

ROUGH DRAFT
EDWARD A. SMITH DISTINGUISHED LECTURE SERIES
A DAY OF LEARNING
WITH PAUL LIGHT
HELD MARCH 21, 2003
AT HYATT REGENCY HOTEL
KANSAS CITY, MISSOURI

Day of Learning transcript

MR. RENZ: GOOD MORNING. I WOULD LIKE TO INVITE YOU TO GET THE LAST CUP OF COFFEE AND TAKE YOUR SEATS. WE'LL BEGIN OUR PROGRAM IN JUST ONE MINUTE. GOOD MORNING. IT IS EXCELLENT TO SEE YOU ALL HERE. A BEAUTIFUL DAY IN KANSAS CITY AND A GREAT DAY TO HAVE YOU. I'M DAVID RENZ, DIRECTOR OF THE NONPROFIT CENTER HERE IN KANSAS CITY. I WANT TO WELCOME YOU TO THE 2003 EDWARD A. SMITH DISTINGUISHED LECTURE. WE HAVE A SPECIAL PRIVILEGE THIS YEAR THAT I'M REALLY DELIGHTED TO SHARE WITH YOU, AND I THINK YOU WILL FIND THE MORNING IS AN EXCELLENT OPPORTUNITY FOR LEARNING, REFLECTION AND GROWTH. YOU WILL NOTICE WE HAVE A SCREEN OVER HERE THAT WE'VE HAD SOME REQUESTS THAT WE HAVE THE ON-SITE EQUIVALENT OF CLOSED CAPTIONING, SO I'M GOING TO TRY TO AVOID WATCHING MY OWN WORDS SHOW UP OVER THERE.

ALTHOUGH I SUPPOSE I COULD TRY TO TEST HER AND TALK REALLY FAST AND SEE IF SHE CAN CATCH IT.

ENOUGH FOOLING AROUND. ALL RIGHT. THIS IS THE EDWARD A. SMITH 2003 DISTINGUISHED LECTURE AND TO BEGIN WITH, I WOULD LIKE TO ACKNOWLEDGE THAT ALL OF YOU ARE HERE BECAUSE YOU ARE PAYING ATTENTION MORE THAN EVER, I KNOW, TO THE GROWTH AND DEVELOPMENT OF THE NONPROFIT PUBLIC SERVICE SECTOR IN KANSAS CITY AND THE REGION. THESE ARE CERTAINLY CHALLENGING TIMES, BOTH FOR OUR

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Day of Learning transcript
NATION AS A WHOLE AND FOR US AS A COMMUNITY HERE AT HOME, AND I APPLAUD THAT YOU HAVE TAKEN THE TIME TO ATTEND. ONE OF THE THINGS WE FIND AS WE TALK TO NONPROFIT EXECUTIVES, BOARD MEMBERS AND STAFF PEOPLE IS THAT IT IS GETTING TO BE HARDER AND HARDER TO EVEN FIND TIME TO ATTEND TO THESE KINDS OF THINGS BECAUSE THERE'S SO MUCH GOING ON BACK AT THE OFFICE. BUT THE REALITY IS IT IS OFTEN EASY TO GET SO CAPTURED BY THOSE URGENT ACTIVITIES THAT WE FORGET TO PAY ATTENTION TO THE LARGER, MORE STRATEGIC, ULTIMATELY MORE IMPORTANT QUESTIONS. ONE OF THE SAYINGS WE SHARE IN OUR STRATEGIC PLANNING COURSES IS THE URGENT OFTEN DRIVES OUT THE IMPORTANT. THAT'S A SIGNIFICANT ISSUE FOR US TO ATTEND TO WHEN SO MUCH URGENCY IS CHASING US THESE DAYS.

SO I THANK YOU VERY MUCH FOR BEING WITH US THIS MORNING. I WOULD LIKE TO INTRODUCE MY COLLEAGUE, MY BOSS. WE HAVE A NEW DEAN EFFECTIVE LAST SUMMER AT THE SCHOOL IN THE BLOCH SCHOOL OF BUSINESS AND PUBLIC ADMINISTRATION, DR. HOMER ERICKSON, I WOULD LIKE TO INVITE HIM TO COME AND WELCOME YOU.

DR. ERICKSON: GOOD MORNING. IT IS REALLY MY PRIVILEGE AND HONOR TO BE HERE. WHAT A GREAT PLACE TO BE. I MOVED HERE JULY 1ST. AND KANSAS CITY IS A GREAT CITY. YOU KNOW, WHEN I THINK ABOUT THE BARBEQUE, THE

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4

JAZZ, THE BLUES, THAT'S PRETTY GREAT. WHAT I'VE COME TO KNOW IS THIS IS AN INCREDIBLY GIVING COMMUNITY.

Day of Learning transcript

WHAT'S OF CORE VALUE TO US AT THE UNIVERSITY OF MISSOURI KANSAS CITY AND THE HENRY W. BLOCH SCHOOL PUBLIC ADMINISTRATION AND TO THE NONPROFIT SCHOOL OF LEADERSHIP IS VALUE BASED, BEING ABOUT VALUE CREATION, BEING ABOUT LIVING OUR VALUES, AND I WANT YOU TO LOOK AROUND FOR A SECOND TO PEOPLE NEXT TO YOU, PEOPLE AT THE TABLE NEXT TO YOU. THIS IS A GROUP OF PEOPLE WHO ARE ABOUT VALUE CREATION. AND THAT'S WHY IT IS AN HONOR FOR ME TO BE HERE BECAUSE AS DAVE SAID, IT IS REALLY IMPORTANT TO FOCUS ON THE THINGS THAT ARE GOING TO MAKE A DIFFERENCE, AND I BELIEVE THE NONPROFIT SECTOR, NONPROFIT INDUSTRY, THE PEOPLE THAT ARE THERE WHO WORK, WHO GIVE THEIR HOURS, THEIR TIME, THEIR RESOURCES, ARE VALUED. SO I WANT TO THANK YOU FOR SPENDING THE TIME THAT YOU ARE DOING TODAY BUT EVEN MORE THAN THAT, PEOPLE BY PEOPLE AS YOU ARE MAKING A DIFFERENCE, I WANT TO THANK YOU FOR THAT. THANK YOU FOR LETTING ME BE A PART OF THAT. WELCOME. LET'S HAVE A GREAT DAY. THANK YOU.

MR. RENZ: THANK YOU, HOMER. I WOULD LIKE TO TALK FOR A MINUTE ABOUT THE FLOW OF THE DAY BECAUSE FOR THOSE OF WHO YOU HAVE BEEN WITH US BEFORE, YOU KNOW THIS IS NOT MERELY ANOTHER SPEECH OR ANOTHER LECTURE.

