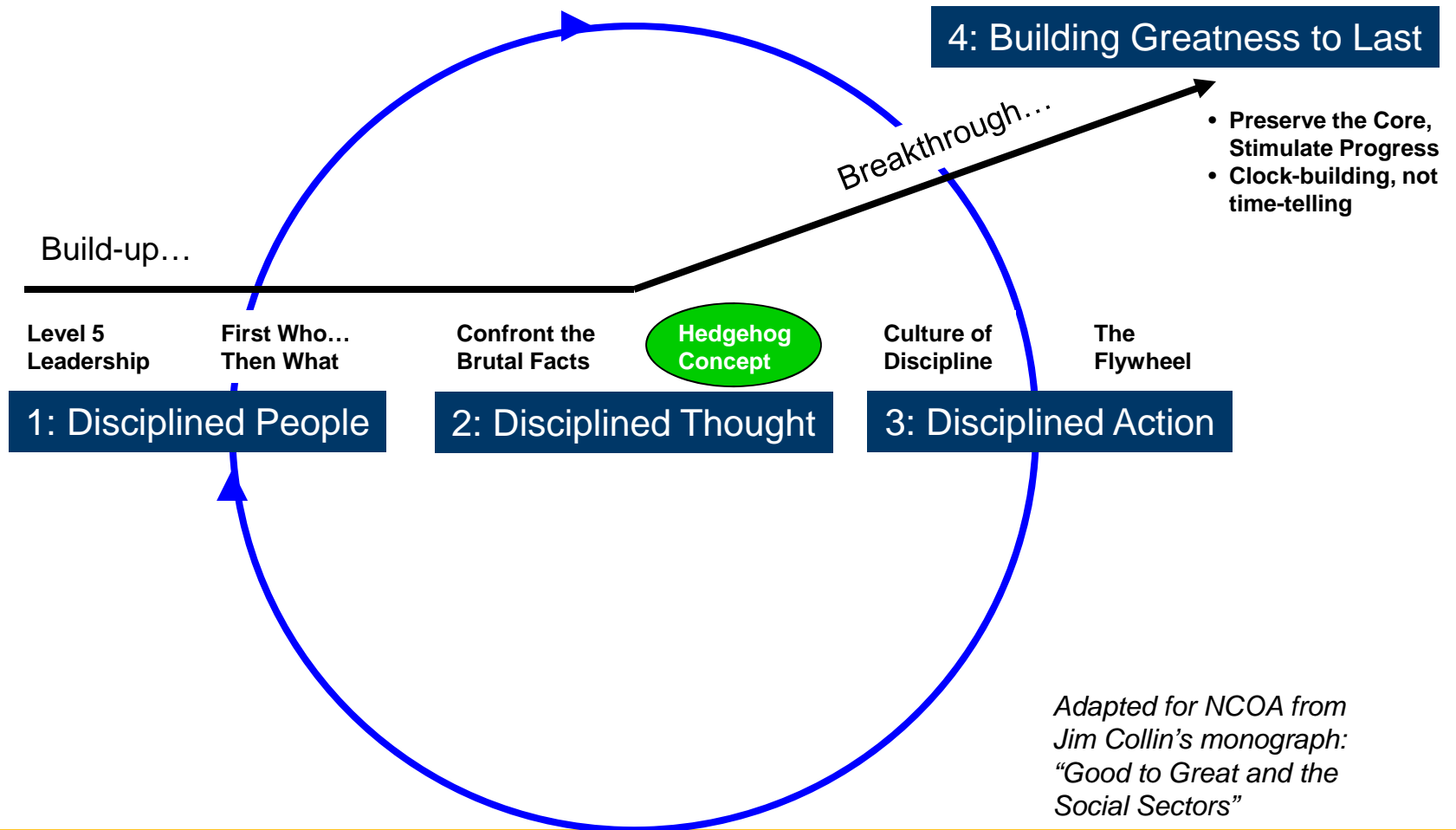
Participant Pulse Poll

How would you describe your objectives for participating today?

- A. My organization has already embraced “Good to Great” and it’ll be interesting to compare experiences
- B. My organization has started (or is committed) to apply G2G, and I’d like implementation tips
- C. I know and am persuaded by its basic principles; however, my organization takes a different approach around strategy
- D. I want to learn more about G2G before determining whether it’s a useful framework for my organization
- E. Who is Jim Collins and why am I here?
- F. N/A

Collins asserts that the disciplined application of the G2G principles leads to creating the outputs that define a great organization.

Four Stages of Transformational Change Process



Adapted for NCOA from Jim Collin's monograph: "Good to Great and the Social Sectors"

Hedgehog Concept – “elegant simplicity”

