Cultivating an Entrepreneurial Nonprofit Culture

SOCIAL **IMPACT** ARCHITECTS

SocialImpactArchitects

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SUZANNE SMITH, MBA
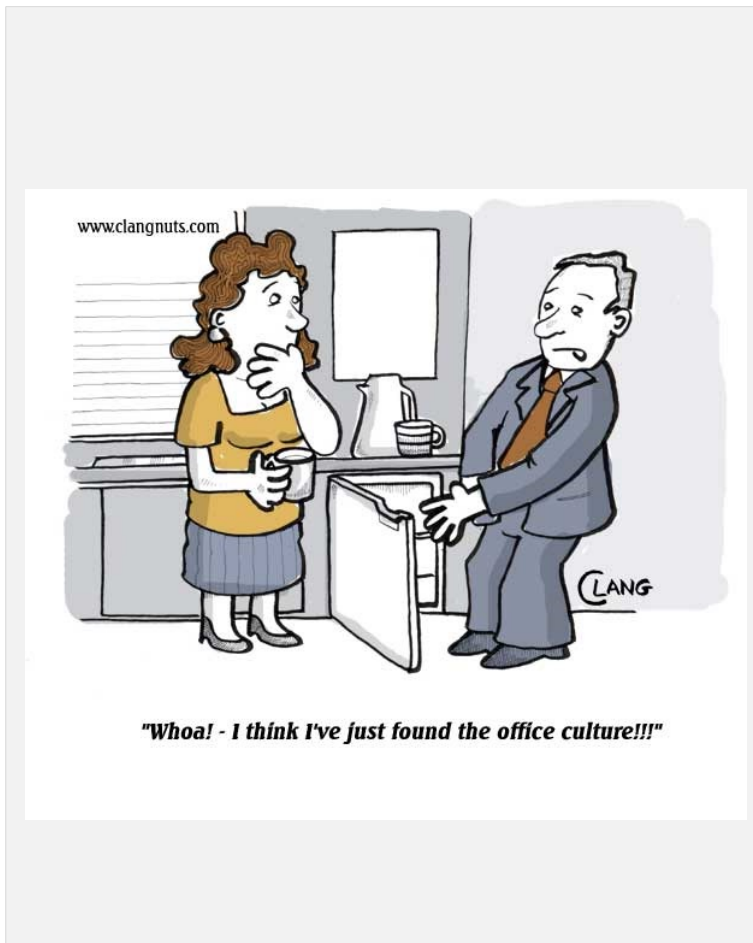suzanne@socialimpactarchitects.com

