



A Catalyst for Community Health

Self-Assessment: A Guide Through the Demands of Demanding Times

Long before the World Trade Center collapsed into rubble, many local nonprofits were already feeling an economic pinch. Throw in a national recession, a war on terrorism and a world in turmoil, and you have an environment that's challenging to even the most successful, fiscally sound organizations.

No one can ever completely prepare for or predict the future. However, experts generally agree that those nonprofits that deal with the tough questions before trouble strikes are the most likely to weather the storms of uncertainty.

In this edition of Community Connect we look at self-assessment, a process that many nonprofits find to be indispensable in helping them to think through tough questions, leave assumptions behind, learn what the customer really wants, abandon things that aren't working, plan for the future and gain a clear vision of mission and focus. Inside you'll find:

▲ The views of local consultants trained in what some consider to be the "gold standard" of self-assessment by the Peter F. Drucker Foundation for Nonprofit Management.

▲ Insights from the head of ASU's Center for Nonprofit Leadership and their Nonprofit Self-Assessment Incubator Pilot Program.

▲ Stories of three nonprofit executive directors who braved the process with their organizations and came out "Druckerized" – true believers in self-assessment.

▲ A tool kit you can use to begin your own journey of self-assessment.

You'll also find SLHI's own take on self-assessment, which comes out of our own experience of changing organizational structure and emphasis over the past several years, as well as from the pleasure of working with so many talented and committed leaders in the Arizona nonprofit sector on issues of capacity building and community development. ■

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“Every organization is a unique, organic being, and there's no such thing as 'one size fits all.' Self-assessment looks at the DNA of the organization.”

—David Wayne, Ph.D., Tapestries International Communication

Self-Assessment, Drucker-Style Five Key Questions

- 1 What is our mission?
- 2 Who is our customer?
- 3 What does the customer value?
- 4 What are our results?
- 5 What is our plan?

“The questions are straightforward – and deceptively simple. Throughout the self-assessment process you will examine the fundamental question of your mission: what the mission is and what it should be. You will determine your primary customer: the person whose life is changed through your work. You will determine your supporting customers: volunteers, partners, donors, and others you must satisfy. You will engage in research to learn directly from customers what they value, decide what your results should be, and develop a plan with long-range goals and measurable objectives.”

The Peter F. Drucker Foundation for Nonprofit Management

It takes courage for a nonprofit organization to look closely and fearlessly at its mission, yet look closely we must according to the Peter F. Drucker Foundation for Nonprofit Management, an organization that considers self-assessment to be the first action requirement of leadership.

Peter Drucker, recognized in both the business and social sectors as “The Father of Management” and heralded as “the most enduring management thinker of our time” by *BusinessWeek*, developed this highly-touted self-assessment tool at the urging of his own board of directors shortly after founding the Peter F. Drucker Foundation for Nonprofit Management in 1990.

“Your commitment to self-assessment is a commitment to developing yourself and your organization as a leader,” says Drucker to those considering the process. “You will expand your vision by listening to your customers, by encouraging constructive dissent, by looking at the sweeping transformation taking place in society.

“You have vital judgments ahead: whether to change the mission, whether to abandon programs that have outlived their usefulness and concentrate resources elsewhere, how to match opportunities with your competence and commitment, *how you will build community and change lives.*” ■

A Local Model

Many local experts consider the Drucker model to be the gold-standard of self-assessment. Robert Ashcraft, director of the ASU Center for Nonprofit Leadership and Management (CNLM), looked at many different models of self-assessment before choosing the Drucker program for CNLM's Nonprofit Self-Assessment Incubator Pilot Program.

"What I like about the Drucker self-assessment tool is that it engages the board, the staff and a range of customers, both primary and secondary," says Ashcraft. "It helps boards be better boards and become more passionate about the agency. It forces the board and staff to work together. It provides more potential for a more intensive kind of relationship."

Tamara Woodbury, Executive Director of the Girl Scouts-Arizona Cactus-Pine Council, Inc. and a member of the national training team for the Drucker Foundation who served as a volunteer facilitator for the CNLM pilot, concurs.