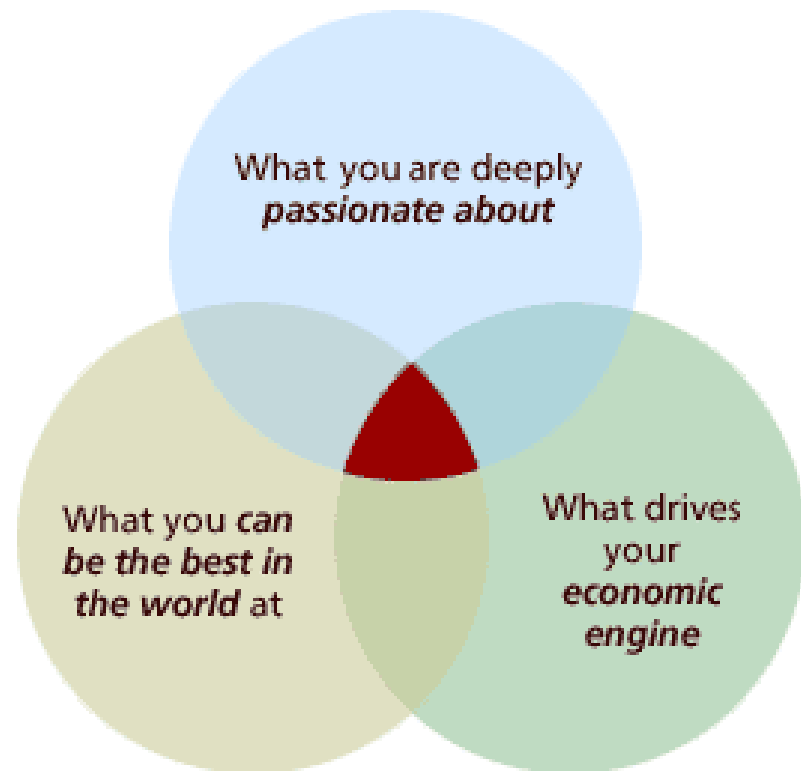


- It is simple
- Know the “one big thing” and stick to it
- It’s a deep understanding, not a strategy
- Getting a Hedgehog Concept is an iterative process

(It took an average of 4 years for the G2G companies to refine a Hedgehog Concept.)

Three Circles of a Hedgehog

- What are you deeply passionate about?
- What are you the best in the world at?
- What drives your *resource* engine?



Hedgehog Concept

- A Hedgehog concept is not a goal to be the best, a strategy to be the best, an intention to be the best, a plan to be the best. It is an understanding of what you can be the best at. (page 98)
- The only way to remain great is to keep applying the fundamental principles that made you great. (page 108)

Level 5 Leadership



- 5 **Level 5 Executive**
Builds enduring greatness through a paradoxical blend of personal humility and professional will.
- 4 **Effective Leader**
Catalyzes commitment to and vigorous pursuit of a clear and compelling vision, stimulating higher performance standards.
- 3 **Competent Manager**
Organizes people and resources toward the effective and efficient pursuit of predetermined objectives.
- 2 **Contributing Team Member**
Contributes individual capabilities to the achievement of group objectives and works effectively with others in a group setting.
- 1 **Highly Capable Individual**
Makes productive contributions through talent, knowledge, skills, and good work habits.

Level 5 Hierarchy

Level 5 Leadership

Humble and Fearless:

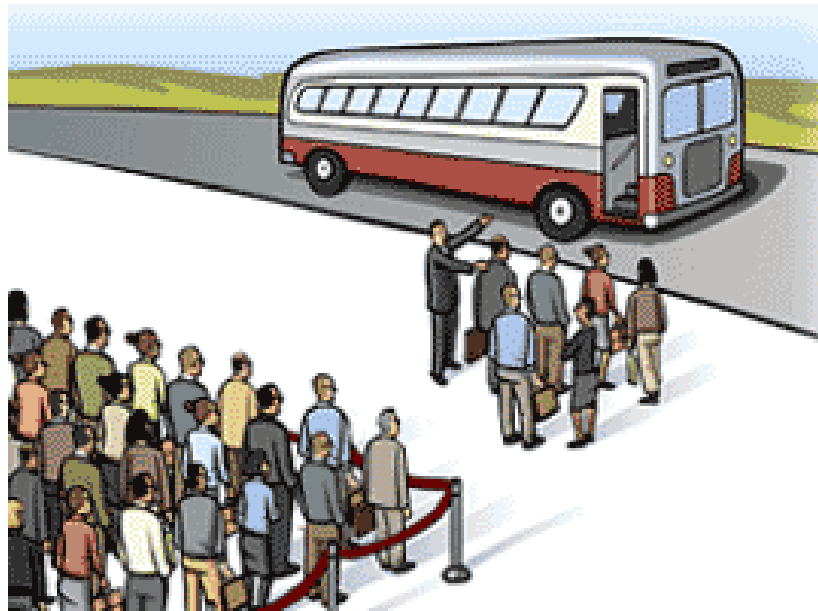
- *Humility and Modesty:*

They never aspired to be put on a pedestal or become unreachable icons. They were seemingly ordinary people quietly producing extraordinary results. page 28

- *Ferocious Resolve:*

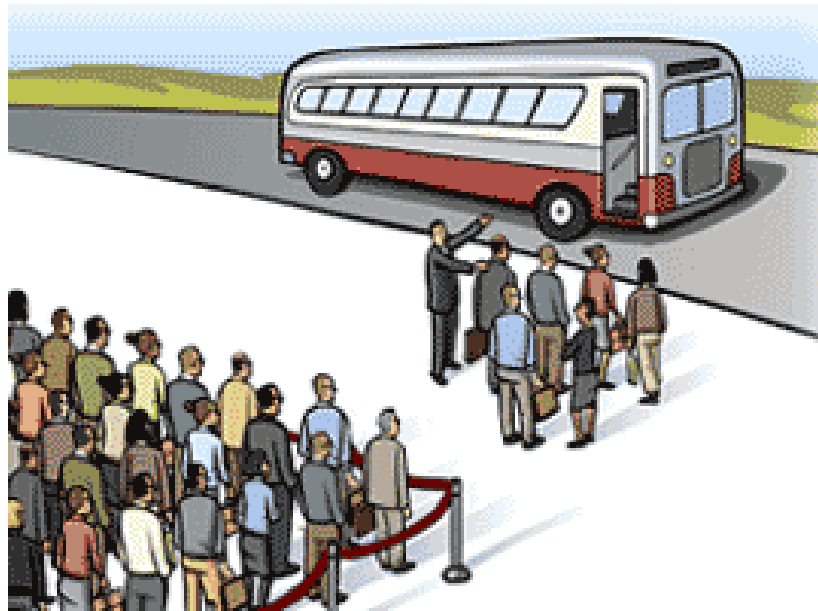
They would do almost anything to make the [organization] great... infected with an incurable need to produce results ... incredibly ambitious. page 30