Agenda

- **WHAT:** Culture 101
  - Types of Cultures & OCAI

- **WHY:** Nonprofit Shifts

- **HOW:** Elements of an Entrepreneurial Culture
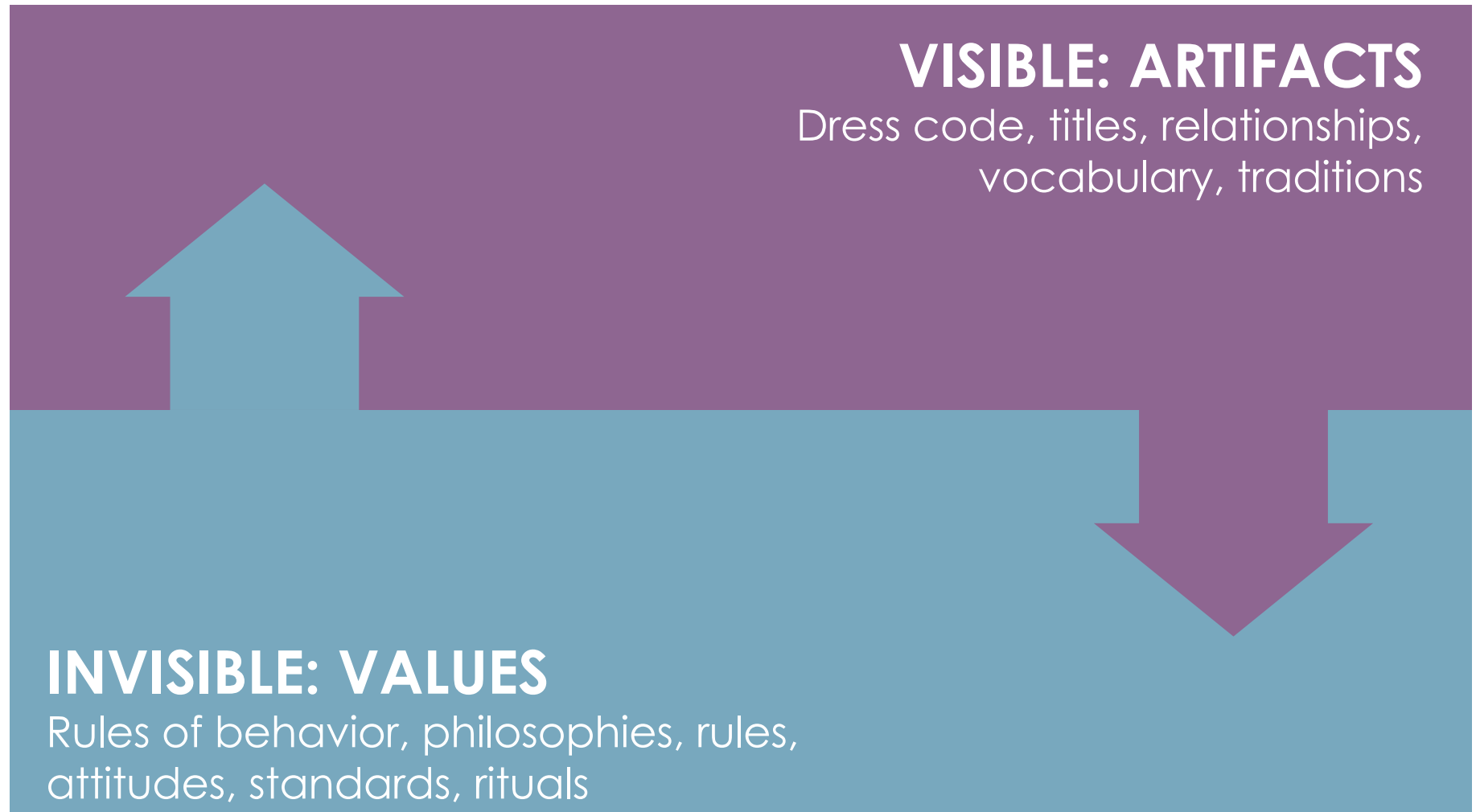
- **NEXT STEPS:** Reflection

SOCIAL **IMPACT** ARCHITECTS

Culture 101

SOCIAL IMPACT ARCHITECTS

Definitions

www.clangnuts.com

"Whoa! - I think I've just found the office culture!!!"

CULTURE

■ From Latin word "cultura" meaning "to cultivate"

■ "*An energy force that becomes woven through the thinking, behavior and identity of those within the group.*" – Debra Thorsen

■ Vision & Mission & Values ≠ Culture

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What is Organizational Culture?

VISIBLE: ARTIFACTS
Dress code, titles, relationships, vocabulary, traditions

INVISIBLE: VALUES
Rules of behavior, philosophies, rules, attitudes, standards, rituals