"What's rich about it is that Drucker's five simple questions really get to the core of your organization and cause you to test your assumptions about your mission, your customers, and your perceptions about your external community's expectations," she says. "If your organization sets up behaviors and systems that support assumptions, and you find your assumptions aren't accurate, you're not meeting the needs of the community."

The CNLM pilot, supported by ASU, the W.K. Kellogg Foundation and the Stardust Foundation, selected five Maricopa county agencies to participate in the initiative. Each agency committed to utilize the Drucker self-assessment tool through an initial six-month series of coached sessions, retreats and reports that involved executive directors, board members, staff and volunteers.

As the participating agencies enter the final stretch of the program, Ashcraft says his organization will continue using many components of the Drucker tool in the future while putting ASU's own spin on it to involve more student participation and zero in on local needs.

"I'm enthusiastic about the process," he says. "However, there still remains a notion out there that you're going to hire the perfect consultant who will give you all the answers, or that money will solve all your problems. We've grown to realize that the real power of self-assessment is that it empowers people to take their organizations to greater heights. It's a very powerful process."

These words for today's forward-thinking organizations have never been more timely or valid. Those who heed the message and ask the tough questions today can expect to reap the rewards that Drucker and his many followers envision. ■

Ask the Experts

What is self-assessment?

"It's a process of answering the questions that go to the very heart of an organization: why it exists and what it must do to make a difference. Self-assessment combines the best elements of long-range planning and strategic marketing with a passion for dispersed leadership."

—Maria Ort, CEO, Duckmint Partnership, Inc.
and member of the Drucker Foundation national training team

"Every organization is a unique, organic being, and there's no such thing as 'one size fits all.' Self-assessment looks at the DNA of the organization."

—David Wayne, Ph.D., Tapestries International Communication

"Self-assessment allows an organization to step back and examine things it might not think about on a day-to-day basis. It also creates objective standards – not opinions – that everyone can relate to."

—Michael S. Levy, nonprofit management specialist

What's the difference between self-assessment and evaluation?

"Self-assessment comes before strategic planning; evaluation comes after. It's an ongoing spiral: Once you do an evaluation, that process leads back to self-assessment."

—Linda Vogelsong, M.A., Tapestries International Communication

"Evaluation requires setting up some clear objectives and then measuring them. When doing a self-assessment, the organization becomes responsible inside and out on an ongoing basis from beginning to end and back again."

—David Wayne

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What's the greatest take-away that comes from doing a self-assessment?

"It allows everyone to talk off the same page. It constantly forces you to engage in conversation with stakeholders. It's very unifying. But it's not the be-all and end-all: It's ongoing."

—Robert Ashcraft, Ph.D., director, ASU Center for Nonprofit Leadership and Management

How long does it take?

"A full-scale assessment takes three to 12 months and demands lots of time, energy and human resources. You have to have the board commitment to make it happen, because it comes with many challenges and struggles."

—Maria Ort

Can we do it ourselves, or do we need an outside facilitator?

"The value of outside facilitation is self-evident and highly encouraged, even though exceptions always exist. A trained facilitator can keep you moving, forward-thinking and honest, especially when 'dirty linen' appears, as it often does."

—Robert Ashcraft

What's the greatest challenge of self-assessment?

"It's a courageous act to go through. You must be willing to open up, identify what you're doing well – and not so well. It takes courageous leadership willing to create change in the organization. There's also the emotional experience to consider when you find that certain beloved programs aren't working and need to be strengthened or abandoned. Only when you let go of things not working can you create space for innovations and new opportunities to increase performance." ■

—Maria Ort

Tackling Self-Assessment

One Step at a Time

Kids Voting Arizona

Angela Melczer, former executive director of Kids Voting Arizona, current deputy director, Girl Scouts, Arizona Cactus-Pine Council:

Why did you become involved in the self-assessment process?