First Who, Then What



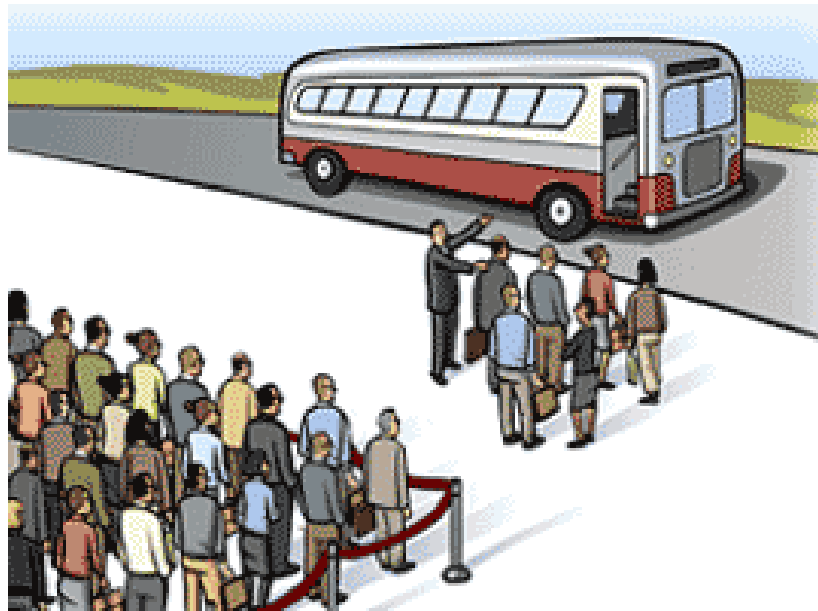
- “...if you have the wrong people, it doesn’t matter whether you discover the right direction; you **still** won’t have a great company. Great vision without great people is irrelevant.” (page 42)

First Who, Then What



- *“...the ‘who’ questions come before the ‘what’ questions – before vision, before strategy, before tactics, before organizational structure, before technology.”*
(page 45)

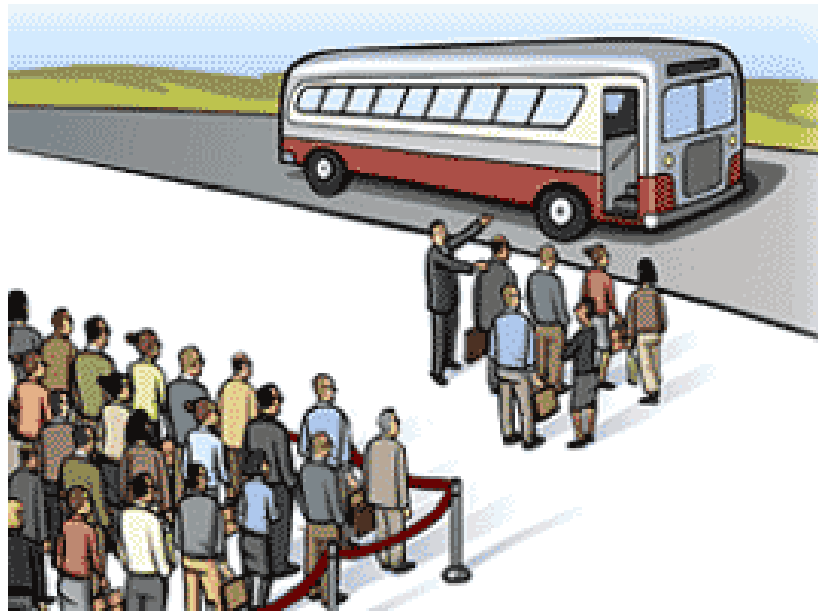
First Who, Then What



- *In a good to great transformation, people are not your most important asset. The **right** people are.* (page 51)
- *The only way to deliver to the people who are achieving is to not burden them with the people who are not achieving.* (page 53)

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First Who, Then What



Practical Principles

1. When in doubt don't hire, keep looking.
2. When you know you need to make a people change, act. (First be sure you don't simply have someone in the wrong seat.)
3. Put your best people on your biggest opportunities, not on your biggest problems.

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Confront the Brutal Facts (Yet never lose faith)



- *“You absolutely cannot make a series of good decisions without first confronting the brutal facts.” (page 70)*

Confront the Brutal Facts (Yet never lose faith)



- *“Yes, leadership is about vision. But leadership is equally about creating a climate where the truth is heard and the brutal facts confronted. There’s a huge difference between the opportunity to ‘have your say’ and the opportunity to be heard.”*
(page 74)

Remember The Stockdale Paradox

Retain faith that you will prevail in the end, regardless of the difficulties.

AND

At the same time, confront the most brutal facts of your current reality, whatever they might be.