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5

WE KNEW EARLY ON WE DIDN'T WANT TO DO JUST THAT. SO THE EDWARD A. SMITH DISTINGUISHED LECTURE AND DAY OF LEARNING IS JUST THAT, IT IS A DAY OF LEARNING. NOW,

Day of Learning transcript

OUR SPEAKER, WHEN HE COMES UP, WILL TELL YOU THAT WE'RE WORKING HIM TOO HARD AND IT SHOULD HAVE JUST BEEN A SPEECH. TRUST ME, WE DID WARN HIM THERE WAS A LONG DAY AHEAD. IT IS A GREAT DAY AHEAD. WHEN WE FIRST TALKED ABOUT THIS PROGRAM DESIGNED AND WE TALKED WITH BETH SMITH, ONE OF OUR COLLEAGUES AT THE MIDWEST CENTER AT THE BLOCH SCHOOL. ONE OF THE THINGS BETH SAID EARLY ON WE CAN'T HAVE ANOTHER SPEECH. THIS REALLY NEEDS TO BE AN OPPORTUNITY TO GO MORE IN-DEPTH. WE NEED A DAY OF LEARNING. I SAID, THAT'S IT. THAT'S THE CONCEPT RIGHT THERE. IT NEEDS TO BE ABOUT MORE THAN JUST HEARING A SPEECH. IT NEEDS TO BE ABOUT HEARING, THINKING THROUGH, TALKING ABOUT AND INTERACTING WITH THE SPEAKER IN A MORE IN-DEPTH WAY, SO THE FLOW OF THE DAY BUILDS FROM THE DISTINGUISHED LECTURE BUT GOES WELL BEYOND THAT. PAUL WILL SPEAK FOR US FIRST, AND I WILL INTRODUCE HIM IN JUST A SECOND. WE WILL THEN HEAR FROM A LOCAL PANEL WHO WILL TALK ABOUT THE REALITIES AND IMPLICATIONS OF PAUL'S REMARKS FOR US IN KANSAS CITY AND THE SECTOR. THEN WE WILL MOVE TO SOME ROUND TABLE DIALOGUE DISCUSSION IN THE ROOM HERE. WE WILL BREAK FOR LUNCH AND THEN WE WILL HAVE AN OPPORTUNITY FOR

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6

THOSE OF YOU WHO CAN STAY LONGER TO COME BACK AND HAVE A SUBSTANTIVE FOLLOW-UP DIALOGUE AND DISCUSSION. TRUST ME, WHAT PAUL LIGHT HAS TO SHARE WITH US CAN GO WELL BEYOND THE BRIEF TIME THAT WE HAVE TODAY WITH THE DAY OF LEARNING.

Day of Learning transcript

I WANT TO THANK OUR PLANNING COMMITTEE, OUR ADVISORY COMMITTEE FOR THE EDWARD A. SMITH LECTURES. MY COLLEAGUE FROM THE BLOCH SCHOOL. WOULD YOU STAND, SO WE CAN ACKNOWLEDGE THAT. DICK IS ON OUR ADVISORY COMMITTEE. SOMEONE THAT YOU ALL KNOW AND I WOULD LIKE TO ACKNOWLEDGE HER, BETH SMITH. BETH, WOULD YOU STAND, PLEASE. BETH IS A PARTNER IN CRIME IN ALL SO MANY WAYS. IT IS GREAT TO HAVE HER WITH US. CONNIE CAMPBELL, COLLEEN HERNANDEZ AND DWAYNE CROMPTON ARE ALSO ON THE ADVISORY COMMITTEES. EACH OF THEM UNFORTUNATELY ARE NOT HERE BECAUSE THEY ARE ALL ASSUMING SOME HIGHER OFFICE ALL IN THE NAME OF PUBLIC SERVICE. THAT WAS NOT A PREDICTION ON COLLEEN. THIS IS AN APOLITICAL PROGRAM. DWAYNE WAS RECENTLY ELECTED PRESIDENT OF NAYC, NATIONAL ASSOCIATION FOR EDUCATION OF YOUNG CHILDREN, WHICH IS A DEMANDING OFFICE. WE'RE PROUD OF HIM. IT IS AN ELECTED ROLE BY HIS COLLEAGUES THROUGHOUT THE COUNTRY. I WOULD LIKE TO THANK ANOTHER IMPORTANT ORGANIZATION AND GENTLEMEN, MR. GENE WILSON, GENE, IF YOU WOULD STAND SO WE CAN ACKNOWLEDGE YOU.

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7

GENE IS OUR PROGRAM OFFICER ON BEHALF OF EWING MARION KAUFFMAN FOUNDATION, WHICH IS THE ORGANIZATION THAT UNDERWRITES THE MAJORITY OF COSTS FOR THIS PROGRAM. WE VERY MUCH APPRECIATE IT, GENE. THANKS A LOT. HE IS ACTUALLY A PRETTY GOOD PROGRAM OFFICER, EVEN THOUGH HE IS A LITTLE TOUGH DURING THIS DIFFICULT TIMES.

Day of Learning transcript
ACTUALLY HE TOLD ME HE HAD TO BE TOUGH WITH US.

NOW, I WOULD ALSO JUST LIKE TO REMIND YOU FOR A MINUTE IT'S BEEN A LITTLE STRANGE BECAUSE WHEN WE FIRST INAUGURATED THE EDWARD SMITH LECTURE PRETTY MUCH EVERYONE WHO ATTENDED THE LECTURES, PRETTY MUCH EVERYBODY IN TOWN UNDERSTOOD WHO ED SMITH WAS. ONE OF THE UNFORTUNATE THINGS IS THAT FOR THE VERY REASON THAT WE HONOR HIM AS THE NAMESAKE OF THIS LECTURE, TIME HAS PASSED AND I THINK SOME OF THE FOLKS IN THE ROOM MAYBE DON'T KNOW ED SMITH OR WHO HE WAS, AND I WANT TO ACKNOWLEDGE THAT BECAUSE THE INTENT OF THIS SERIES AND IN THE EVEN-NUMBERED YEARS WE ALSO DO AN AWARD PROGRAMS FOR EXCELLENCE IN NONPROFIT LEADERSHIP, AND WE FEEL THAT THIS IS ONE WAY THAT WE CAN BOTH HONOR BUT ALSO NURTURE THE LEGACY. ED WAS A REAL VISIONARY. HE LEFT AN INCREDIBLE MARK ON THE KANSAS CITY COMMUNITY. HE WAS ONE OF THOSE PEOPLE, LIKE MANY OF YOU IN KANSAS CITY, MANY OF YOU IN THIS ROOM, WHO WORKED IN ONE OF THE SECTORS BUT EVEN THOUGH HE WAS A PRIVATE SECTOR

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8

LAWYER, HE ALSO SPENT EXCEPTIONAL AMOUNT OF TIME IN THE NONPROFIT AND PUBLIC SERVICE ARENA IN GOVERNMENT ADVISING BOTH POLITICAL AND NONPROFIT LEADERS AS WELL. HE DID CROSS ALL THOSE LINES. HE WAS A FOUNDING PARTNER OF A PROMINENT LAW FIRM IN TOWN. HE WAS A TRUSTEE OF THE EWING MARION KAUFFMAN FOUNDATION AS IT WAS COMING TOGETHER. HE WAS A COACH FOR MANY OF THE CORPORATE LEADERS IN THIS COMMUNITY, BUT HE ALSO KNEW A

Day of Learning transcript

REAL SENSE OF LARGER COMMUNITY SERVICE. HE ADVISED THE LEADERSHIP OF THE BLOCH SCHOOL AND UMKC AT IMPORTANT TIMES IN THE EVOLUTION AND DEVELOPMENT OF THE SCHOOL AND WAS PROMINENT LEADER UNTIL HIS UNTIMELY DEATH. ED WAS A TRUE COMMUNITY SERVANT, AND IT IS IN HIS HONOR THAT WE DO THIS PROGRAM EACH YEAR.