Kids Voting Arizona was coming up on its 10th anniversary, and both election and education trends had changed so much in that time. I had read lots of information about the Drucker process, had attended his conferences and participated as a board member of the Girl Scouts, and liked the way Drucker thinks about the social sector. As executive director at the time, I thought it was a good time to evaluate who we are, how we started, what we had become and where we wanted to be.

What was your goal?

Our goal was to do a self-examination and develop a plan to help us get where we wanted to go in the future. We wanted it to help us change lives and then be able to measure results.

How much time did you and other members of your organization invest in the process?

It took a good six months from start to finish, requiring the greatest effort from the board chairman and me. We met weekly for a period of time. We also had a self-assessment team and a one-day self-assessment retreat where you bring everyone together.

Did it require a financial commitment?

Yes. Our board had some funding for long-range planning, but we also went above and beyond that to hire a Drucker-trained facilitator, which was very helpful. It's important to have someone who is well-versed in the process who can bring people on track when they need to be. There's also a small financial commitment for the Drucker workbooks and team books.

In what ways did you benefit?

We clarified our mission and defined who our customers are to gain an understanding of whose lives we were trying to change.

What was the greatest challenge?

Taking all the information and synthesizing it into a plan with measurable outcomes. We were able to achieve that, but that's where we got a little bogged down. Kids Voting Arizona is a very small organization and didn't have the staff support to make some of those things happen. It's challenging when you're trying to run an agency plus get all this done. The size of an organization has an impact on what you can accomplish.

Is it worth all the energy and effort?

Yes! Despite the challenges, the process is well worth the time and money. Board members from Bank One and Intel said it was the most amazing planning process they'd ever seen. That kind of testament is important.

What changed as a result?

Our mission statement, for one thing. We didn't simplify it; we clarified it. Drucker believes you should be able to put your mission statement on a T-shirt: Everyone in your organization should be able to say it. We also prioritized things differently after that.

Advice?

Make sure you have the commitment up front for the funding and the time. When you have everyone on board, it's going to be much easier. Then, let it happen and enjoy the process, because it is fascinating. ■

Glendale Human Services

Mary Ann Lavine, former executive director of Glendale Human Services (formerly Glendale Community Council):

Why did you become involved in the self-assessment process?

We were in the habit of doing a new strategic plan every three years, and the time was approaching to do a new one. Three board members and I were introduced to the Drucker program at the Nonprofit Institute and came back energized. We thought it seemed like a wonderful way to do the strategic plan.

What was your goal?

We wanted to come away with a precise three-year plan that would definitely show results and give us a clear picture of where we were going.

How much time did you and other members of your organization invest in the process?

We established an aggressive timetable: We said that in six months we'd have the plan. The board president and I met weekly for five months. Our assessment team of four board members plus a staff person met every two weeks for four months. Plus it took me 13 straight days to get the environmental scan under control because I'd requested information from 69 agencies and had to condense it down to 12 pages.

Did it require a financial commitment?

Yes. We hired a professional Drucker-trained facilitator to lead us through the process. The Girl Scouts also gifted us with a Drucker-trained coach.

In what ways did you benefit?

We came up with a wonderful, simple plan and moved ahead with it. It allowed us to clear out what wasn't working and fine-tune what was. We realized that over the years we did incredible things, but we also needed to look at new issues, make changes and move on. This process provided a healthy new direction for the agency. It was healthy for me and healthy for the agency. We saw that our role was to move with the times and the needs.

What was the greatest challenge?

Letting go of all the things that weren't productive anymore, which Drucker calls "abandonment."

Is it worth all the energy and effort?

I once said I wouldn't do it again, but now I'm glad I did. It started the most wonderful process with the board, staff and community volunteers. We stepped back and took a good look at where we were at the moment, examined our environment and our role in it.

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What changed as a result?

The biggest things were the name of our organization and our mission statement. We had been the Glendale Community Council for 20 years; after going through the Drucker program we decided that maybe the name didn't do an adequate job of reflecting what we did. We ultimately became the Glendale Human Services Council.