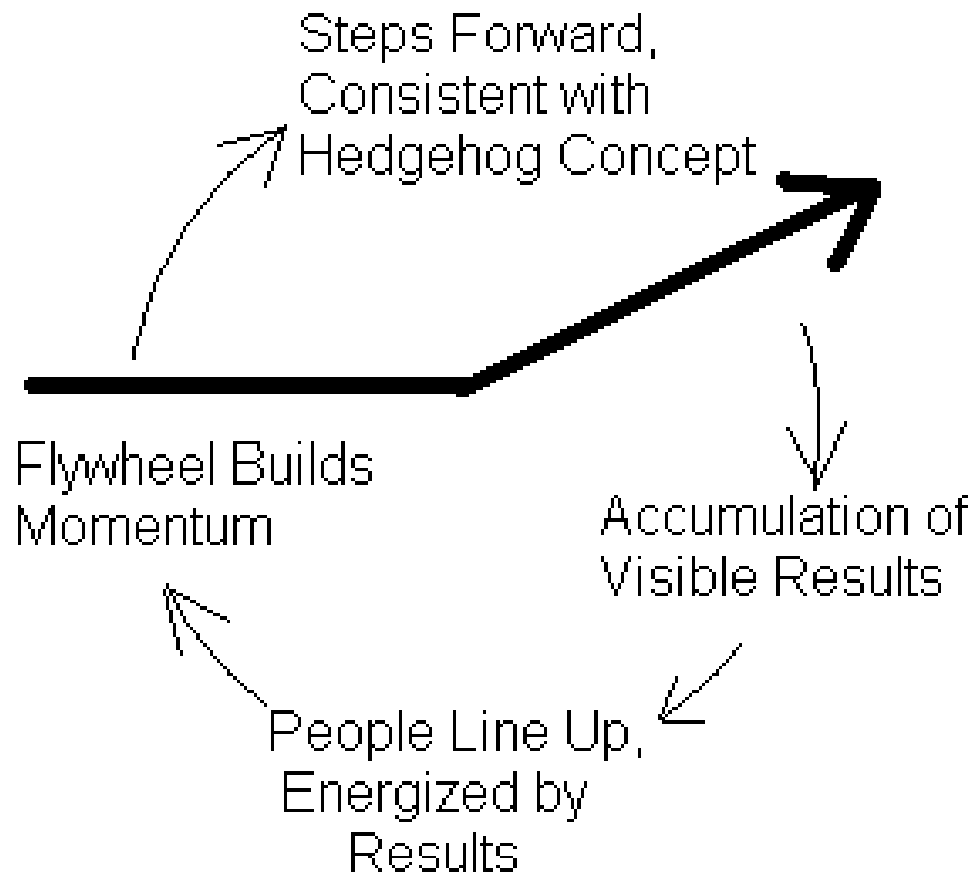
A Culture of Discipline

*“The point is to first get self-disciplined people who engage in very rigorous thinking, who **then** take disciplined action within the framework of a consistent system designed around the Hedgehog Concept.”*

(page 126)

Consistent System
+
Individual Freedom/Responsibility
within that System

The Flywheel Effect (opposite of The Doom Loop)



“Revolution
means turning
the wheel”
– Igor Stravinsky

The Flywheel Effect

“Step by step, action by action, decision by decision, turn by turn of the flywheel – that adds up to sustained and spectacular results.” (page 165)

“Tremendous power exists in the fact of continued improvement and the delivery of results. Point to tangible accomplishments ... people see and feel the buildup of momentum, they will line up with enthusiasm.” (page 174)

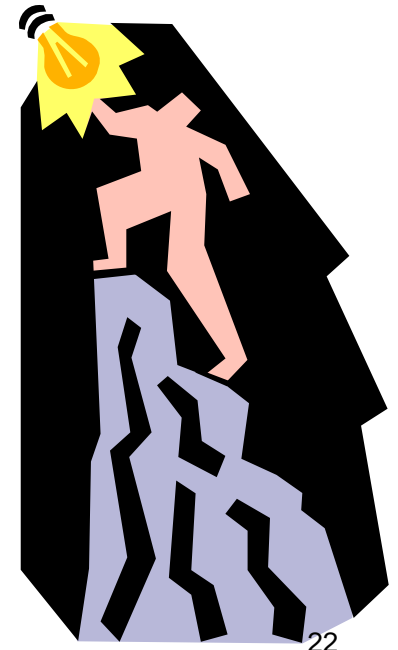
Preserve the Core, Stimulate Progress

- Maintain consistent Core Ideology (Core Values and Mission)
- Embrace change, improvement, innovation, and renewal in everything else!
 - Cultural and operating practices
 - Specific goals and strategies
- Set and achieve BHAGs
(Big Hairy Audacious Goals)



What Makes a Good BHAG (challenging, stimulating, memorable)

- BHAG is a goal, like going to the moon, not a statement -- it has a clear finish line.
- BHAG helps an organization only as long as it has not yet been achieved.
- Requires a high level of commitment from the organization. It never occurs to internal stakeholders that they can't do what they plan to do (but it is not a sure bet).
- Takes many smaller goals to be accomplished before the vision-level BHAG is accomplished.
- Is set with understanding, not bravado
- Fits squarely within our Hedgehog Concept
- Has a long timeframe: 10-30 years
- Clear and compelling – serves as a unifying focal point of effort and as a catalyst for team spirit
- Directly connects with the core values



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Four Types of BHAG

▪ **TARGET BHAG:**

- Goal focused on a specific market segment
- Example: Become a \$125 billion company by the year 2000 (Wal-Mart, 1990)

▪ **COMMON ENEMY BHAG:**

- Goal focused on “crushing” the competition
- Example: Knock off RJR as the world’s #1 tobacco company (Philip Morris, 1950s)

▪ **ROLE-MODEL BHAG:**

- Goal that uses another respectable organization as a role-model
- Example: Instead of just “tops in its class”... be considered a global leader, like Coca Cola (Campbell Soup)

