

Q&A: Are Fortune 500 Companies the Only Organizations That Can Deftly Execute at Local Levels?

Michael Wong 27 January 2016

Nordstrom, Starbucks and Target: three examples of Fortune Most Admired companies that have been able to successfully execute their customer experience strategies at the community level; but are these Fortune 500 entities, with vast resources, the only entities that can do so? In this Q&A, Susan Schmidt, President and CEO of the Nonprofit Leadership Alliance, shares her three arguments why nonprofits can just as effectively engage at the community level with their target stakeholders.

Q. Unless a nonprofit has the resources of say the Gates Foundation; how can national nonprofit entities realistically execute with the same efficiency and effectiveness of a Fortune 500 firm in local communities?

A. While nonprofits might not have the resources to deploy huge armies of employees and external consultants for such execution efforts; our lean operating

models can compensate for such differences. The potential differentiator is that our daily operating model does not burn cycles that you sometimes see at Fortune 500 companies, which have more complexity given their sheer sizes. Where a number of nonprofits stumble is balancing their social missions with the necessity for a revenue model of a for-profit business. Unless a nonprofit is able to have clear alignment among and between their Board and staff; the limited bandwidth of these employees can get wasted on unproductive efforts versus customer-facing execution activities. So for your readers, I'd point them to the recent Harvard Business School (HBS) article which offers suggestions on how nonprofits can address such organizational alignment challenges.

<http://hbswk.hbs.edu/item/what-to-do-when-your-organization-has-dueling-missions>

At the Nonprofit Leadership Alliance, we've been able to deploy a model that is similar to what Professor Julie Battilana explains as spaces of negotiation, where there is constant communication between the socially focused and the commercially focused employees of the nonprofit. For instance, we have some Board members who concentrate on the ROI of our programming while others are more focused on the social impact that our Certified Nonprofit Professionals (CNPs) deliver. While challenging at times, we've been able to balance our efforts and our most recent progress forecast shows that we're on track to attain our fiscal year-end key performance indicators.

Q. Okay, so your organization might have achieved your internal KPIs, but how has it delivered value for its local/community stakeholders?

A. With our organization's mission to strengthen the social sector with a talented, prepared workforce; we have developed the only nationally validated, research-based nonprofit management credential in the country that helps to build a pipeline of human capital. Still, to help better serve local communities, the team has creatively leveraged its annual conference programming such that prospective CNP candidates participate in face-to-face consulting engagements with nonprofits that are located near the site venue's location. Just a few weeks ago, this year's CNP candidates delivered over 3,000 hours of intellectual capital which resulted in action plans to address a wide-range of issues facing the local entities. Based upon our 2015 efforts, we believe that these donated efforts drive benefits since if we look at Independent Sector's dollar figure attributed to the value of one volunteer hour (\$23.07), we know that the students donated nearly \$70,000 in pro bono consulting services in one single day. In addition, past surveys from nonprofit host sites indicate that the action plans developed by our student consultants offer valuable insights and strategies. Here is a quote from a recent host site participant: "Your perspectives, coming from all parts of the nation and from your different backgrounds and educational areas of specialty, were very valuable. They helped us see

ourselves from a birds-eye view and feel very proud of what we have accomplished in three years. We are very honored that you chose us to study! Gracias y saludos!"

From the student perspective, this consulting initiative provides a unique opportunity for them to address real-world issues facing a nonprofit organization. This real-world application is a hallmark of the Certified Nonprofit Professional (CNP) program. It is woven into every aspect of our program design, allowing the students to apply the principles they are learning in the classroom.

Q. Well, congratulations on these efforts but how do you maintain the Alliance's momentum for such local efforts?

A. As I mentioned earlier, we don't have the luxury of burning cycles, so building a culture on speed is our fuel for driving momentum. For instance when we have meetings, someone takes detailed notes of decisions made and key discussion points and the expectations are for the information to be disseminated within 48 hours. For your Fortune 500 employee readers, are they executing with such speed? If not, perhaps it's a best practice that they can consider from our nonprofit and others that have far fewer resources.

Michael Wong has over 25 years of strategy, marketing, and sales experience at a number of Fortune Most Admired Companies including Apple, AstraZeneca, IBM,

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