I also realized that I needed to make a change and, after 14 years as executive director, decided to move on. Things are still changing because it's an ongoing process that doesn't stop once the plan is written. We used to end up with a book when we did strategic planning. Our current plan is two pages that's simple and focused.

Advice?

Have a strategic plan and use it to keep things evolving. The Drucker process was the best process we'd ever tried; it was so well done that it was exceptional. It's the quickest way I know to get good results and also make changes that will make your agency healthier. ■

Girl Scouts

Tamara Woodbury, executive director, Girl Scouts, Arizona Cactus-Pine Council and member of Drucker's national training team:

Why did you become involved in the self-assessment process for your organization?

Every four years, each Girl Scout Council goes through a self-assessment process related to its charter. We wanted to be more deliberate about strategic planning for the future, so we went with the Drucker program since I've been a volunteer with the Drucker Foundation for seven years and am on their national self-assessment training team.

What was your goal?

To develop a strategic plan and to have the deeper dialogue related to the core questions. Other self-assessment processes have you make a lot of assumptions about your beliefs and habits. We didn't want to do that.

How much time did you and other members of your organization invest in the process?

We invested a year in the process, although most of the work was done over a seven-month period. We involved a large number of stakeholders in the process: all of our 80 staff members and over 160 community leaders and volunteers.

The reason why we involved so many people is because when you have 9,200 volunteers and 27,000 girls and cover 75,000 square miles, it's hard to get a representative sampling any other way.

Did it require a financial commitment?

It required a significant investment of resources, mostly human. The financial commitment itself was relatively small, but we did pay for a facilitator to help us through the process.

In what ways did you benefit?

We achieved a collective consciousness that came together around our mission, core values and beliefs. Now people can not only articulate our mission but also understand why it's important, which reflects the richness of dialogue that took place. If you don't know where you're going, you sure won't get there. This put a guiding star out there. It's more than a strategic plan; we've created a decision-making model. Now we can track back to how this relates to what our customers value and what we want to be for girls. The average troop leader hasn't had that decision-making model before.

What was the greatest challenge?

Time. I've heard that most nonprofits have only 80 percent of the staff required to get the job done. This is a thoughtful process that begs people to read and think and delve into customer feedback. We trained 20 people to conduct focus groups and do market research with five- to eight-year olds to gather information about customer values. These people had incredible experiences, yet giving a full day for training and then agreeing to conduct five focus groups and travel was a big commitment.

Is it worth the energy and effort?

Absolutely. We now hear people saying they've been "Druckerized." They understand what it means culturally to our organization.

What changed as a result?

We now have the persistent vision of being engaged in evaluation and a focus on how we can serve every girl who wants to be Girl Scout. We're now examining our entire structure down to bylaws and looking within our current structure to ensure that nothing impedes our vision and focus. We now have a commonly held vision, and everyone knows what it is.

Advice?

Trust that the process will facilitate a rich dialogue and build relationships. It will help the organization grow in its capacity. ■

Branding and Other Heresies: Another View of Self-Assessment

Peter Drucker's approach to organizational self-assessment is a useful technique, but it's hardly all there is to say about the subject.

In SLHI's case, we began our existence as a public foundation by asking, more or less, the five central questions Drucker poses through a formal, facilitated strategic planning process. But it wasn't until we wrestled with the issue of whether we ought to change our name that we stumbled upon the process and techniques of branding, and began to see our future with a clarity that traditional self-assessment doesn't always capture.

More Than A Name

Branding is much more than establishing a name, symbol or some other signifier that identifies a particular product, service or organization and distinguishes it from its competitors. Properly understood, branding is really the total process of building and managing the perceived value of an asset, and determining the allocation of that asset's value over time.

We thought we were talking about changing our name. We ended up talking about our mission, our values, our core strategies, how others perceived us, how we wanted to be perceived, and what we needed to do to establish our own identity and become more effective in our work.