▪ **INTERNAL TRANSFORMATION BHAG:**

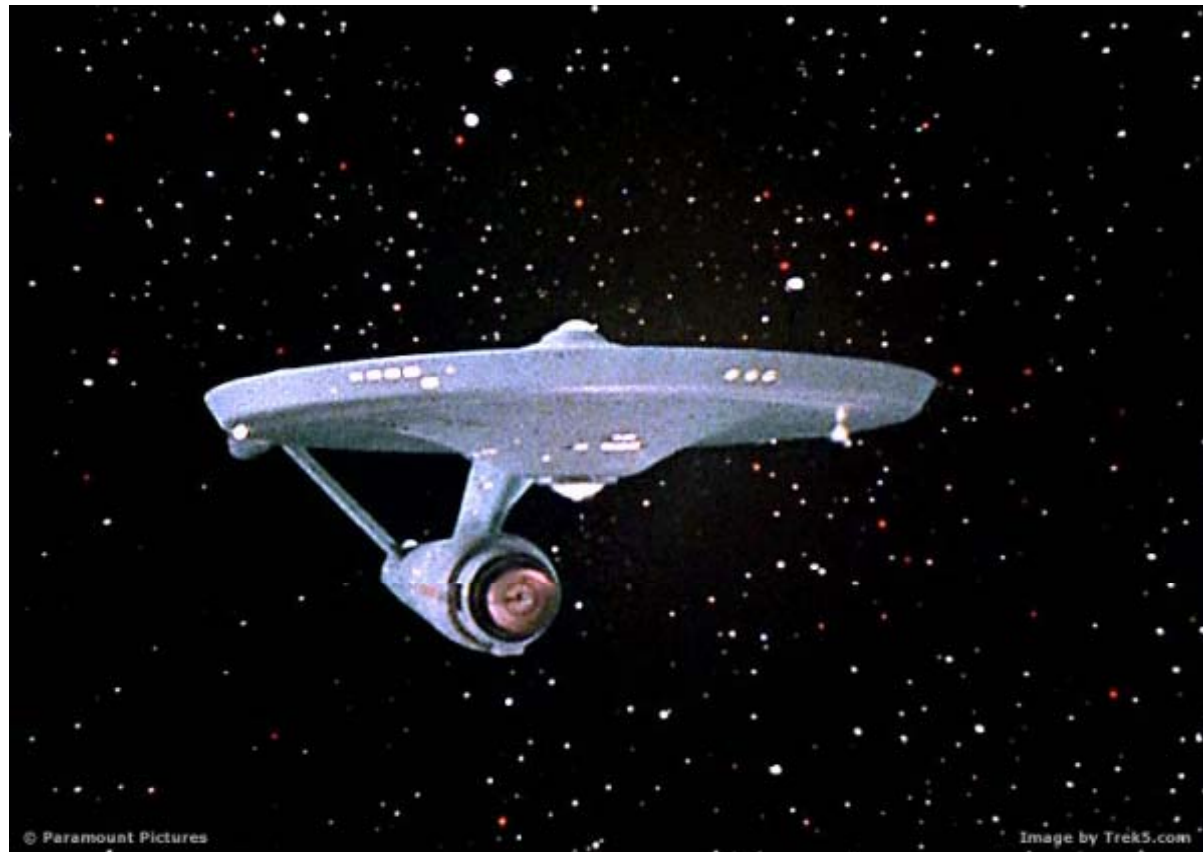
- Goal to change or alter how the organization is perceived
- Example: Become #1 or #2 in every market we serve, and revolutionize this company to have the speed and agility of a small enterprise. (GE, 1980s)

NCOA's Experience and Practical Tips



In 2007, NCOA decided to build...

The Starship NCOA Enterprise

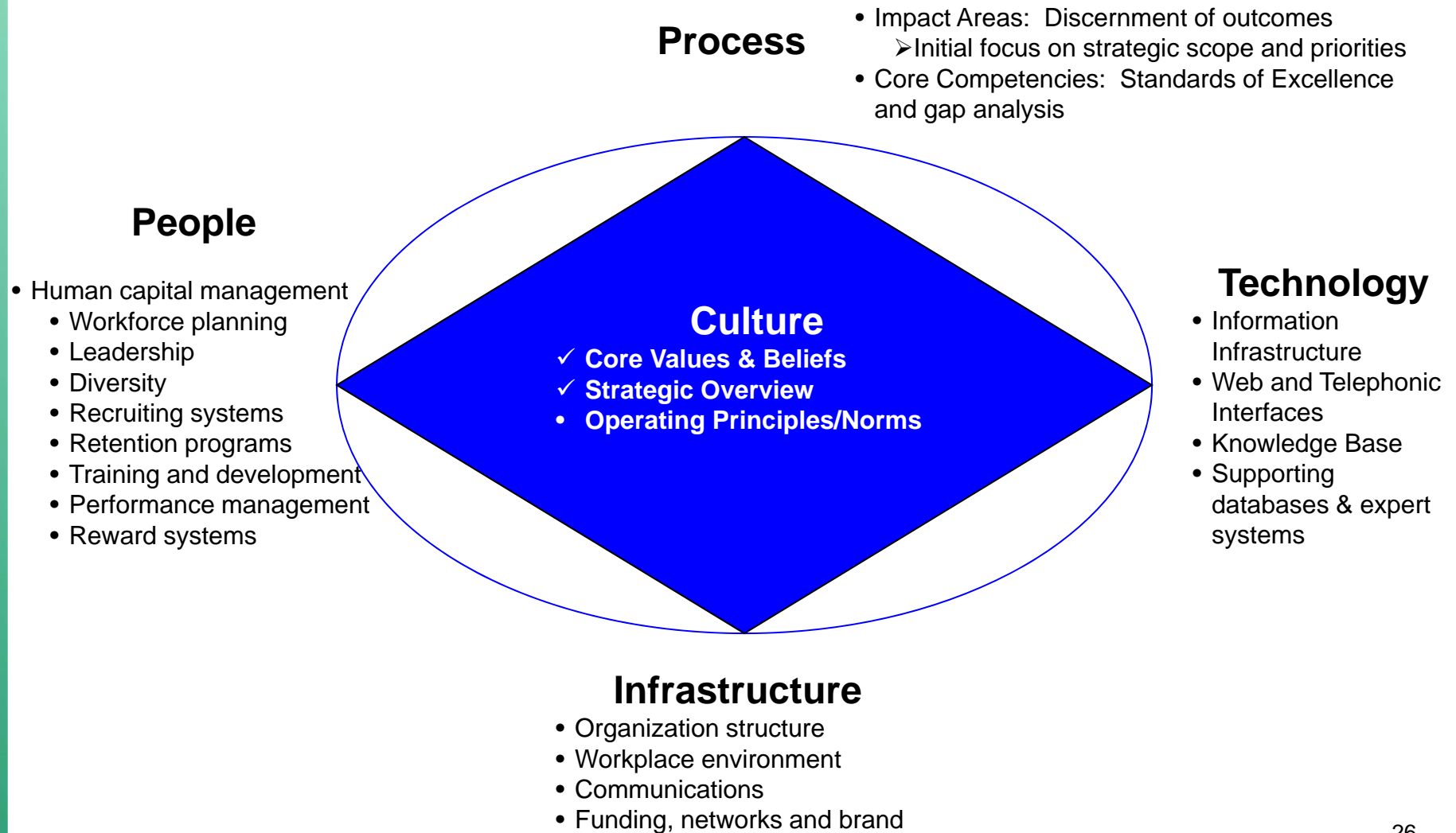


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Transformation Roadmap needs to holistically address multiple dimensions. Culture sets the tone.