Visible Organizational Culture

EXAMPLES

Dress

Office

Invisible Organizational Culture

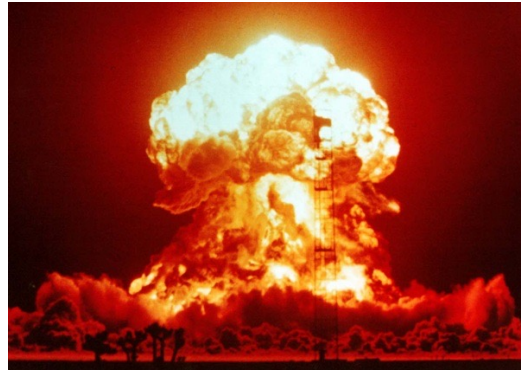**Decision-Making**

Leadership Driven

Consensus Driven
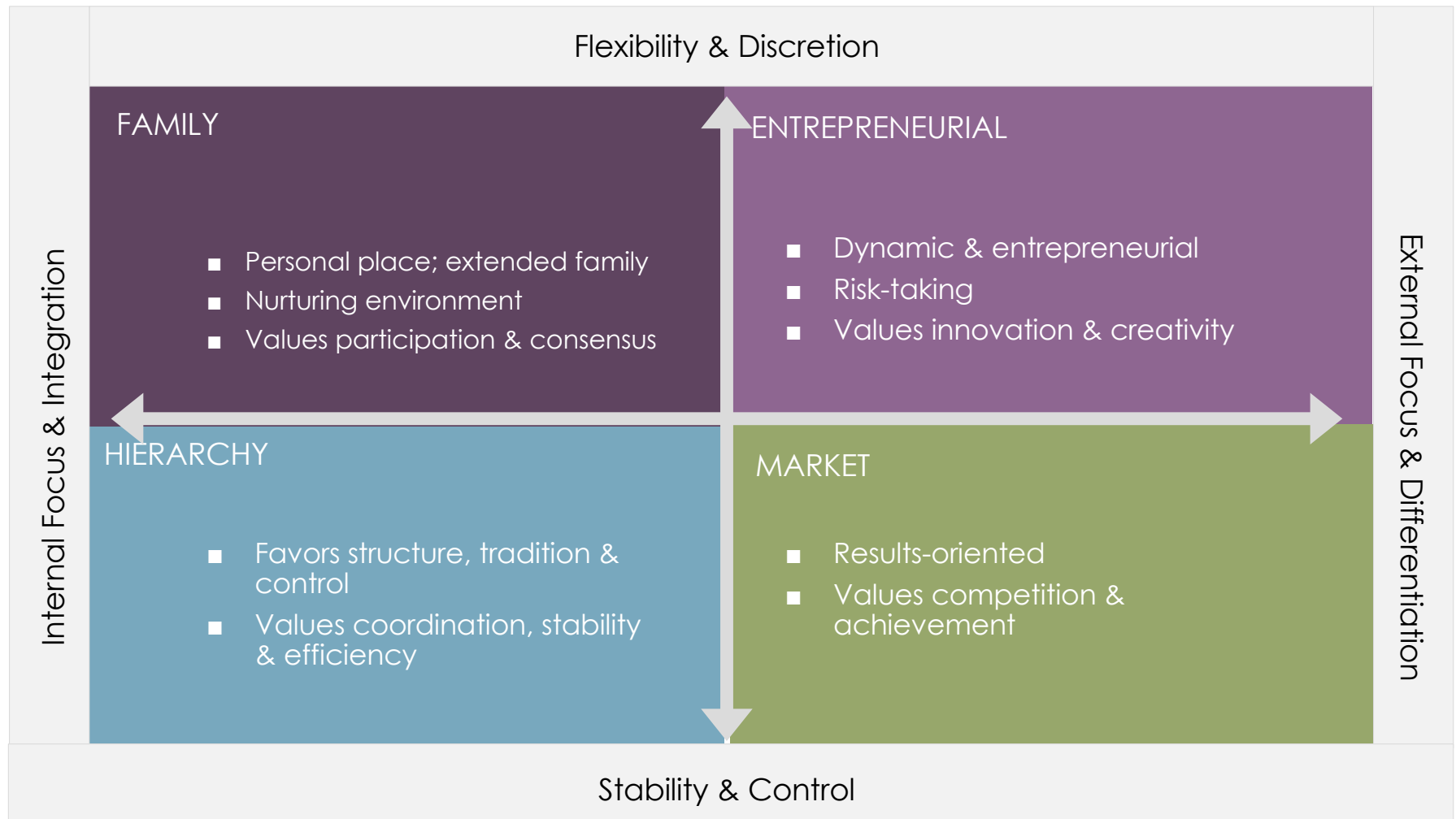

Market Driven

Things Go Wrong
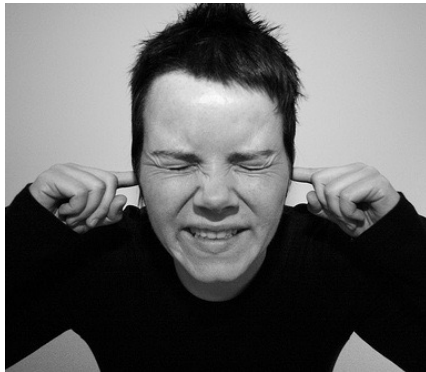
Ignored

Crisis Driven

Dealt with Head On

Types of Culture

Flexibility & Discretion

Internal Focus & Integration | **External Focus & Differentiation**

FAMILY
- Personal place; extended family
- Nurturing environment
- Values participation & consensus

ENTREPRENEURIAL
- Dynamic & entrepreneurial
- Risk-taking
- Values innovation & creativity

HIERARCHY
- Favors structure, tradition & control
- Values coordination, stability & efficiency

MARKET
- Results-oriented
- Values competition & achievement

Stability & Control

Source: Adapted from Robert Quinn and Kim Cameron

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Culture

How Would You Categorize the Culture at these Companies?