SO LET'S GET TO THE PROGRAM. THIS YEAR'S EDWARD A. SMITH DISTINGUISHED LECTURE IS DR. PAUL LIGHT. PAUL IS REALLY A NOTED SCHOLAR IN BOTH PUBLIC SERVICE AND CIVIL SOCIETY. TOPICS, HE IS THE DOUGLAS DILLON SENIOR FELLOW OF THE BROOKINGS INSTITUTION AND ALSO THE GODDARD PROFESSOR OF PUBLIC SERVICE AT NEW YORK UNIVERSITY. HE JUST MOVED INTO THAT ROLE AT NEW YORK UNIVERSITY THIS SPRING, IN JANUARY. PAUL IS ACCLAIMED FOR HIS THOUGHTFUL RESEARCH, WRITING AND SPEAKING ON A NUMBER OF TOPICS BUT WE'RE PARTICULARLY INTERESTED IN THE AREA, THE WORK THAT HE'S DONE AROUND

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9

NONPROFIT EFFECTIVENESS AND PERFORMANCE AND HOW THAT CONNECTS WITH WHAT YOU MIGHT CALL THE NEW PUBLIC SERVICE THAT ENGAGES BOTH THE NONPROFIT AND GOVERNMENTAL WORLDS. PAUL FOUNDED THE BROOKINGS CENTER FOR PUBLIC SERVICE. PRIOR TO JOINING BROOKINGS INSTITUTION HE SERVED AS DIRECTOR OF THE PUBLIC POLICY PROGRAM OF PEW CHARITABLE TRUSTS. IN THE PAST HE INVESTED A LOT OF THE LAST FIVE YEARS STUDYING THE CHANGING NATURE OF NONPROFIT PUBLIC SERVICE

Day of Learning transcript
ORGANIZATIONS AND THE PEOPLE WHO SERVE THEM AS LEADERS,
VOLUNTEERS AND STAFF MEMBERS. AMONG THE MOST
SIGNIFICANT OF THE RESEARCH AND SOME OF THE KEY REASONS
WE WANTED TO BRING HIM TO KANSAS CITY AT THIS TIME IS
HE'S BEEN THINKING ABOUT THE CHALLENGES TO NONPROFIT
PERFORMANCE AND EFFECTIVENESS, INCLUDING WHAT HE HAS
REFERRED TO AS TIDES OF REFORM, WAVES OF ACTIVITY IN A
SENSE TO TRY AND CHANGE FOR THE BETTER NONPROFIT
PERFORMANCE, ACCOUNTABILITY AND EVEN SUSTAINABILITY.
HE HAS WRITTEN A COUPLE OF BOOKS IN THE LAST COUPLE OF
YEARS THAT ARE PUBLISHED BY THE BROOKINGS INSTITUTION
AND FOCUS PARTICULARLY ON HIS RESEARCH, PATHWAYS TO
NONPROFIT EXCELLENCE IS ONE AND THE OTHER ONE IS MAKING
NONPROFITS WORK, A REPORT ON TIDES OF NONPROFIT
MANAGEMENT REFORM. HE'S WRITTEN A NUMBER OF OTHER
BOOKS, HE'S ACTUALLY WRITTEN 15 BOOKS, A LOT OF

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10

ARTICLES AND OTHER THINGS. PAUL'S WORK DOES INCLUDE
GOVERNMENTAL RESEARCH AND HE RECENTLY WROTE A BOOK
CALLED GOVERNMENT'S GREATEST ACHIEVEMENTS AND TWO OF
THESE BOOKS HAVE WON AWARDS FROM THE NATIONAL ACADEMY
OF PUBLIC ADMINISTRATION. I THINK YOU WILL FIND THAT
PAUL WILL BE ENLIGHTENING BUT ALSO CHALLENGING. HE
WILL ALSO A FEW NEW IDEAS TO US AND ASK US TO RETHINK
SOME OF THE THINGS WE THINK WE ALREADY KNOW. THIS
YEAR'S EDWARD SMITH DISTINGUISHED LECTURE, PAUL LIGHT.

DR. LIGHT: WE'RE GOING TO HAVE SOME FUN
TODAY TOO. YOU KNOW THERE'S A WRESTLING TOURNAMENT IN
Page 9

Day of Learning transcript

TOWN. I WAS A JUNIOR HIGH WRESTLER. WE HAD WEIGHT DIVISIONS, HEAVY WEIGHT, MIDDLE WEIGHT, LIGHT WEIGHT, FEATHER WEIGHT, I WAS IN THE KNAT WEIGHT DIVISION. I WON MOST OF MY MATCHES BY CONFUSING MY OPPONENTS. AND THEY ARE HAVING THE NATIONAL DAIRY FARMERS ASSOCIATION IN HERE NEXT WEEK, IT IS A BIG EVENT, UDDERLY CHALLENGING. I JUST WANTED TO GET YOU READY FOR WHAT'S COMING.

I'M REALLY DELIGHTED TO BE HERE. I ACTUALLY SPEND A LOT OF TIME IN KANSAS CITY. I WAS TALKING TO MY STAFF THE OTHER DAY AND I SAID I WAS COMING TO KANSAS CITY AND I WAS GOING TO GO TO THE PLAZA STEAKHOUSE DOWN THERE, AND I HAD A COUPLE OF STAFFERS FROM NEW YORK CITY IN THE ROOM AND I SAID, YOU KNOW, AT

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11

THE PLAZA, LIKE NEW YORK, YOU CAN GO AND PICK YOUR TROUT OR YOU CAN PICK YOUR LOBSTER AND THEY WILL TAKE CARE OF IT. AT THE PLAZA YOU CAN PICK YOUR COW. ALL OF MY STAFF WENT REALLY, IS THAT TRUE? NOBODY KNOWS OF ANYTHING WEST OF PENNSYLVANIA ON THE EAST COAST. I'M ORIGINALLY FROM SOUTH DAKOTA. I SPENT A LOT OF TIME COMING BACK AND FORTH DOWN THROUGH KANSAS CITY TO GO TO TOM, OKLAHOMA, WHICH IS WHERE MY MOTHER GREW UP, WHICH IS THE TEXAS/OKLAHOMA BORDER ON THE RED RIVER. SO I'VE BEEN THROUGH THIS TOWN IN A LOT OF DIFFERENT WAYS. I RESPECT WHAT YOU ARE DOING HERE. I LOVE THIS CITY AND THE STATE, AND I HOPE WHAT I'M ABOUT TO SAY IS

Day of Learning transcript
GOING TO BE HELPFUL.

