**LEADERS WHO MAKE A DIFFERENCE:
ESSENTIAL STRATEGIES FOR MEETING THE
NONPROFIT CHALLENGE**

by Bert Nanus and Stephen M. Dobbs
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Book Review by Herb Rubenstein
CEO, Sustainable Business Group

Introduction

This book is the product of a 1997 conference of the
leaders of the 30 largest nonprofit organizations in the
United States. The stated goal of the book is to
"improve nonprofit leadership." The authors are
experienced and well respected in the field of
leadership.

Chapter One: Defining Leadership

One of the book's major premise is that leaders exist at
every level of an organization. The purpose of
leadership is performance - - to improve performance to
make progress and to foster change.

Leaders are:

- constantly in motion with a can-do attitude
- bringing people together, building team
- finding partners and creating trust
- developing new sources of funding, collecting
  resources
- enrolling others in their cause, being persuasive
  and inspiring others with their passion, vision
  and focus.

Leaders of nonprofits are social entrepreneurs. Leaders are enablers that energize organizations. "Leadership should never be confused with the management or administration of a non-profit organization." Managers prefer stability and certainty; leaders prefer change, complexity, innovation and uncertainty. Leavitt says leaders are pathfinders, managers are problem solvers. Generally leaders do not manage well and managers most often do not lead successfully since their skills, interests and thinking patterns are different from those possessed by successful leaders.

Eleven major issues on which non-profit leaders focus in order of the amount of time they spend:

1. Raising money
2. Positioning the organization
3. Measuring the effectiveness of the services offered
4. Establishing/Maintaining/Inspiring the Board of Directors
5. Forming alliances/coalitions
6. Providing active community leadership
7. Interviewing, Screening and Hiring Employees and enrolling volunteers
8. Improving program quality
9. Designing the infrastructure of organization
10. Maintaining/developing excellent personal relations with constituencies
11. Adapting the organization to outside changes in the environment that require the organization to go down a new path.

Leaders answer the question – "How will you accomplish this?" by answering "I will do whatever it takes."

The main role of a leader of a non-profit is to be the "direction setter" for the organization. The leader must scan and understand the realm of current activities and future possibilities with great care.

The six roles of leadership are:

- Visionary

- Strategist
- Politician
- Campaigner
- Coach
- Change Agent

The great leaders excel at each role.

The relevant personality traits of great leaders as described by Yukl and Gardner are:

- forward looking and creative
- high energy level
- passionate about their cause
- ability to tolerate stress
- flexible
- willing to experiment
- enthusiasm
- self-confidence
- confidence in who they lead
- self-control
- emotional maturity
- up to challenging situations
- integrity, honesty
- physical vitality and stamina
- creator of energy in others
- intelligence
- sound judgment in action
- willingness to accept responsibilities
- task competence
- effectiveness
- decisiveness
- understanding of followers, constituencies and stakeholders
- capacity to motivate and inspire, charisma
- courage, resolution and steadfastness
- capacity to win/earn and hold trust
- determination, tenacity, persistence and follow-through
- ascendance, dominance and assertiveness
- adaptability or flexibility of approach
- inclusiveness
- ability to raise the bar significantly on performance for volunteers, employees, board

members and vendors.

Chapter Two: The Greater Good

The primary mission of leadership in a non-profit is to focus laser-like attention throughout the organization on the greater good that the organization is capable of providing and then to marshal the energy and resources necessary to make it happen. The contribution to the social good is the single most important measure of success of a non-profit organization.

The authors define the word "Capital" as an asset with productive potential.

"Social energy" must be generated by non-profits for them to be successful. Energy powers non-profits.

Non-profit organizations have mandates and must meet a need for particular change in the social order that is either currently widely supported or capable of being supported if the issues addressed by the organization were more broadly known by the public.

Leadership effectiveness is defined by the authors as the production of a greater social good through increasing organizational capital, harnessing social energy and producing real work/real value/real change.

Chapter Three: Getting Started As A Leader

The authors state that leaders must evaluate the strengths and weaknesses of their organizations in four key areas:

- Key stakeholders
- Financial, physical resources
- Organizational character and effectiveness
- Community characteristics – customer service

A nonprofit organization that has been in existence for even as little as six months must be able to answer the following questions in a written, accurate document:

- What have been the organization's greatest

accomplishments, how did they come about and what were the results?

- What is the organization's reputation in the community and how can it be improved?
- How does the organization measure its performance?
- What has the organization accomplished with its resources?
- How has the organization spent its resources?
- How many people has the organization served and how has it served them?