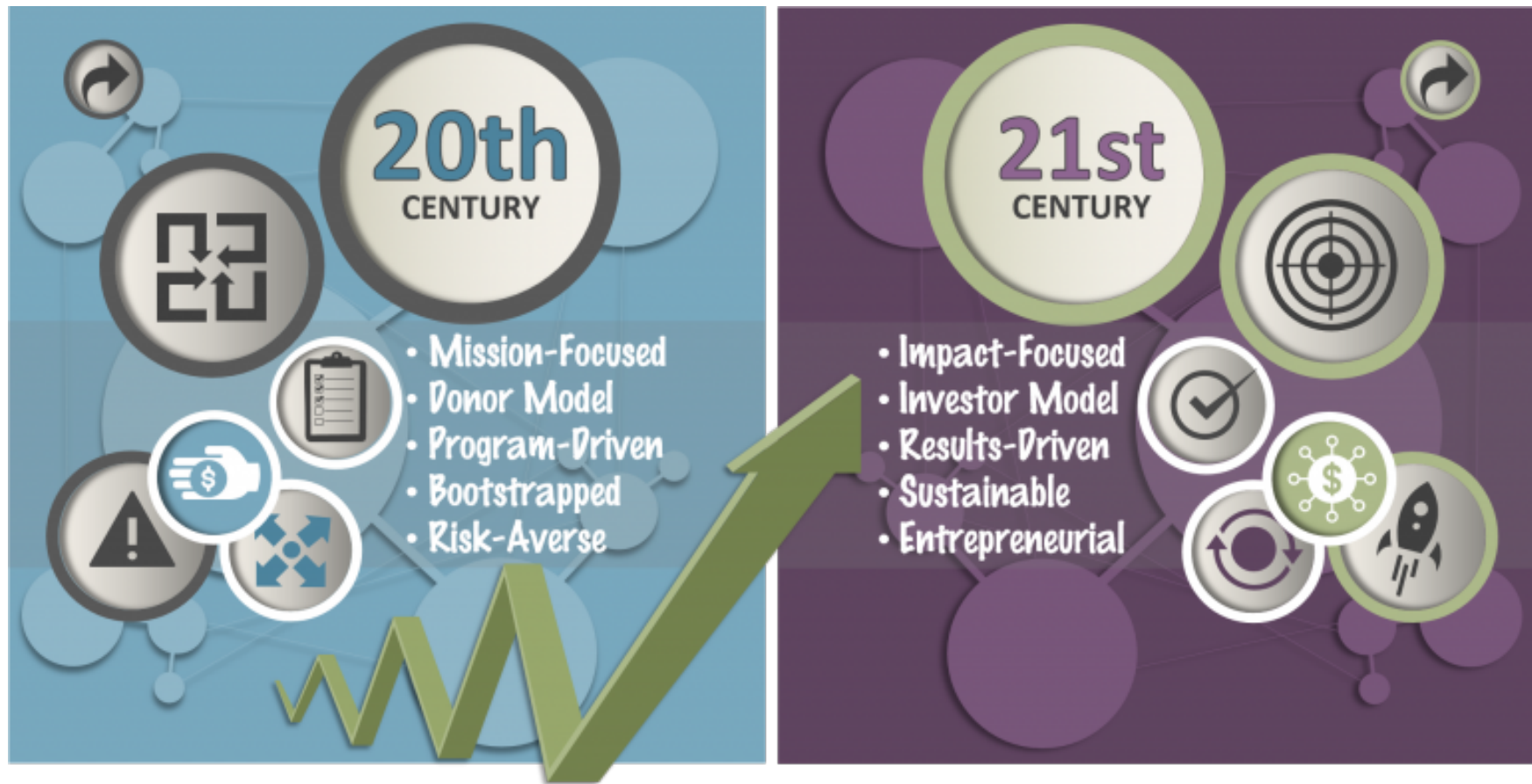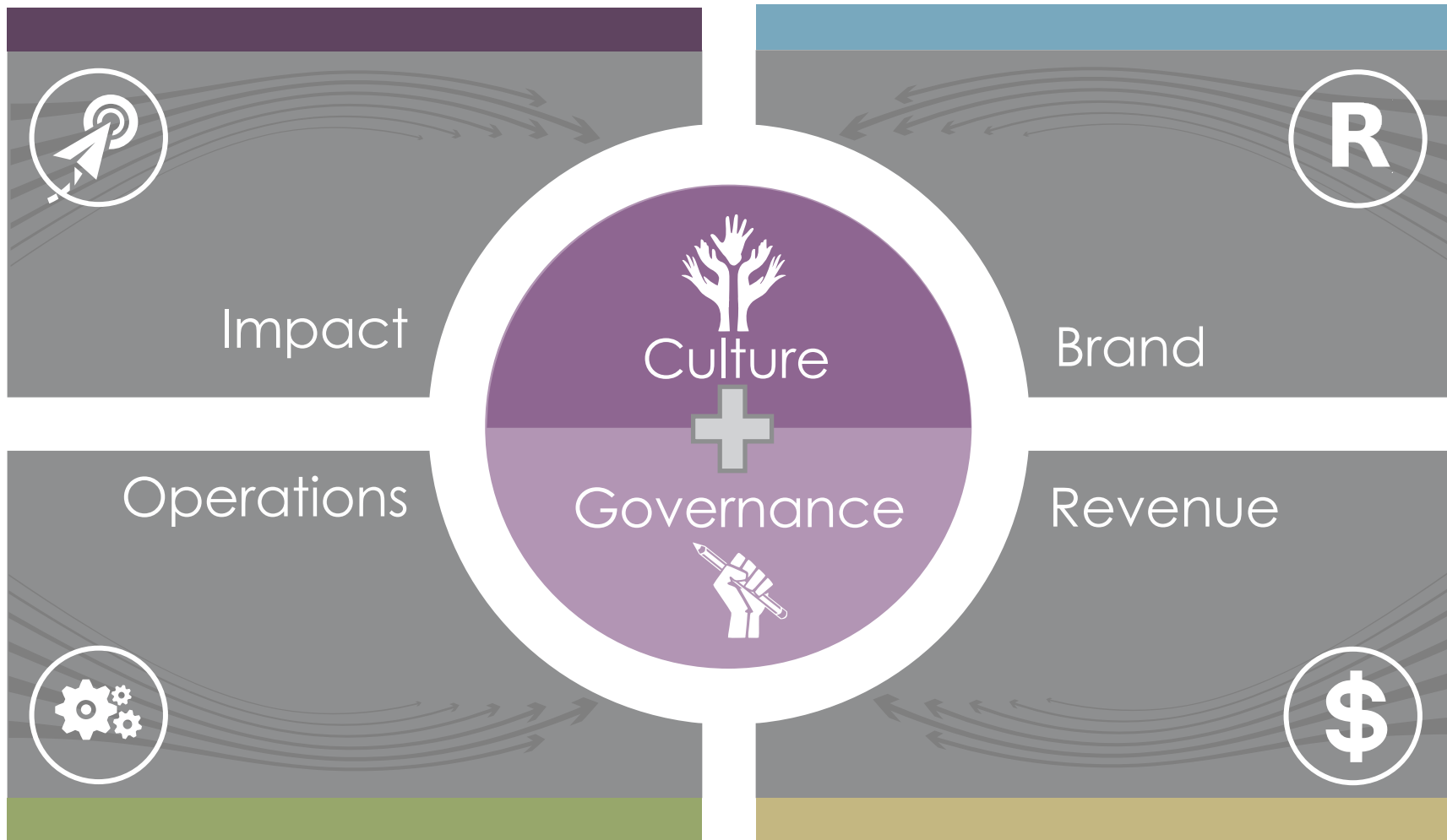| FAMILY	ENTREPRENEURIAL
HIERARCHY	MARKET