TO SET THIS IN PROPER CONTEXT WE HAVE TO
RECOGNIZE THAT WE'RE HERE IN THIS ROOM RIGHT NOW, WE
DON'T KNOW WHAT AND HOW THE WORLD WILL HAVE CHANGED BY
THE TIME WE'RE OUT. WE JUST DON'T KNOW ANY MORE. OUR
WORLD IS AN UNCERTAIN AND CHALLENGING PLACE. THE WORLD
IS SO VULNERABLE AND THERE'S SO MUCH VOLATILITY. AND I
REMEMBER LISTENING TO BILL CLINTON COMPLAIN ABOUT
EXACT, GOSH, I MISS THE COLD WAR. THINGS WERE SO
CERTAIN BACK THEN, BUT I DO KNOW WHAT -- ONE THING
ABOUT WHAT'S HAPPENING TODAY. I DO KNOW ONE THING FOR
ABSOLUTE SURE, WHICH IS THE NONPROFIT SECTOR IS AT
WORK. I TOLD MY COLLEAGUES LAST NIGHT THAT I WAS IN

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12

ALEXANDRIA, VIRGINIA, ON SEPTEMBER 11TH AND I DROVE
BACK AT ABOUT 9:45 AFTER GIVING A SPEECH, PASSED THE
PENTAGON, THERE IS A HUGE PLUME OF SMOKE COMING OUT FROM THE
PENTAGON. A LOT OF CONFUSION, THE FEDERAL GOVERNMENT
SHUT DOWN THAT DAY. EVERYBODY WENT HOME. THE
FOLLOWING MONDAY I GOT ON AN AIRPLANE AND WENT TO
CHICAGO TO DO SITE VISITS FOR THE NONPROFIT
EFFECTIVENESS PROJECT, WHICH EWING KAUFFMAN HELP
FUNDED, AND JANINE LEE HAS BEEN A TIRELESS ADVOCACY FOR
CAPACITY BUILDING. MUCH OF THE WORK OVER THE LAST FOUR
OR FIVE YEARS HAS BEEN A COLLABORATION OF JANINE.
THANK YOU VERY MUCH FOR YOUR FAITH IN ME.

GRANT MAKING. AT THE END OF THE DAY GRANT
MAKING IS VERY MUCH ABOUT CONFIDENCE. YOU GET THESE

Day of Learning transcript

GREAT PROPOSALS BUT AT THE END OF THE DAY AS A GRANT MAKER YOU ARE SAYING CAN THIS PERSON DELIVER? CAN THIS ORGANIZATION DELIVER? WHAT'S MY JUDGMENT ABOUT IT? THERE'S A LITTLE BIT OF A LEAP OF FAITH. WHEN YOU ARE DEALING WITH SOMEBODY LIKE ME, IT IS QUITE SUBSTANTIAL. IT IS NOT LIKE GOING OUT INTO THE DESERT FOR 40 YEARS LIKE MOSES, BUT IT IS CLOSE. AT ANY RATE, THE FEDERAL GOVERNMENT WENT HOME THAT DAY. WHEN I WENT TO CHICAGO I RECOGNIZED AND REALIZED THAT THE NONPROFIT NEVER STOPPED WORKING ON SEPTEMBER 11TH. THE SECTOR KEPT GOING DELIVERING MEALS, MENTORING KIDS, TAKING CARE OF

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13

WOMEN WHO NEEDED SHELTER, PROVIDING HEALTH FOR HIV/AIDS PATIENTS, ALL OF THE THINGS NONPROFIT SECTOR DOES. WE NEED TO UNDERSTAND THAT WE ARE A PART OF AMERICA'S FIRST RESPONSE DURING PERIODS OF CRISIS. I'VE BEEN EDUCATED HERE ON WHAT YOU CALL ARE DOING HERE IN KANSAS CITY. IF THE NONPROFIT SECTOR ISN'T AT THE TABLE WHEN WE'RE TALKING ABOUT HOW WE RESPOND TO CRISIS, THERE'S A REAL PROBLEM. AND YOU HAVE GOT TO BE STRONG ADVOCATES FOR PUTTING THE NONPROFIT SECTOR AT THE TABLE. NOW, PUTTING THINGS IN THAT CONTEXT I WANT TO TELL A QUICK STORY AND THEN GET INTO THE MEAT HERE. I WAS GOING TO WEAR MY WIFE E. COYOTE TIE. YOU ALL KNOW WHO HE IS. HE IS A PART OF THE CARTOON HISTORY, AND MY KIDS ALL SPENT THEIR TIME NOT WATCHING BARNEY, I PUT THEM ON WIFE E. COYOTE. I WORE THAT TO 1993 AT A RECEPTION OF

Day of Learning transcript
THE WHITE HOUSE WHERE WE REPRESENTED A REPORT ON THE
NATIONAL, STATE AND LOCAL PUBLIC SERVICE TO BILL
CLINTON. I WORE MY TIE. I WASN'T A COMMISSIONER. I
WROTE THE STAFF REPORT ON THIS COMMISSION'S WORK AND,
YOU KNOW, THE COMMISSIONERS WERE KIND OF AGHAST THAT I
WOULD WEAR SUCH AN IRREVERENT AND SUCH AN INSULTING
TIE. I KNEW BILL CLINTON, HE WAS A TIE HORSE, ALWAYS
WAS, ALWAYS WILL BE, YOU CAN GET HIM FOR A TIE. ENOUGH
SAID. OKAY?

I'M STANDING THERE IN LINE, IN THE RECEIVING

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14

LINE, AND BILL CLINTON STOPS AND HE LOOKS AT MY TIE AND
HE SAYS, THAT'S A GREAT TIE, MAN. I SAID, WELL, I WORE
IT FOR A PURPOSE, MR. PRESIDENT. I'M SUCH A SMART
ALECK. I WAS SO MUCH YOUNGER THEN. AND HE SAID, OH,
YEAH, WHAT'S THAT? I SAID, YOU KNOW, SO MUCH OF WHAT
WE DO IN GOVERNMENT IS WILE E. COYOTE THINKING. WE
DEVELOP INNOVATION. WE'RE OVER THE CLIFF IN A CLOUD OF
SMOKE AND WE FALL TO OUR DEATH, AND WE DO THE SAME
THING THE NEXT DAY, AND YOU FIND OUT THE BROKER IS ON
THE ACTING BEFORE AND HE'S BEEN PRESIDENT FOR TWO
MONTHS AND HE SAYS, DO I HAVE THE POWER TO HAVE HIM
SHOT?