Basic Leadership Styles Identified By Lipman-Bluemen (1996) are:

1. Intrinsic – leader concentrates on his/her vision and mold the organization in that vision.
2. Competitive – leader is driven to outdo competitors
3. Power – leader is driven by need to control
4. Collaborative – leader favors teamwork
5. Contributory – leader driven by need to help others achieve their goals
6. Vicarious – leader encourages/mentors others
7. Personal – leader uses charm, wit, prestige, charisma as primary tools to achieve his/her goals
8. Social – leader networks extensively
9. Entrusting – leader selects capable people and delegates

Nonprofits and their leaders must establish a strong, ever growing and broad base of support. Nonprofit leaders must create new sets of expectations for their organizations in order to keep the organization vibrant, in the public's "eyes" and to create an expanding base of support over time.

Chapter Four: Leader As Visionary

Nonprofit organizations must have understandable and easily repeatable (easy to remember) vision statements. Vision statements must be universally known and endorsed by all key stakeholders of the organization. Every vision statement must give rise to identifying key

measures of success over particular periods of time. Ten measures of success are usually not too many for some nonprofit organizations. Each nonprofit must have at least one or two measures of success that they measure on a very regular basis.

Nonprofits must measure their results and distribute/communicate their results so that people know what good the nonprofit has done in order for the nonprofit to continue to justify its existence to its donors, funders, clients, customers, constituents, key stakeholders and the general public.

Nonprofits must create a sense of urgency for achieving significant progress toward realizing the vision of the organization and must create operational procedures, workplace efficiencies and project timelines that support this basic premise.

Nonprofits must demonstrate (and therefore measure) progress towards their goals, their vision on a regular, periodic basis (monthly, quarterly, annually).

Chapter Five: Leader As Strategist

- Strategy is the bridge between vision and action
- Strategy coordinates the people and actions of the organization
- Strategy makes effective use of resources
- Strategies position the organization so that it can see new opportunities and respond quickly to opportunities
- Strategy provides the benchmark by which to measure the performance in the organization and of the organization
- Strategies must be driven by focus or thrust (client focus, product focus, reputation focus, facilities focus, etc.)
- Strategies leverage talent and may actually be able to elevate talent.

The best quote of the book is "Leaders are the ones who decide a new strategy is needed."

Leaders must initiate and champion the strategy process

and insure that the resulting strategy is fully communicated to and endorsed by all key stakeholders. Leaders also must take all necessary steps in order to see that the strategy is fully implemented.

Great strategies create the possibility of great events, great results.

Chapter Six: Leaders as Change Agent

- The leader in the nonprofit organization is the chief change maker, the chief innovator.
- Change is almost universally resisted and O'Toole has identified thirty-three reasons why change is opposed.
- Leaders often do not fight the resistors of change, they often avoid the fight and prevail anyway.
- Entrepreneurial nonprofits take prudent risks, regularly launch new ventures and programs through a process of creative experimentation. They have an orientation to action.
- Strategic Alliances represent the pooling of the strengths of two or more organizations for mutual benefit.
- DePree states that a prime responsibility of a leader is to define reality (and foster a shared view of reality).
- Leaders see trends and understand them.
- Leaders position the organization in relation to the trends they see and the trend(s) they want to create in the future.
- Leaders get everyone in the act, they are inclusive. But, if getting everyone into the act means that nothing gets done unless everyone agrees with it, then there's little hope for timely action, progress or change.
- Leadership is like directing an orchestra – knowing the role each person is to play, how they should play it and instructing them on how and when to play it.
- Leaders make the key decisions that shape the future of the organization.
- Leaders bear the ultimate responsibility for the success or failure of a decision in particular and

the organization in general.

- Leaders build community by building their own community of clients, stakeholders, vendors, constituents, donors, employees, first and then build a community in the broader world through public relations, speeches, articles and becoming a recognized thought leader or activist in the field addressed by the nonprofit organization.
- Leaders ensure their reputation is a key asset of the organization and that reputation is communicated to a broad audience.