G2G Operating Principles – early in process

- Values are things we hold most dear as evidenced by NCOA's Core Values.
- ***Operating principles get at the essence of NCOA and how its staff choose to think and interact.***
- Overarching Goal (Draft):
To become a model workplace in the field of aging. As such we strive to be a healthy, flexible and employee centered workplace that accomplishes great results that improve the lives of older adults.

G2G Operating Principles: Breakout Sessions

1. Cross-sectional workgroup developed a draft set of principles
2. Draft principles shared at daylong all-staff meeting
3. Workgroup members facilitated brainstorming sessions

Key Questions Addressed in Break-out Sessions:

- If we lived these principles, would we achieve the overarching goal? What's missing?
- For each principle, what are some key behavioral/organizational norms?

“We’ll know that we are living it if...”

Example: We begin and end meetings on time.

NCOA's Hedgehog



Improving the lives of older Americans

- Core Ideology
- Mission
- Values
- Social Impact Goals

**Collaborative Leadership
Innovation
Advocacy
Service**

Maximizing Social Impact

What can we be BEST in the world at (in the U.S, in the field of aging)?

What drives our resource engine?

Strategic Overview

PASSIONS x **COMPETENCIES** x **RESOURCES** = **SOCIAL IMPACT**

Mission

- To improve the lives of older Americans

Core Values

- Social and economic justice
- Respect and caring for all
- Innovation
- Excellence and integrity

Collaborative Leadership

- Leading and participating in strategic alliances, coalitions, and multi-sector partnerships
- Engaging and mobilizing community organizations, leaders, and older adults

Advocacy

- Improving public policies by:
 - Being a trusted national voice
 - Empowering and “giving voice” to older adults in greatest need and those who serve them
 - Combining community service and advocacy

Innovation

- Fostering and scaling evidence-based innovations

Services for Older Adults

- Strengthening, expanding and sustaining effective community-based and on-line services

Moral Capital & Brand

- Trusted, highly effective national leader in aging

Stakeholders

- Older adults
- National, state, and community partners
- NCOA members and affiliates
- NCOA Board of Directors, Leadership Council, and staff
- Government and Business

Financial Resources

- Grants & Contracts from government, foundations, and corporations
- Earned Revenues, Dues & Contributions

Resource Driver

- Maximizing social impact

Economically Disadvantaged Older Adults

- Greater economic security
- Increased access to improved public and private benefits and resources
- Expanded job opportunities and supports

Older Adults with Multiple Health Problems

- Improved health and reduced disability
- Enhanced support and capacity for self-management and self-determination
- Enhanced services and supports to live in communities

Community Organizations Serving Older Adults

- Greater social impact, capacity, and sustainability

Society

- A just and caring society in which all of us, as we age, can live with dignity, purpose and security

NCOA's Hedgehog – 2010 Upgrades

New Social Impact Framework:

(population-focused passions, with impact priorities)

- Improving the lives of older Americans, *especially those who are disadvantaged and/or vulnerable*
 - ♦ Economically-Disadvantaged Older Adults
 - ♦ Older Adults with Unmet Health and Long-Term Care Needs

Core Competencies:

(greater precision, understanding of their interconnectedness)

- ♦ Example: Empowering and “giving voice” to older adults in greatest need and to community organizations
- ♦ Articulated “Service” as explicit competency

Resources: (greater precision)

- Added “Government and Business” and “Moral Capital”

What drives NCOA's resource engine?

Maximizing Social Impact

Why does this matter?

If NCOA focuses relentlessly on maximizing social impact, we will:

- Do much more to improve the lives of older Americans;
- Attract much more money, engage many more stakeholders and greatly enhance our brand.

Hedgehog as the Right Tool in context of Nonprofit Effectiveness Trends

- Social Impact Outcomes
 - Organizational Differentiation
 - Consistency with critical pathways and logic models
 - How we can describe ourselves when we explore strategic collaboration with other organizations
-
- NCOA challenges:
 - Balance between aspiration and reality
 - Internal fatigue around refinements

Achieving Staff Understanding: Group Exercise – are you ready to play...

Hedgehog?



OR

Platypus?



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One example we used...

- Local Social Security offices are not adequately helping low-income seniors to apply for the Medicare LIS benefit as required by law.
- It is suggested that NCOA lead a class-action law suit to force SSA to comply with the law.

Hedgehog?



or Platypus?



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People Component: NCOA Action Plan

- Staff feedback (from meetings, surveys) led to focus on:
 - better internal communication
 - staff orientation (“on-boarding”); updated HR manual
 - more consistent approach to recruiting
 - enhanced staff directory – what is expertise/skill set of colleagues?
 - recognition programs & celebrations
- Hired our first VP for Human Resources
- Ultimately, organizational structure more consistent with hedgehog
 - Example: social enterprise

Core Competencies: Original NCOA Action Plan

- Define standards of excellence and conduct gap analysis as foundation for action plan to achieve G2G.
- Action plan then lays out how we can achieve the standards we set, resource requirements, and timing.

Core Competencies: Original NCOA Action Plan

- Mixed results
- Best aspects:
 - Knowledge repository for particular competencies
 - Built-in advisory groups for particular challenges
 - Increased recognition of where to deploy additional resources
- Hardest aspect: getting sufficient attention/resources for institutional efforts that were not project-specific
- Longer-term result:
 - Heightened focus on Organizational Alignment
 - Higher degree of centralization for technology solutions (e.g. CRM), branding, engagement strategies, etc.