BUT THE POINT IS THAT A LOT OF WHAT WE DO IN
PUBLIC SERVICE IS WILE E. COYOTE THINKING. WE ADOPT
THE LATEST INNOVATION, WE TAKE WHATEVER IS ON THE
SHELF. WE GO FROM REFORM TO REFORM. ONE DAY IT IS
OUTCOMES, NEXT DAY IS TRANSPARENCY. THE NEXT IT IS

Day of Learning transcript

STRATEGIC ALLIANCES. WE TALKED ABOUT WHETHER THERE ARE TOO MANY NONPROFITS. I THINK THERE PROBABLY ARE. I'M NOT SURE. WE HAVEN'T DONE ANY GOOD RESEARCH ON IT REALLY. AND I'VE NEVER HEARD A POLITICIAN SAY THAT THERE ARE TOO MANY SMALL BUSINESSES. YOU KNOW, YOU GO DOWN THE STREET AND YOU FIND MCDONALD'S, BURGER KING, WENDY'S AND A KENTUCKY FRIED CHICKEN ON THE FOUR CORNERS AND YOU DON'T HEAR ANYBODY SAYING, WHAT WE

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15

REALLY NEED IS A HAMBURGER/CHICKEN COMBO ABOUT THIS TALL, WITH SQUARE BURGER, LETTUCE AND TOMATO AND MAYBE A PIECE OF FRIED CHICKEN, THAT'S WHAT WE'VE GOT TO HAVE IN THE AMERICAN ECONOMY TO GET ON WITH IT. YOU KNOW WHAT, AT THE END OF THE DAY, A LOT OF YOU ALREADY KNOW WHAT WORKS. MAYBE YOU DON'T KNOW HOW TO SAY AND DESCRIBE AND MEASURE WHAT WORKS, BUT WHAT I'M GOING TO TALK ABOUT TODAY IS STICKING TO WHAT WE KNOW WE NEED TO DO AND DOING IT BETTER.

I GAVE A TALK ON THIS NOTION AT THE ALLIANCE FOR A NONPROFIT MANAGEMENT MEETING IN CLEVELAND A COUPLE OF YEARS AGO. MY IDENTICAL TWIN BROTHER -- I WILL LET THAT SINK IN FOR A SECOND -- MY IDENTICAL TWIN BROTHER INTRODUCED ME. HE IS SO HANDSOME. I LOOKED AT A WEB PICTURE OF MYSELF THE OTHER NIGHT AND I SAID, AM I BECOMING A PAPA SMURF? MY BROTHER IS A LOT THINNER THAN I AM. THAT'S BECAUSE HE IS THE YOUNGER TWIN AND HE'S ALWAYS EXPLOITED ME. I GAVE THIS TALK ABOUT

Day of Learning transcript
CAPACITY BUILDING IN THE NONPROFIT SECTOR AND HE GOT UP
AFTERWARDS AND BASICALLY SOMEBODY SAID, DO YOU FIND
THIS RELEVANT, MARK? MY BROTHER, MY IDENTICAL TWIN
BROTHER, TRYING TO GET EVEN FOR SOME PAST SLEIGHT,
SAID, IT IS ABSOLUTELY IRRELEVANT TO WHAT I DO BECAUSE
HE RUNS A BIG ARTS COMPLEX IN DAYTON, OHIO. HE SAYS,
WHAT I WANT TO DO EVERYDAY IS CHOP THE BACON, FRY THE

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16

BACON, SERVE THE BACON. I'M ABOUT SERVING THE BACON
AND I HAVE GOT MY CUSTOMERS AND MY CLIENTS AND THAT'S
WHAT I'M ABOUT. WHAT PAUL IS TALKING ABOUT IS NOT
RELEVANT. AND I RESPONDED BY SAYING, WHY ARE YOU
SERVING BACON? WHY AREN'T YOU SERVING PANCAKES? WHY
ARE YOU SERVING BACON THAT WAY? SO I'M AWARE THAT SOME
OF WHAT I'M GOING TO SAY TO YOU IS GOING TO FEEL LIKE
WELL, THAT'S NOT REALLY US HERE IN KANSAS CITY OF THE
WE'RE SUCH A WONDERFUL PLACE, WE'RE KIND OF IMMUNE AND
WE'VE GOT ALL OF THESE POLITICAL LEADERS WHO WILL
PROTECT US. HA. CHARLES GRASSLEY REALLY HAS NOTHING
TO DO WITH US. TAX STATUS ISSUES IN WASHINGTON, IT IS
ALL INSIDE THE BELTWAY. LET ME TELL YOU THERE IS
SOMETHING COMING DOWN THE ROAD AND IT WILL HIT YOU WITH
A GALE FORCE. WE TALK ABOUT SHOCK AND ALL IN THE
MIDDLE EAST, BUT I WILL TELL YOU THERE IS A REGULATORY
ENGINE COMING DOWN THE TRACK RIGHT NOW ON SORT OF
DEALING WITH SOME OF THE ISSUES WE HAVE IN THE SECTOR.
WE'RE EITHER GOING TO GET BETTER AND WE'RE GOING TO
SELF-REGULATE OR WE'RE GOING TO GET REGULATED. AND I'M

Day of Learning transcript

GOING TO TALK TO YOU A LITTLE BIT ABOUT THIS AND THE PAST YEAR AND I'M GOING TO ARGUE TO YOU THAT CAPACITY BUILDING IS THE ISSUE THAT YOU MUST CONFRONT IN YOUR ORGANIZATIONS AND FUNDERS NEED TO CONFRONT IT TOO. THE TEMPTATION RIGHT NOW IN LEAN TIMES IS TO LET THE

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17

CAPACITY BUILDING WAIT. THAT'S ALWAYS A TEMPTATION. WHAT DO WE CUT FIRST? TRAINING. WE CUT SUPPLIES. WE ALWAYS GO INTO THE S & E ACCOUNT. WE CAN DO WITHOUT PENCILS FOR A FEW WEEKS, WE CAN TAKE A PAY HOLIDAY, WE CAN DO WITHOUT THE NEW COMPUTER PRINTER, WE CAN DO WITHOUT THE NEEDED MAINTENANCE ON THE BUILDING, WE CAN DO WITHOUT THE TRAINING. LUCKILY, THIS TALK WAS PRICED REAL LOW. I APPRECIATE IT. I KNOW THAT IS NOT A REFLECTION OF HOW MUCH YOU WOULD HAVE PAID.