Chapter Seven: Leader As Coach

- Leaders encourage top performance.
- Leaders take organizations to new, higher levels of service.
- Leaders ignite the passion for the possibilities of the organization by building commitment and enthusiasm for the collective effort needed to achieve the organization's goals.
- Leaders must have vitality and inspire people.
- Leaders shape the challenges of the organization and lead the organization to meet the challenges.
- Leaders make sure that their organizations respond quickly and respond properly to changes in the outside environment.
- Non-profit organizations must strive to do at least one thing better than anyone else and gain a strong reputation for that one thing.
- Leaders constantly learn, teach and are taught.
- Leaders make appropriate use of the new technology that other leaders in their field use.
- Leaders behave as role models.
- Leaders reward those who further the work and success of the organization.
- Leaders remove those who refuse to learn quickly and act to promote the work of the organization.
- Leaders set high standards for performance and actively give praise and criticism as warranted.
- Leaders use coaching to foster individual and collective growth.
- Leaders promote multiculturism and diversity.
- Leaders give time to people for guided self-

discovery.

- Leaders give the individuals who work within the organization a purpose and an identity, challenge them, and make sure they know how important they are to the organization and the world.

Chapter Eight: Leader As Politician

- Leaders build great relationships with broad groups of stakeholders of the organization and stay connected to these stakeholders and other leaders.
- Leaders forge a collective unity.
- Leaders keep people informed and keep themselves informed of current events in the field, activities of the organization, complementary organizations and new articles in the literature concerning areas of interest to the organization.
- Leaders reach out to those who have differences with the leader and the leader's positions and seek ways to work with them.
- Leaders create a sense of family, of mutual self-interest among stakeholders.
- Leaders are advocates.
- Leaders develop relationships with and get known by other leaders and politicians through an ever growing, ever broadening reputation.
- Leaders must be articulate and speak on a regular basis about their organization, their field of interest and their needs of their constituents.
- Leaders are willing to partner with others and are demanding of each partnership they create in order to secure value for the time invested in creating the partnership.
- Leaders have a great sensitivity to timing and can act quickly when it is in the interest of the organization and its constituents to do so and can be patient when it is necessary to be patient.
- Leaders know how, when and why to use the press and the media to the organization's advantage.
- Leaders create three sets of messages about their organization to communicate effectively about

the organization's mission, objectives and programs/activities. These three types of messages are:

- o Generic – a message that is specifically tailored for colleagues, professionals and policy level people – used to promote reputation and standing in the "peer" community.
- o Popular – a message that helps the general citizens understand the organization – used to promote sales, public donations.
- o Political – a message that says what an organization is doing at a particular time and why it is doing it – used to generate specific support for a cause.
- Leaders are troubleshooters, crisis managers and prepare as far in advance for each crisis and problem that is even remotely foreseeable.
- Leaders intelligently use information, cultivate people and ideas, build and protect resources.

Getting the word out about the organization must be the daily preoccupation of the nonprofit leader. They aggressively pursue every opportunity and even create opportunities to tell their story and garner public support and appreciation by undertaking the following activities on a regular, systematic basis:

- o They feed good reporters stories and stay in touch
- o Meet with focus groups, discuss their pitch and get feedback on how to improve the pitch
- o Ask board members with local business contacts to get Rotary, Kiwanis, Lions, Chambers of Commerce and other organizations to invite the leader for speeches monthly, if not weekly
- o Speak to high school, college groups, other non-profits, conventions
- o Host luncheons, breakfasts and other gatherings for large numbers of leaders and potential clients and speak about the issues covered by the organization

- Prepare videotapes of their work and results and distribute these tapes
- Use new information technologies to get the word out to key stakeholders and potential clients
- Develop a website with great links, contact information, news relevant to their area
- Use email extensively and snail mail to reach out to large numbers of people
- Provide quick response to all inquiries
- Raise public consciousness about the issues of concern to the organization and its constituents
- Promote new programs
- Create, promote and evaluate new programs on a regular basis
- Create interactive forums
- Non-profit leaders will become virtual leaders that are publicly visible.
- Non-profit leaders publish annual reports that are clear, numerical and used to promote the organization.
- Non-profit leaders form and nurture networks of people and networks of other organizations.

Chapter Nine: Leader As Campaigner

- Nonprofit leaders create an army of volunteers for the organization. (Fifteen billion hours per year at a value of $182 billion are donated to nonprofit organizations).
- Nonprofit leaders capture a piece of $144 billion donated annually to nonprofits, plus their share of the huge "in kind" items that are donated.
- Contributions, individuals and foundations want to know what an organization has done and is doing, what the board has done and is doing, what the staff has done and is doing and want these activities to be documented in writing.
- One of the central duties of the nonprofit leader is to seek, cultivate and protect the financial resources that fuel the organizational engine by:
  - Articulating in a short document the value the nonprofit has created, currently