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Why?

The picture's pretty bleak, gentleman ... the world's climates are changing, the mammals are taking over, and we all have a brain about the size of a walnut.

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Changes in Social Sector

20th CENTURY
- Mission-Focused
- Donor Model
- Program-Driven
- Bootstrapped
- Risk-Averse

21st CENTURY
- Impact-Focused
- Investor Model
- Results-Driven
- Sustainable
- Entrepreneurial

SOCIAL IMPACT ARCHITECTS

Sustainability = High Impact + High Performance

Impact

Operations

Culture
+
Governance

Brand

Revenue

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Elements of an Entrepreneurial Culture

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Entrepreneurial Culture

Four Key Elements

OPENNESS

ADAPTABILITY

RESULTS
& REWARDS

LEARNING
ORGANIZATION

SOCIAL IMPACT
ARCHITECTS

Openness

Don't cross us. Ever. Seriously. Just don't.
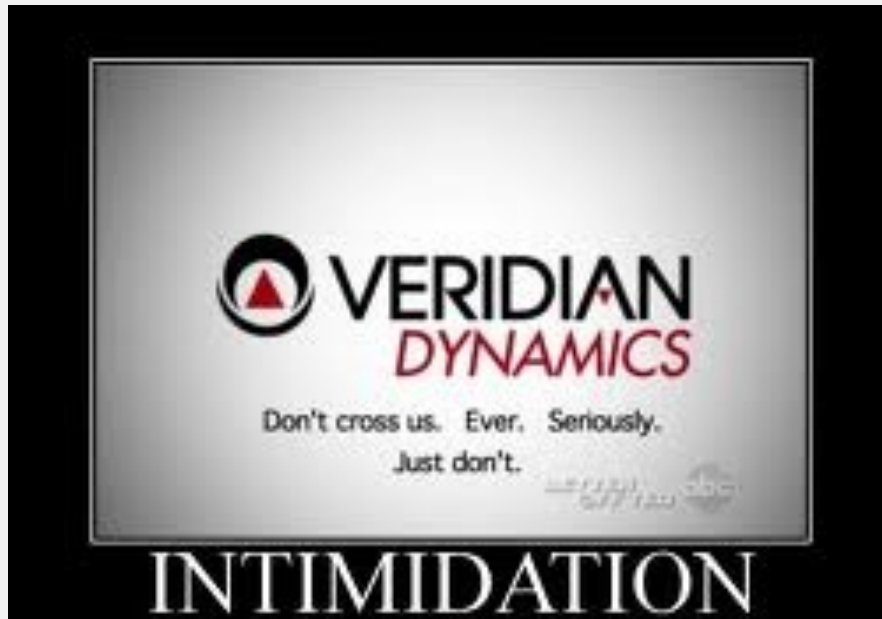
INTIMIDATION: The promise of **NEGATIVE CONSEQUENCES** can be highly motivational.

OPENNESS · ADAPTABILITY · RESULTS & REWARDS · LEARNING ORGANIZATION

SOCIAL **IMPACT** ARCHITECTS

Openness

DEFINITION: A willingness to share information and lessons learned widely

OPENNESS | ADAPTABILITY
RESULTS & REWARDS | LEARNING ORGANIZATION

TIPS

■ **Open your door**
- Be available for brainstorming
- Participate without controlling

■ **Open your mind and close your mouth**
- Listen first and share last
- Foster intellectual dialogue and promote open debate

■ **Share information and lessons learned widely**
- Create an environment where people share success and failure
- Create "bumping into" spots for information exchanges
- Share information about the organization, so employees understand the "big picture"

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Adaptability

ADAPTABILITY: Combining a raft with a trailer to make a redneck houseboat.

Adaptability

DEFINITION: The ability of a nonprofit organization to monitor, assess and respond to internal and external changes

TIPS

- **Monitor performance**
  Measure performance and identify both problems and possibilities for improvements

- **Customize to your clients**
  Understand how well clients are served and what changes need to be made to improve the quality of service

- **Inertia kills innovation**
 Use the organization's people and knowledge to create new ways to solve the same issues

- **Treat your employees like owners**
  Create jobs and organizations where staff and volunteers see the results of their work – the foundation for motivating people

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Results & Rewards

UNDERACHIEVEMENT: The tallest blade of grass is the first to be cut by the lawnmower.

SOCIAL IMPACT ARCHITECTS
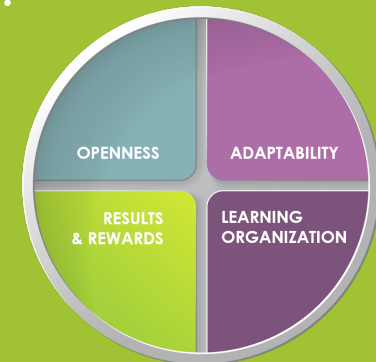
Results & Rewards

DEFINITION: A dedication to tracking outcomes and impact, but also rewarding the right behaviors, including organizational leadership

OPENNESS | ADAPTABILITY

RESULTS & REWARDS | LEARNING ORGANIZATION

TIPS

- **Frontliners know best**

  Push responsibility and accountability downward to employees on the frontlines

- **Measure outcomes, not activities**

  Establish clear performance goals and expectations

- **Reward employees when you notice the "right behaviors"**

- **Encourage employees to "fail early, fail fast, fail cheap"**

- **Reward "organization citizenship"**

  Encourage team players or employees who collaborate outside their roles for the betterment of the organization

