



Adaptive Leadership for Nonprofits

Leadership in Difficult Times

Now more than ever, nonprofits need strong leaders—people on staff and on the board who have a clear vision for the organization and a plan for getting there. But what makes a leader strong? What characteristics help leaders consistently make the right decisions that will sustain an organization whether times are good or bad?

There are doubtless many ways to answer that question. Two characteristics that TCC Group sees consistently in strong leaders are the individual desire to learn and the ability to use information to make better decisions. *Adaptive leaders* are nonprofit executives or board members who understand that change is an undeniable aspect of nonprofit life and make decisions based on the best information available. It is TCC Group's contention that organizations with adaptive leaders will fare better during the current economic downturn because those organizations will be more attuned to opportunities and threats and better prepared to act when the time is right.

Brad Zervas, Executive Director of the Boys Club of NY (BCNY), is an adaptive leader. He has worked at BCNY for approximately 18 years and has served for eight as the Executive Director. The organization is a highly regarded nonprofit institution with a strong track record of providing high-quality services to boys aged 6-21 across the city since 1876. BCNY's program

strategy is diverse, with offerings that range from the highly structured academic environments to afterschool homework help to sports and camp.

With a supportive board, a high public profile, and an endowment, BCNY has largely been spared the difficult choices that many nonprofits have had to make. The current economic downturn changed that, however. Like investments everywhere, the endowment took a big hit. Foundations were unable to renew previous commitments, and individual contributions were down. This case is the story of some important decisions that one nonprofit is making to strengthen and sustain the organizations and a lesson that is relevant to any nonprofit.

Successful Adaptive Leadership Strategy: Focus on What is Core

"Shed what you need to shed. We can't be all things to all boys."

A hallmark of adaptive leadership is the ability to expand or retrench based on numerous factors: fit with mission; ability to deliver a quality service; shifting consumer demand; competition; and, not least, ability to pay. It is easy for an organization like BCNY, with great need among its target population and a relatively broad mission, to have a portfolio of programs lacking focus and of varying quality.

Today's economic crisis has forced BCNY leaders to take a disciplined look at what is core by clarifying mission, determining which programs are best able to deliver impact, and matching mission and impact with available resources. According to Zervas, *"We [the nonprofit sector] take on too much 'stuff,' especially an organization like ours that's been around forever. I'm not a proponent of planning in crisis, but this is in fact a very interesting time. People are starting to understand what I mean by 'We can't be all things to all boys.'"*

Zervas notes that the findings from an evaluation conducted by TCC Group have been very helpful in assessing programs and making critical decisions about investment during a difficult time. Evaluation data have provided insights into what BCNY does best and what strategies make the biggest difference for their boys. This information has informed an overall program assessment process that included a close examination of BCNY's strategy and triangulates mission, program quality and impact with an honest assessment of available resources.

Interestingly, a sharpened focus may have opened new doors for BCNY. As Zervas has been sharing BCNY's recent experiences and challenges, he has found new opportunities to collaborate, at least one of which might result in starting new programs in other locations. By becoming clearer about its core business, BCNY has been better able to define what is and is not essential, thus facilitating new conversations with groups that offer complementary but distinct services. This in turn will allow the organization to increase its ability to achieve its mission by enriching the breadth of high-quality programs it offers boys and young men.

Another example of adaptive leadership is the team of John Midwood and Jim Anderson, Executive Director and Associate Director respectively, of Episcopal Community Services (ECS) in Philadelphia. ECS has been an active social service agency in various guises since the late 1800s. Today ECS provides multiple services to vulnerable individuals and families struggling with the impact of poverty. The agency serves about 2000 individuals annually, sheltering homeless families, educating adults, protecting at-risk children and helping seniors live safely in their homes. While heavily dependent on government funding for its programs, ECS also has an endowment to supplement its programs as needed. Like BCNY, ECS's endowment has suffered during the downturn, but its leaders remain positive about their overall financial outlook.

Over the past several years ECS has quietly but steadily committed to building organizational capacity to make decisions based on the best available data. Working with TCC Group, ECS began to put in place an evaluative system for the agency that would allow it to assess its programs. It has also been intentional in its work of building staff capacity and inviting greater input from staff.

It was somewhat of a coincidence that the current economic challenges dovetailed with a new ECS initiative to clarify its mission and vision but one that is now seen as fortuitous. Both leaders are clear that the current work on mission is extremely important, particularly now. It has given them the opportunity to engage a wide range of stakeholders at a deeper level and specifically to work with board and staff to analyze options for the future. In doing so, the agency has been able to focus on what is really important to the mission and ask

critical questions regarding its current strategies. Although there is no intention to eliminate programs, leadership will have a new framework with which to assess both current and future strategies.

In addition to their work on mission and vision, both Midwood and Anderson have used this time to focus on what each does best as a leader and have come to a tacit understanding as to how they divide the work in ways that complement each other. While Midwood spends more of his time on strategy and on working closely with the board, external stakeholders, and partners, Anderson is able to focus primarily on using his facilitation strength and on helping staff navigate the current environment.

Anderson's view is that in times such as these it is especially important to reach into the organization to mine its wisdom and not to assume that leaders have all the answers. When revising the budget, leadership convened staff to discuss various options for closing their funding gap. Surprisingly, staff made some decisions that would not have been the obvious choices. Staff involvement can be a powerful tool for leadership; by making those decisions, staff owned them.

ECS has also taken this opportunity to create more transparency in all of its programs. Undoubtedly, Anderson noted, there is a

heightened sense of anxiety about what will happen to current programs. The more information staff and board have, the more comfortable they may be with the decisions being made. However, managing information flow can be daunting as well. It is sometimes a challenge to help staff keep things in perspective and not be overwhelmed by all the potential changes. Nonetheless when managers feel that they have the full picture, they can pass that perspective on to line staff.

Another way that these leaders have worked to maintain their edge is by meeting more frequently with their colleagues in the field. Rather than hunkering down as the environment shifts, participating in peer networks ensures that leaders are aware of changes as they happen. It has also allowed ECS to think more strategically about who is offering what in the field, the gaps, potential partners, and where ECS might have the most impact.

By embracing adaptive learning; by welcoming the insights of external stakeholders, staff, and clients; and by asking the hard questions, ECS leadership is able to say that, somewhat to their surprise, they are managing this period well. There may be some difficult decisions to make in the future, but right now ECS feels that it has the tools it needs to make informed decisions and to position the organization more strategically to service its client populations.

To learn more about how TCC Group's NonProfit Team can work with your organization, contact Vice President Shelly Kessler at skessler@tccgrp.com or Associate Director Anne Sherman at asherman@tccgrp.com.