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Disciplined Action – applied at NCOA

- Opportunity for strong Board engagement, asking the tough, appropriate questions
 - It's not good enough simply to be doing good
 - Are we as ambitious as we should be? Are we succeeding at the highest standard?

- Creative, proactive development of fundable initiatives

- We're getting better at:
 1. **avoiding self-justification**: Being excited about an existing or possible new program doesn't *automatically* mean it's within our hedgehog
 2. **autopsies without blame**: avoiding the defensiveness that often comes with discouraging results

Disciplined Action: NCOA's Strategy for Capitalizing on ARRA (Stimulus)



A Culture of Discipline

Hardest aspect for NCOA:

- Should we have a “*Stop Doing*” list?
- What should be on the list?

Preserve the Core, Stimulate Progress: We knew quickly what BHAG should focus on

- What we didn't want the BHAG to be:
 - Comparison to another organization (e.g. “be more effective than AARP”)
 - Role model (e.g. “the Children’s Defense Fund of aging”)
 - Based on reputation (e.g. “NCOA will be well recognized as the most innovative, productive and trusted organization dedicated to improving the lives of older Americans.”)

- **Conclusion: Our BHAG should be related in some way to our greatest passion – Social Impact.**

Three Types of BHAG Options Related to Greater Social Impact

It's been difficult to gain consensus on an organization-wide BHAG, although we believe we've accrued some of the benefits even without one.

1. Societal Target

Example: Reduce # of older people in poverty or poor health by x% by 2020

2. NCOA Target

Increase some combination of: # older people served x average impact

Example: Significantly help 10 million people to improve their lives by 2020

3. NCOA Transformation

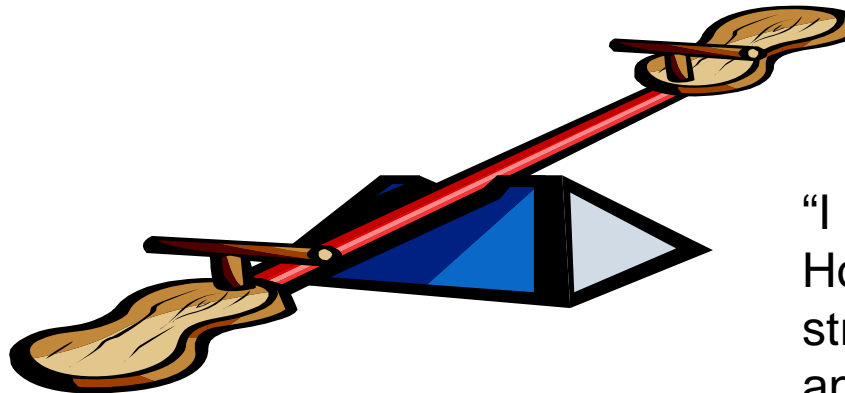
Challenge ourselves to constantly look for ways to multiply the impact we already have.

Example: Achieve 100x social impact that we currently have by 2020

Clock-building, not Time-telling

- Workplace Culture
- Management mechanisms
- Sustained momentum
- Infrastructure/technology
- Avoiding one-off project development when you can instead develop leveragable assets
 - Example: strengthening stakeholder network

Balance between Intellectual and Emotional



“What are all these funny terms and what’s really changing?”
“How does my specific effort/function/project fit in all this?”

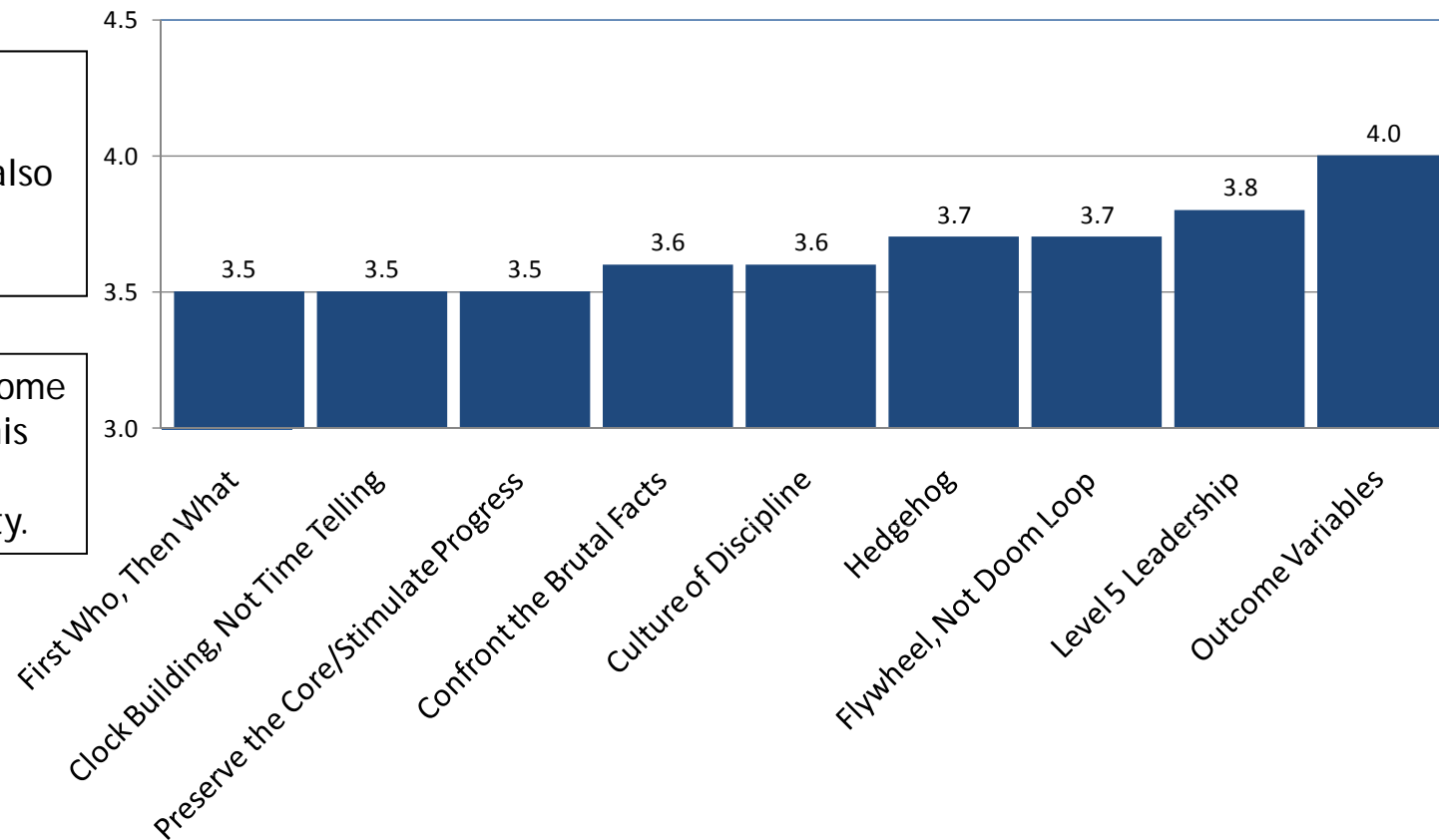
“I don’t write grant proposals. How does this corporate strategy stuff connect to me and my daily work?”