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Learning Organization
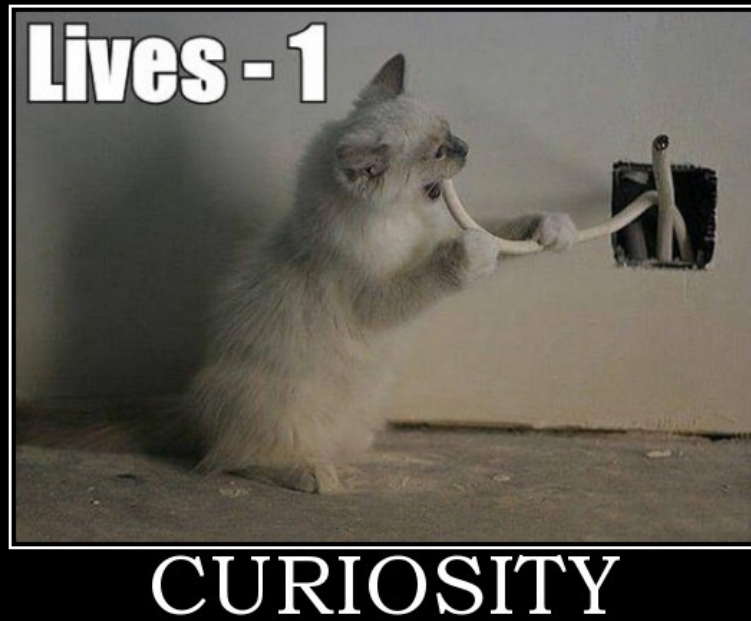
CURIOSITY: It strikes again.

SOCIAL IMPACT ARCHITECTS

Learning Organization

DEFINITION: A promise to employees to support a learning organization that will encourage them to grow and learn without fear

TIPS

- **Create a vision that inspires action ("shared vision")**

- **Create a "we're all in this together" attitude ("team learning")**
  When something goes wrong, encourage everyone to jump in without playing the "blame game"

- **Understand how your organization and its environment works ("systems thinking")**

- **Encourage employees to grow and learn without fear ("personal mastery")**
  Have employees set goals for personal improvement and regularly discuss and nurture them

- **Challenge ways of thinking and working ("mental models")**
  Share best practices and newsworthy trends for feedback and possible implementation