THIS HAS BEEN A VERY TOUGH TWO YEARS FOR THE SECTOR. NOT ONLY IS THE ECONOMY SLUGGISH BUT WE'VE HAD A REAL CRISIS IN TERMS OF PUBLIC CONFIDENCE IN THE SECTOR. I WOULD ARGUE THAT THE NONPROFIT SECTOR IS UNDER SIEGE. YOU MAY SEE NONPROFIT SECTOR, THAT'S NOT RELEVANT, I'M NOT PART OF THE NONPROFIT SECTOR. IT IS SO BIG, DIVERSE, WE'RE OVER HERE AND WE'RE OVER THERE, YOU CAN'T TALK ABOUT A SECTOR. CHARLES GRASSLEY IS TALKING ABOUT A SECTOR, SO IS THE IRS, STATE ATTORNEY GENERALS ARE TALKING ABOUT A SECTOR, VIRGINIA STATE LEGISLATURE, WHICH IS ABOUT TO REVOKE A PORTION OF NONPROFIT TAXES AND STATUS, IS TALKING ABOUT SECTOR.

Day of Learning transcript
ANYBODY WHO IS A 501 (C) (3) IS BEING TALKED ABOUT AND
C) (4)S A LITTLE BIT AND OTHER ELEMENTS OF THE SECTOR,
EDU'S ARE IN THIS. NEW YORK HAS A LOT OF PROPERTY AND
IT'S NOT TAXED. MAYOR BLOOMBERG SAYS HMM, MAYBE WE

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18

SHOULD TAX THE EDU. I DON'T MEAN TO MAKE THE PEOPLE
FROM THE EDU COMMUNITY UNCOMFORTABLE. THERE IS
SOMETHING OUT THERE RIGHT NOW AND IT REFLECTS INCREASED
PRESSURE FOR ACCOUNTABILITY THAT'S LED BY PEOPLE LIKE
BILL O'REILLY. HE INVITED ME ON THE PROGRAM TO DEFEND
THE RED CROSS. I SAID TO MY FRIENDS I'M GOING ON HIS
SHOW. THEY SAID, DON'T DO IT, YOU WILL GET CHOPPED UP.
YOU CAN'T SUCCEED WITH BILL. THE O'REILLY FACTOR, THE
NO SPIN SPIN ZONE. SO I SAID RED CROSS HAS MADE A LOT
OF IMPROVEMENTS. THIS WAS IN MARCH AND I WAS TALKING
ABOUT THE RED CROSS NOT BEING AN ENRON AND BILL WAS
LIKE, WHAT DO YOU MEAN BY THAT? WHAT HAVE THEY DONE?
THEY HAVE CHANGED THEIR BOARD AND THEY ARE IMPROVING
AND THEY BROUGHT IN CONSULTING, THEY ARE DOING THIS,
THEY ARE REALLY WORKING THE ISSUES, THEY ARE ISSUING
NEW STANDARDS, THEY ARE LOOKING FOR A NEW PRESIDENT, ET
CETERA, AND HE WAS CHOPPING INTO ME. FINALLY IT DAWNED
ON HIM HE THOUGHT I COULD BE RIGHT. BASICALLY HE SAID
I CHANGED THE RED CROSS. DO I GET CREDIT FOR THIS?
I'M SPEECHLESS. SO HERE I AM CREDENTIALING BILL
O'REILLY TO DO WHAT HE'S BEEN DOING. GO AFTER SOMEBODY
ELSE.

Day of Learning transcript

OF SORT OF INSPECTION AND THE GROWING INTENSITY OF
INSPECTION REALLY HAS AFFECTED THE SECTOR. WE DID A

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19

COUPLE OF SURVEYS DURING THIS PERIOD AND 60% OF
AMERICANS IN DECEMBER OF 2001 SAID THEY WERE PAYING
FAIRLY CLOSE ATTENTION TO THE CONTROVERSY SURROUNDING
DISBURSEMENT OF THE SEPTEMBER 11 FUNDS. NOW AT THAT
TIME THAT LEVEL OF INTEREST AND AWARENESS IN THE STORY
WAS HIGHER BY FAR THAN PUBLIC INTEREST IN ENRON. AND
IT WAS MUCH HIGHER THAN PUBLIC INTEREST IN THE DEATH OF
GEORGE HARRISON. YOU KNOW, AMERICANS WERE VERY
INTERESTED IN THE DISBURSEMENT CONTROVERSY BECAUSE
AMERICANS HAD RESPONDED TO THE CALL FOR HELP. 75% OF
AMERICANS EITHER TRIED TO DONATE BLOOD, DID DONATE
BLOOD OR MADE A CONTRIBUTION TO A SEPTEMBER 11 CHARITY.
NOW IN THE GRAND SCHEME OF THINGS IT WAS TWO BILLION
DOLLARS AND WE'RE IN A SECTOR THAT'S ALMOST 700 BILLION
DOLLARS STRONG. NOBODY TALKS ABOUT US BEING STRONG BUT
WE ARE. WE'VE SEVEN AND 11 MILLION EMPLOYEES.
AMERICANS WERE PAYING CLOSE ATTENTION BECAUSE THEY WERE
INVESTED IN THE SEPTEMBER 11 FUNDS AND THEY WANTED THE
MONEY TO GO TO THE VICTIMS OF THE ATTACKS. NOW WE ALSO
WERE TRACKING TRUSTS AND CHARITIES, WHAT WE SAW WAS A
DECLINE IN TRUSTS AND CHARITABLE ORGANIZATIONS. IT
WASN'T SIGNIFICANT. THE INDEPENDENCE SECTOR SAID YOU
ARE A GLASS HALF FULL GUY. YOU ARE LOOKING AT DATA ON
TRUST AND CHARITABLE ORGANIZATIONS AND YOU ARE SEEING

Day of Learning transcript
THERE IS DECLINE. AT THE END OF THE DAY 65% OF

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20

AMERICANS SAY THEY HAVE AT LEAST SOME CONFIDENCE IN CHARITABLE ORGANIZATIONS AND 65% OF AMERICANS SAY MOST CHARITABLE ORGANIZATIONS ARE HONEST AND ETHICAL IN THEIR USE OF DONATED FUNDS. NOW, THINK ABOUT THAT. MOST CHARITIES ARE HONEST AND ETHICAL IN THEIR USE OF DONATED FUNDS. THAT IS A SOFTBALL FROM SOFTBALL LAND. PEOPLE WHO DISAGREE WITH THAT QUESTION ARE REALLY INTENSE ABOUT THEIR DISAGREEMENT. IT IS EASY TO SAY I AGREE WITH THAT STATEMENT BECAUSE IT ALLOWS YOU TO FORGIVE THE HANDFUL THAT YOU KNOW ARE NOT HONEST AND ETHICAL IN THEIR USE OF FUNDS. WHEN I SAY TO YOU OUR CHARITABLE, HOW MUCH CONFIDENCE DO WE HAVE IN CHARITABLE ORGANIZATIONS, I OFFER YOU THESE CATEGORIES, A LOT, SOME OR NOT AT ALL. YOU ARE GOING TO GO TO THE MIDDLE CATEGORY, SOME BECAUSE THAT IS A COMFORTABLE PLACE. WE WERE TALKING DECLINES IN CONFIDENCE, IN SUPPORT FOR THE SECTOR AT A TIME WHEN CIVIC CONFIDENCE IN EVERY OTHER INSTITUTION WAS RISING. THAT'S AN IMPORTANT THING TO REMEMBER.