creates or can create in the future with financial support
- o Attracting and productively using fundraising volunteers
- o Gets the board involved in fundraising
- Nonprofit leaders must know the motivations of their donors and their customers/clients.
- To raise money from foundations a nonprofit must:
  - o have an attractive cause
  - o express passionate advocacy
  - o demonstrate the ability of the organization to use the money to make a significant impact on target issues or problems addressed by the organization
  - o show that the nonprofit is accountable, able to document its activity, success and failures from its inception to the present day
  - o show that the nonprofit can assess outcomes of its efforts and keeps excellent documentation to show the outcomes of its efforts
  - o show that it has produced excellent results (value) from the money it has spent and volunteer time it has used
  - o show the ability of the nonprofit to collaborate successfully with other nonprofits
- The principal asset the leader has for soliciting funds is a successful track record showing how the previous funds spent by the organization produced a social good consistent with the stated objectives of the organization.
- Nonprofit leaders write books and articles and take great pains to nurture their reputation.

Chapter Ten: Making A Difference

- Success is the measurable, observable (to oneself and others) impact of one's effort.
- Leaders measure progress every step of the way.
- Nonprofits build reputation and earn trust by being accountable.
- Leaders must constantly measure organizational

performance as constituents, effective board members, donors and clients want measurable results to be reported on a regular basis.

- A good measure of success is the documented level of satisfaction of the person receiving the services from the nonprofit.
- Organizational success is a useful indicator of leadership effectiveness.
- Leaders are, or should be, inherently results oriented.
- A key measure of success for educational organizations and training/development organizations is enrollment.
- Leaders respond in a timely fashion.
- Leaders foster effective teamwork to make things happen.
- Leaders conduct surveys and use other information gathering techniques and pay very close attention to results.
- Leaders organize effectively, avoiding excessive bureauacy and red tape.
- Leaders help develop other leaders.
- Board members of nonprofit organizations should be leaders of other organizations as well as individual leaders themselves.
- Nonprofit leaders must be able to assess how cost effective their organizations are and be able to perform or understand operational audits.
- Most effective leaders are highly curious about and sensitive to external information.
- Leaders are good listeners and voracious readers especially in the subject matters of interest to their organization and constituencies.
- Leadership audits are used to track the record of the organization and its record of accomplishment.

Chapter Eleven: Leaving A Legacy

- Leaders leave legacies, a view of the future and the resources to make headway toward accomplishing that future.
- Organizations are judged most by the quality and quantity of the clients they have served and currently serve.

- Leaders make sure that the history of the organization is captured and maintained in a reproducible format - - video, audio, photographs or in writing.
- Donors, volunteers and others are increasingly demanding competent, cost effective performance and full accountability is demanded of grant recipients by most funding sources today.
- Nonprofits must establish a reputation as being socially and financially responsible corporations and be able to back up that reputation with documented, verifiable evidence.

Conclusion

This book raises the bar and sets new standards for leadership of a nonprofit organization and leadership in general. Consistent with the major theme in my book, Breakthrough, Inc. – High Growth Strategies for Entrepreneurial Organizations, (Prentice Hall/Financial Times, 1999) the leadership strategies discussed in this book are very applicable to corporate CEO's presidents and leaders at all levels of for-profit companies. This book gives non-profits and for-profits alike a ready basis for a leadership audit which can identify leadership gaps that seriously harm the potential of the organization.

Leadership in nonprofits/organizations resides not only at the Chairperson of the Board or Executive Director/President level, but also happens or should happen at every level of the organization. One key learning from this book is the people can learn to become better leaders. This book is excellent for anyone whose goal is to become a more successful leader.

Nanus and Dobbs have written a book that is timeless, and successfully weaves case studies with general principles. The book is also both descriptive and prescriptive.

About The Author

Herb Rubenstein is an attorney and the CEO of the Sustainable Business Group, Inc., a leadership and management consulting firm. He is co-author of _Breakthrough, Inc. – High Growth Strategies for_

Entrepreneurial Organizations (Prentice Hall/Financial Times, 1999) and author of *Leadership for Lawyers* (American Bar Association, 2008).   He has also served as an Adjunct Professor of Entrepreneurism at George Mason University and Colorado State University, is a founding director of the Association of Professional Futurists, and is the author of numerous articles on futures studies, leadership and strategic planning.

He has his law degree from Georgetown University, his Master of Public Affairs from the LBJ School of Public Affairs, a graduate degree in sociology from the University of Bristol in Bristol, England and was a Phi Beta Kappa/Omicron Delta Kappa graduate from Washington and Lee University in 1974.   His email herb@sbizgroup.com and he can be reached at 303 279-1878. For more information about the Sustainable Business Group, see www.sbizgroup.com.