

# Dollars & Sense



## ABOUT THE AUTHOR...

### **BARRY MCLEISH**

Before joining M/J, Barry McLeish was the Director of Development & Marketing for Inter-Varsity Christian Fellowship and served as a member of Inter-Varsity's senior management team. He also served as Creative Director. Barry's books include *The Personal Support Raising Handbook*, *The Donor Bond*, and *Successful Marketing Strategies for Nonprofit Organizations*. His latest book, *Yours, Mine and Ours: Creating a Compelling Donor Experience*, is available from Wiley Press.

As a member of McConkey /Johnston's executive team, he combines many years of experience as a manager of comprehensive development programs with special expertise in direct mail, advertising, public relations and brochure techniques. Barry attended the University of Wisconsin - Madison, where he received a B.A. in Advertising and a Master's Degree in Direct Marketing. He also holds an M.A. from the Fielding Institute in Human and Organization Development. Barry and his wife, Deborah, live near Madison, Wisconsin.

As long as nonprofit organizations keep the concerns, desires and values of their stakeholders at arm's length they will find themselves struggling to accomplish their mission. In today's operating environment it is necessary to rethink organizational strategy and operations -- not with a mindset simply to change what exists, but rather to throw it away and start from scratch.

## **BREAK OUT AND BREAK WITH: The Necessary Art of Creative Destruction**

by **Barry J. McLeish**

A book that profoundly affected my thinking about strategy and its consequences was Kenichi Ohmae's *The Mind of the Strategist* (New York: Penguin Books, 1982). I love this book because of its emphasis on dissecting markets, weighing the strengths of alternative value propositions, and its desire to constantly question the prevailing assumptions of the marketplace. As a result of reading Ohmae's book, I have often wondered what my actions should be as I take on "The mind of the nonprofit strategist" — what strategic responses do I make and what issues do I preoccupy myself with in any given situation?

As I try to think from this point of view on a daily basis, one issue that speaks loudly is the notion that nonprofit organizations often spend inordinate amounts of time trying to sell or raise money for products and propositions that the vast majority of their constituencies don't want to



fund or buy. The organization often continues to do things simply because historically, "this is the way they have always done it." There is unfortunately no future in this course of action — either for the donor or customer or for the organization.

Is there in fact, a better way to think and plan for an organization's future success? The answer is an over-

whelming “yes.” There is also some urgency to this need to rethink. The combined issues of finding more operational dollars to use, lengthening the life cycle and retention of stakeholders and creating future options for nonprofit economies has never been more important to an organization’s survival than now. With so many social issues appearing to be unsolvable in the near future and systematically intertwined with each other, organizational leaders must begin to think beyond their own tenures to ensure the survival of their institutions and the important work they do. Not only is there a future need for the service of many nonprofit agencies, but adopting a long view managerially can lead an organization away from serious negative consequences. Too many organizations dig themselves an inescapable hole by pushing products and causes few want to support. Rather they should begin the prudent use of creative programmatic and tactical *destruction*.

However, for an organization to move away from this mentality and culture — often expressed institutionally and culturally as having little concern for the length of time supportive stakeholders are involved — to a new way of operating, a decision must first be made. Is the organization willing to move philosophically and culturally from old notions of how to relate to its constituencies to new organizational and marketing models of stakeholder value creation and interdependence? This shift is

often only accomplished when an organization’s leadership adopts a different view of how the agency should operate. Shifting an agency’s thinking as well as its operating business culture — especially when it comes to moving from institutional and historical views that have suggested audiences are to be treated as little more than passive observers — may not come easily for some organizations. It will take, for many, a substantial demonstration of organizational courage.

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In fact, the notion of viewing stakeholders as a group to be admired and worked with flies in the face of the popular wisdom driving much of today’s nonprofit marketing culture, seminars, consulting philosophies and business books. Often, the philosophical drivers behind these institutions, events, and publications aim to enhance an organization’s efficiency within its existing programs before anything else is done. The logic is fine as far as it goes. All programs

and organizations can and need to be improved. However, the logic does not go far enough.

A new model with different thinking — other than that of delivering a more efficient operating environment or continuing to do things simply because your organizational history dictates that you do so — needs to be considered. To continue with old models can mean an organization sees its focus naturally and increasingly as more self-centered. As long as any institution has the goal of solely creating value for itself — as opposed to mutual or joint value creation *with* its stakeholders — there is little chance to truly create a strong, interdependent organization. In fact, if organizations state this as a goal and mission, they are deceiving themselves. There is virtually no way to accomplish the idea of shared destinies unless an organization realizes that certain parts of its programming, its advertising, and its infrastructure will ossify and no longer have the same vitality they once did. To realize this managerially means that you are at least open to change.

In addition, ignoring what constituents need and want in terms of value creation rules out any chance of creating shared relationships with your stakeholders — rather than striving to create value internally and externally with significant effort spent on expropriating as much value as possible, organizations in this case tend to ossify themselves. They lose their way by deciding that the way they

have always done business, the way they have always done programming, the way they have always dealt with stakeholders is the right way and that change is impossible.

Consequently, there is no shared destiny with their stakeholders. The notion of having a shared destiny with your constituents speaks to how an organization chooses to do business with individuals and with stakeholder information. With the information glut that is currently bombarding your donors and customers, your organization can no longer simply decide for constituents what is right for them. Rather stakeholders must have the right — and the ability — to decide for themselves. Instead you need to rethink your programs and marketing and funding strategies to redefine them within categories that stakeholders find appealing and acceptable. You must use wisely stakeholders' personal information you have gathered and structure your programs and communication strategies in such a way that individuals will listen to you.

Have the goal of working *with* your constituencies — as opposed to trying to bludgeon them with your programs, solicitations and communication strategies. That means one of the tasks in achieving relational equity with them is to figure out how to maximize the long-term return to your organization's value investment as well as the value investment made by the donor, customer, or volunteer.

At this juncture is success truly realized, simply because by choosing to listen to your stakeholders and act on what you find, you and your leadership will seek to align what you say and do to the value systems of your stakeholder base. When donors, customers, and volunteers are taken for granted and their values and aspirations are ignored tactically by an organization, the realized benefits that come from mutual engagement are left to chance. Unfortunately, in far too many organizations, unless stakeholder collaboration is mandated by leadership, this invaluable dialog is simply ignored.

Listen to outside stakeholders and be willing to align your organization with their value systems. Ultimately, this means that “relationships” will not be viewed as one-way financial transactions, but will be looked at as reciprocal values-driven tapestries that can benefit each other.

Barry McLeish has provided invaluable counsel to numerous organizations dealing with change in the face of turbulent marketing environments. Be sure to read Barry's new book, *Yours, Mine and Ours: Creating a Compelling Donor Experience*, available from Wiley Press. Contact Barry or any M/J consultant by visiting our website at [mconkey-johnston.com](http://mconkey-johnston.com).