SOMETIMES THE ABSENCE OF A TREND IS AS IMPORTANT AS THE PRESENCE AFTER TREND AND THE NONPROFIT SECTOR GOT NO BUMP FOLLOWING SEPTEMBER 11. THE MEDIA, CONFIDENCE IN THE MEDIA ROSE, CONFIDENCE IN GOVERNMENT ROSE, CONFIDENCE IN BIG BUSINESS ROSE. AMERICANS WERE IN A VERY CONFIDENT MOST POST SEPTEMBER 11 BUT

CONFIDENCE IN CHARITABLE ORGANIZATIONS REMAINED STEADY AND THEN FELL. WE'RE LOOKING AT THIS, AND THEN WE'RE SAYING WHAT THE HECK IS GOING ON?

I'M IN THE MIDDLE OF THIS PROJECT WITH JANINE AND OTHERS ON NONPROFIT EFFECTIVENESS. I CAME TO BELIEVE THAT THE BEST ANECDOTE TO PUBLIC CONCERNS ABOUT ACCOUNTABILITY CRISIS IN THE NONPROFIT SECTOR WAS CAPACITY BUILDING. I REALLY BELIEVE THAT. WE'RE IN A TIME WHEN WE NEED TO INVEST IN OUR ORGANIZATIONS. WE NEED TO PUT SIGNIFICANT ENERGIES INTO MAKING SURE THAT WE ARE ACCOUNTABLE, THAT WE CAN SHOW THAT WE'RE MAKING RESULTS OR PRODUCING RESULTS, THAT WE ARE CLEAR AND INTENTIONAL AND THAT WE ARE NONPROFITS AND WE ARE PROUD OF IT, WE CAN SHOW YOU WHY YOU SHOULD INVEST IN THE SECTOR. THE BEST DEFENSE AGAINST WHAT'S COMING IS A STRONG OFFENSE BASED, I BELIEVE, ON CAPACITY BUILDING FOR HIGH PERFORMANCE.

I'M GOING TO TALK A LITTLE BIT ABOUT THAT RIGHT NOW. DON'T MISTAKE ME AT ALL HERE. I'M NOT A GLASS HALF FULL PERSON. I LOVE THE NONPROFIT SECTOR. I'M TELLING STORIES OF SUCCESS. I TELL STORIES OF SUCCESS ABOUT GOVERNMENT ACHIEVEMENT. BUT NEITHER AM I NAIVE ABOUT THE REALITIES OF INSIDE THE BELTWAY OF WHAT'S COMING.

YOU THINK YOU CAN DODGE IT, I TALKED TO MY

BROTHER ABOUT IT. I SAID, WELL, DO YOU THINK THIS IS AN INSIDE THE BELTWAY ISSUE? WHAT IF CHARLES GRASSLEY MANAGES TO MOVE LEGISLATION THAT WOULD DEFINE INDIRECT AS 10% MAXIMUM, THAT'S ALL YOU CAN HAVE FOR INDIRECT, IT INCLUDES FUND RAISING, MARKETING AND ALL ADMINISTRATIVE COSTS, AND HE GIVES THE IRS THE MUSCLE TO START AUDITING. THE IRS DOESN'T DO ANYTHING. THEY DON'T HAVE ENOUGH STAFF. THEY DON'T DO MUCH AUDITING OF THE INDEPENDENT SECTOR. I MEAN IT IS ONLY WHEN YOU GET A MAJOR SCANDAL THAT YOU SEE IT. JUST THINK ABOUT THAT FOR A MINUTE AND BE AWARE THAT THE ANSWER IN PART TO THAT KIND OF A REGULATORY PRESSURE FROM THE FEDERAL LEVEL AND STATE LEVEL IS, IN FACT, FOR US TO SAY BACK, LOOK, WE KNOW THAT THERE IS AN ISSUE OF ACCOUNTABILITY IN THE SECTOR AND WE ARE ADDRESSING IT. WE CAN TALK TO YOU ABOUT WHAT WE DO, HOW WE DO IT AND WE CAN TELL YOU HOW WE'LL KNOW WE'RE SUCCESSFUL, IF WE ARE. WE ARE ALL ABOUT SHOWING RESULTS. I'M NOT TALKING ABOUT SOCIAL RETURN ON INVESTMENT. I'M NOT TALKING ABOUT SPECIFIC FASHIONS AND FADS IN HOW WE MEASURE. I AM TALKING TO YOU ABOUT THE NEED TO GET OFFENSIVE ABOUT WHAT WE DO WELL.

LET'S TALK A LITTLE BIT ABOUT ORGANIZATIONAL EFFECTIVENESS AND WHAT WE'VE LEARNED OVER THE YEARS, AND I'M GOING TO TRY TO KEEP THIS CRISP. I DON'T WANT

Day of Learning transcript

TO DRIVE YOU TO THE BOOK. I AM WRITING A BOOK ABOUT WHAT WE'VE LEARNED ON THE ROAD THIS LAST YEAR AND IT'S JUST BEEN WONDERFUL. I MEAN YOU SEE THIS SECTOR. IT IS SO VIBRANT AND COMMITTED AND EXCITING. YOU HAVE GOT ORGANIZATIONS LIKE SECOND HELPINGS IN INDIANAPOLIS, WHICH IS A FOOD RESTAURANT ORGANIZATION. IT IS UNBELIEVABLY EFFECTIVE. YOU GO TO SAN FRANCISCO WITH THE ASIAN SPECIFIC ISLAND WELLNESS CENTER OR LOS ANGELES WHERE YOU HAVE A LITTLE ORGANIZATION INVENTED BY CHILDREN CALLED THE TREE MUSKETEERS, MINNEAPOLIS A CHANCE TO GROW NEW VISIONS SCHOOL, WHICH IS HELPING BRAIN INJURED CHILDREN GROW, WASHINGTON, NEW YORK. ONE OF MY ORGANIZATIONS IS THE BIG APPLE CIRCUS. I LOVE THE BIG APPLE CIRCUS. IT IS A NONPROFIT, AND WE JUST SEE THESE WONDERFUL ORGANIZATIONS DOING WONDERFUL THINGS. ONE OF MY LESSONS IS YOU DO NOT HAVE TO LOOK OVER THE BORDER, OVER THE FENCE AT THE PRIVATE SECTOR AND GET YOUR INSPIRATION FOR IMPROVEMENT. THERE ARE A LOT OF HIGH-PERFORMING NONPROFITS HERE IN KANSAS CITY, YOU HAVE GOT TO SHARE THE KNOWLEDGE. THAT'S PART OF DAVID'S RESPONSIBILITY. THAT'S PART OF THE RESPONSIBILITY OF YOUR COMMUNITY FOUNDATION. THAT'S PART OF THE RESPONSIBILITY OF GRANT MAKERS HERE TO POOL KNOWLEDGE ABOUT WHAT'S WORKING AND WHAT'S NOT WORKING. I'M NOT A GLASS HALF EMPTY PERSON. WHAT I WANT TO TELL

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Day of Learning transcript
YOU IS I HOPE TO WRITE SOMETHING OF USE. THERE IS A
BOOK OUT THERE CALLED PATHWAYS TO NONPROFIT EXCELLENCE.
IT MAKES A GREAT HOLIDAY PRESENT.