SOCIAL IMPACT ARCHITECTS

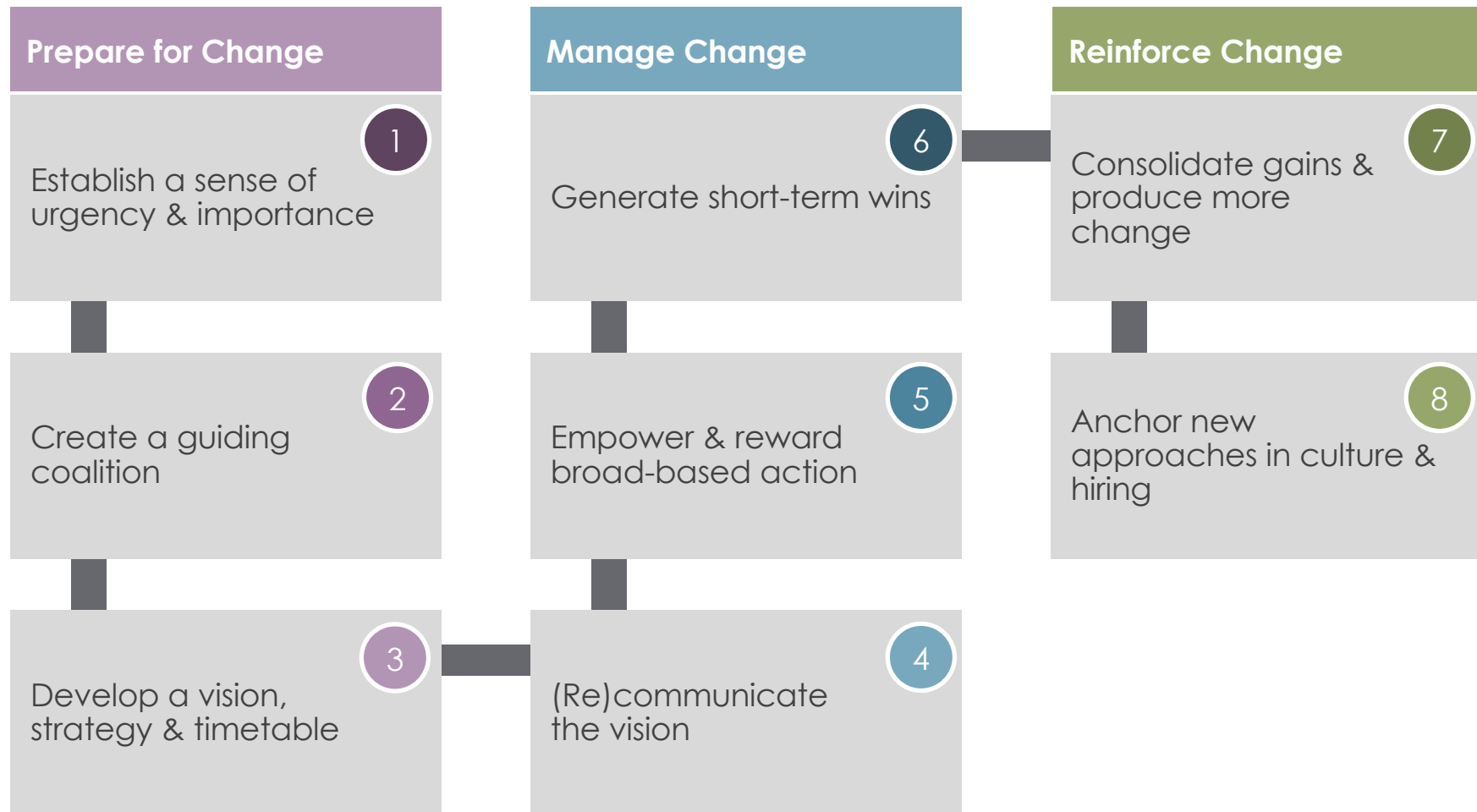# Reflection

Culture Assessment

ARE YOU IN TROUBLE?

- Lack of clear values and beliefs
- Lack of agreement on how to succeed
- Conflicting subcultures
- Destructive behaviors
- Disorganized activity

- **ARE YOU SUCCEEDING?**
- Values and beliefs provide foundation
- Culture drives decision-making at every level
- Culture is aligned with strategy
- Culture is a business process and must be managed

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Steps to Change Management

Prepare for Change

(1) Establish a sense of urgency & importance

(2) Create a guiding coalition

(3) Develop a vision, strategy & timetable

Manage Change

(6) Generate short-term wins

(5) Empower & reward broad-based action

(4) (Re)communicate the vision

Reinforce Change

(7) Consolidate gains & produce more change

(8) Anchor new approaches in culture & hiring

Modified from John Kotter; *Leading Change*; 2012

SOCIAL IMPACT ARCHITECTS

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EDUCATION
- MBA, Duke University's Fuqua School of Business
  - Selected as CASE (Center for the Advancement of Social Entrepreneurship) Scholar
- Adjunct Professor **–** University of North Texas

AWARDS & HONORS
- "Best for the World" Small Business List – B Corp, 2015 & 2016
- Tedx Speaker, "Everyone Can be a Changemaker," 2015
- Huffington Post's Top 10 Social Sector Blog, 2014
- Next Generation Social Entrepreneurs Award, 2010

COMMUNITY LEADER
- **Dallas, Texas –** Dallas Commission on Homelessness, Mayor's Task Force on Poverty, Leadership Dallas, Leadership North Texas & Junior League
- Dallas Regional Chamber, Young ATHENA Award, 2014
- Dallas Business Journal's 40 Under 40 Award, 2012
- **Cincinnati, Ohio –** Founder, Flywheel: Social Enterprise Hub

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For additional info

Social trendSpotter
Latest Trends in the Social Sector
https://socialimpactarchitects.com/blog/

CHECK OUT:

TOP QUESTIONS ON STRATEGIC PLANNING
https://socialimpactarchitects.com/top-questions-on-strategic-planning

STRATEGIC AND/OR BUSINESS PLANS
https://socialimpactarchitects.com/business-strategic-plan

HIGH IMPACT + HIGH PERFORMANCE
https://socialimpactarchitects.com/sustainability-high-impact-high-performance-social-sector-organizations-2

ACTION MAPS
https://socialimpactarchitects.com/turning-strategy-into-execution-action-maps

DASHBOARDS
https://socialimpactarchitects.com/nonprofit-dashboards