A Visual Approach

The brand identification and development process itself was primarily visual. Utilizing a brand development firm, we began with a set of perceptual exercises among trustees and staff, then repeated the exercises with focus groups to test the "fit" of our perceptions with those of the community.

One exercise, for example, involved looking at a series of watch faces and matching them with selected community organizations that included foundations, advocacy groups and various nonprofits. The exercise led to a discussion of how we saw our own organization, how we saw other organizations similar to us, and how we *imagined* we were different.

From this process we established three branding dimensions – the historical, the expressive and the functional – that now serve as screens through which every facet of our organization is viewed: the type of staff member we want to attract,

the community leaders we want to recruit for our board, the characteristics of successful partnerships we want to establish, the ingredients of projects we wish to pursue, the messages we want to communicate, and the human and financial resources we have to optimally allocate to achieve our goals.

A Way of Life

Done well, brand development – like any self-assessment process – is never finished. The important point is not so much what approach your organization uses, but that you regularly go through a self-assessment process in a disciplined and structured way.

It helps to use outside facilitators in the process, but it's certainly possible to do quality self-assessment work with staff and volunteers. There are any number of ways to go about it – some businesses use the techniques of future scenario construction to get at core issues of mission and strategies – and most successful organizations experiment with a number of approaches until they find one that's right for them.

Finally, remember that self-assessment is a necessary, but not sufficient, condition of the entire strategic planning process. You can't effectively look inward until you look outward, and vice versa. In the end, it's not a discrete process at all, but a way of life. ■

Tool Kit

The Peter F. Drucker Foundation for Nonprofit Management

General information about Drucker self-assessment tool plus links to Drucker-trained facilitators in Arizona. www.drucker.org

ASU Center for Nonprofit Leadership and Management

A source for improving the quality of life in communities by enhancing the performance of nonprofit organizations. www.asu.edu/copp/nonprofit
480-965-0607

Nonprofit Management Services

Offers a basic assessment of six core elements: administration, volunteer/board development, resource development, marketing, programs and community involvement. Also includes links to more detailed assessments and handbooks, including one based on the Malcolm Baldrige Industrial Award. www.nonprofitms.com/organization.asp

Organizational Self-Assessment Checklist

Created for the National Endowment for the Arts (NEA), this downloadable checklist can be used by organizations at the beginning of their year-long planning process.

<http://arts.endow.gov/pub/Lessons/Lessons/WARSHAWSKI.HTML>

Nonprofit Organizational Assessment Tool Strategic Planning

An assessment form that can help guide a group discussion about a nonprofit organization's strategic planning process.

<http://www.uwex.edu/li/learner/assess1.htm>



Grants

SLHI awarded more than \$500,000 in grants to Arizona nonprofits in December 2001. For a complete list of grantees and more information, visit our Web site at www.slhi.org.

Arizona Health Futures Aging Summit, May 23, 2002

Mark your calendar now to attend an AHF summit on Arizona's capacity to deal with the health needs of an aging population, set for May 23 at the Buttes Resort in Tempe. Donna Shalala, Director of Health and Human Services under the Clinton Administration, will be a keynote speaker, among others; SLHI will release a major study on the future of aging in Arizona shortly before the conference.

Magnet Force: Immigrants, Health and Social Policy in Arizona, an Arizona Health Futures report available in mid-February 2002. An AHF Policy Forum on this issue is scheduled for February 21.

Will Disruptive Innovations Cure Health Care? What do we know about how businesses really change, and how can we apply it to health care? John Kenagy, M.D., from the Harvard Business School will be on hand for an Arizona Health Futures forum on April 21. Be prepared to get your mind stretched.

The Healthcare Workforce: A Shortage of People, or a Shortage of Good Jobs? An AHF Policy Forum set for mid-June.

The Drift: A biweekly column on health issues by SLHI Executive Director Roger Hughes, available at www.slhi.org

Community Connect is published three times a year by St. Luke's Health Initiatives as a resource for nonprofits. Material may be reproduced without permission when proper acknowledgement is made.
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