Measurement!

G2G Principles – Staff Perceptions (Nov 2009)

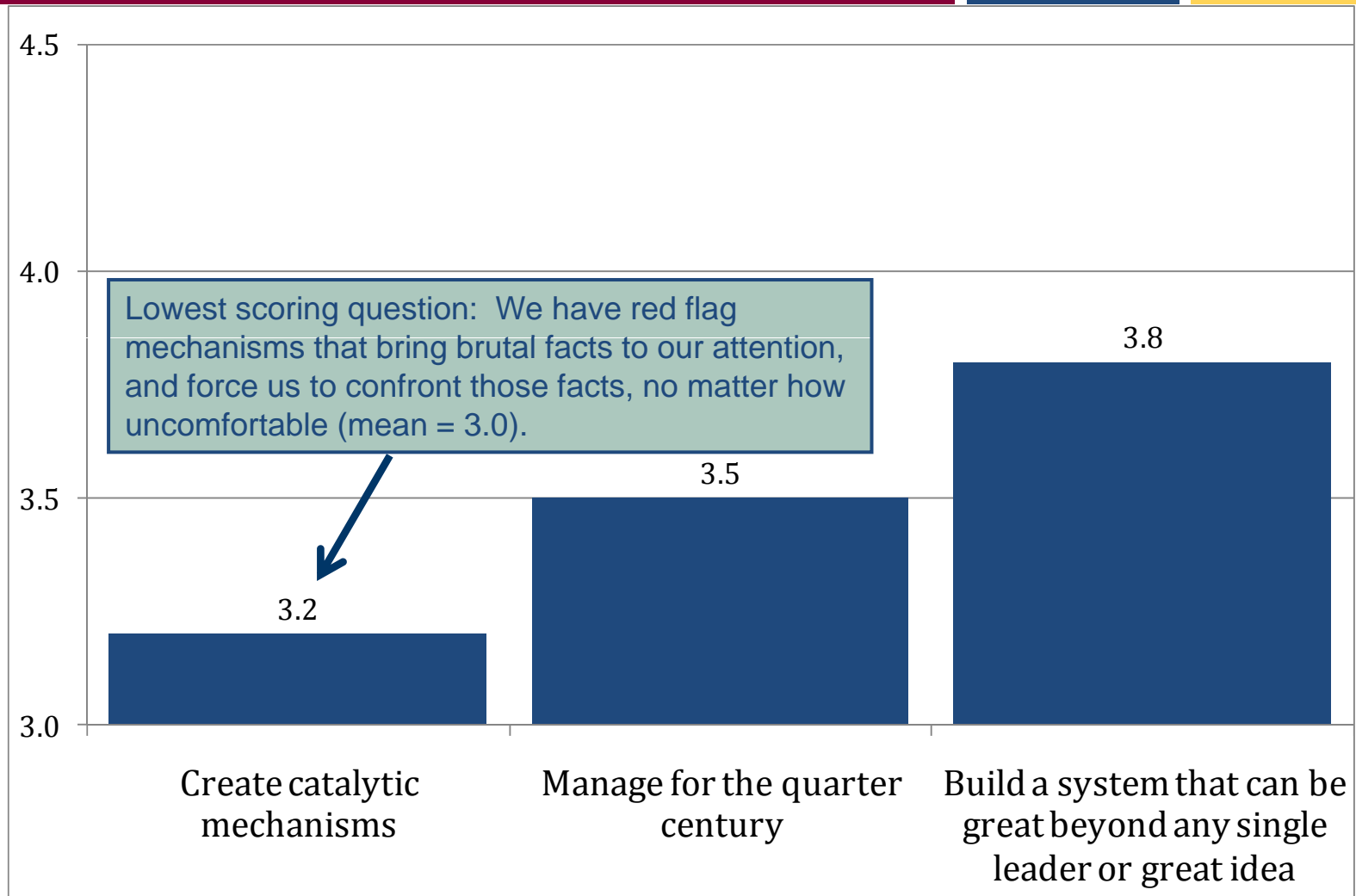
4 = We often exemplify this trait, but we also have room for improvement.

3 = We show some evidence of this trait, but our record is spotty.



Note: Survey tool from jimcollins.com

Staff Perception Survey – Drill-down example: Clock Building, Not Time Telling Behaviors



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We attempted to limit “extra” meetings, and instead include G2G agenda items in existing team meetings.

Successful transformation is when G2G alignment is part of the very fabric of the organization. It takes a while to get there.



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