I AM GOING TO TELL A STORY, A TRUE STORY
BECAUSE IT IS TRUE ABOUT THE BOOKS I WRITE. I MEAN I
DO GO TO AMAZON.COM AND I DO LOOK AT MY SALES FIGURE
AND I'M NOT CALCULATED. AMAZON.COM, BASICALLY IF IT'S
NO. 1, IT IS NOT MINE AND IT GOES DOWN FROM THERE. IF
YOU ADD ALL THE SALES FIGURES FROM MY BOOKS, YOU HAVE
BASICALLY GOT THE DISTANCE BETWEEN THE EARTH AND THE
SUN. THAT'S PRETTY MUCH IN MILES HOW I DO. BUT YOU
CAN GO TO OUR WEBSITE AT WWW.BROOKINGS.EDU. AND YOU
CAN GO TO WWW.BROOKINGS.ORG. IF YOU COME THROUGH THE
.ORG YOU WILL BE ASKED FOR A FOUNDATION. WE ARE LEAN
AND MEAN AND WE'RE PONDEROUS AND DIFFICULT TO
UNDERSTAND ON THE EDU SIDE. NO OFFENSE. I WAS IN
BOSTON A FEW YEARS AT BOSTON'S BUCK A BOOK. I SAW ONE
OF MY BOOKS THERE, IT ISN'T A BAD THING. IT SHOWS THAT
YOUR PUBLISHER STILL HAS SOME HOPE. THEY CAN BUNDLE UP
YOUR BOOK AND SELL IT BY THE POUND FOR RECYCLING.
THAT'S WHERE A LOT OF BOOKS GO. BUT I ACTUALLY SAW ONE
OF MY BOOKS AT BOSTON'S BUCK A BOOK ON A TABLE MARKED
MAKE US AN OFFER. THAT IS PRETTY INSULTING AS FAR AS
IT GOES.

LET ME GIVE YOU THE BROAD STROKES HERE OF WHERE

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25

I'M COMING FROM WITH THIS WORK. AND I AM PUSHING IT
OUT THERE AND I'M TRYING TO MAKE IT STICK. WE'VE GOT
Page 23

Day of Learning transcript

SOME WAYS TO GO. NO. 1, I WANT TO TELL YOU THAT IT IS POSSIBLE TO ACHIEVE AND SUSTAIN HIGH PERFORMANCE IN THE NONPROFIT SECTOR. OF COURSE, THAT GOES WITHOUT SAYING, BUT WE SIT AROUND WITH OUR BOARDS AND OUR BOARDS ARE CONSTANTLY SAYING WE'VE GOT TO GET MORE BUSINESS LIKE. AND I SAID LAST NIGHT TWO YEARS AGO I COULD HAVE CONVINCED MANY BOARDS IN THE COUNTRY WHAT YOU HAVE REALLY GOT TO DO IS BECOME MORE ENRON LIKE. ENRON WAS A VERY SUCCESSFUL COMPANY. NOW IT TURNS OUT THAT WE KNOW THERE WAS SOMETHING ELSE GOING ON THERE. I WAS OUT AT MISSOURI COLUMBIA WHERE KEN LAY ACTUALLY WENT TO SCHOOL, AND THEY HAVE GOT A BIG, OLD, BUSINESS BUILDING NOW THAT SHOULD HAVE BEEN THE KEN LAY BUILDING BUT I DON'T KNOW HOW THEY ARE GOING TO PAY FOR THAT ONE, PROBABLY BY ASKING YOU FOR A CONTRIBUTION HERE. YOU KNOW, TWO YEARS AGO YOU COULD HAVE SAID OR FOUR YEARS AGO IT WOULD HAVE BEEN SYSCO LIKE. BUT I WILL TELL YOU THE ANSWER FOR THE NONPROFIT SECTOR ISN'T TO LOOK OVER THE SENSE AT BEING BUSINESS LIKE OR LORD KNOWS YOU NEVER HEAR ANYBODY LET'S BE MORE GOVERNMENT LIKE, BUT IT IS TO VIEW THE CONCEPT OR TERM NONPROFIT LIKE WITH ASPIRATION. WHAT DOES IT MEAN TO BE NONPROFIT LIKE? WHAT DOES IT MEAN TO BE NONPROFIT LIKE? THEY SAY WHAT

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26

DO YOU MEAN BY THAT? WE DON'T MAKE ANY MONEY. WE'RE REALLY STRESSED OUT. WE'RE CONSTANTLY FUND RAISING. WE DON'T HAVE ANY EQUIPMENT. BEING NONPROFIT LIKE

Day of Learning transcript
MEANS WE'VE GOT OUR TAX-EXEMPT LETTER. THAT'S WHAT YOU MUST MEAN. WE'RE A 501 (C) (3). EVERYBODY IN THE SECTOR IS NONPROFIT LIKE BECAUSE THEY ARE ALL TAX-EXEMPT ORGANIZATIONS. THAT'S NOT AN ASPIRATION OF BEING NONPROFIT. IF YOU WOULD SAY BE MORE BUSINESS LIKE, THEY WOULD SAY I UNDERSTOOD WHAT THAT MEANS. IT MEANT INNOVATIVE, ENTREPRENEURIAL, LEAN, IT NOW MEANS A LITTLE BIT DIFFERENT. IT WILL COME BACK.

INCIDENTALLY, I'M NOT BUYING ANY MARTHA STEWART STUFF LATELY. I WAS AT K-MART THE OTHER DAY AND I DID NOT BUY HER SALT SHAKERS. I'M JUST PROTESTING. BUT IF YOU SAID TO YOUR BOARD, LET'S BE MORE NONPROFIT LIKE, WHAT DO YOU THINK THEY WOULD SAY? GRANT MAKERS, BOARD MEMBERS, WHAT WOULD YOU SAY? WHAT IS NONPROFIT LIKE? IT IS A TERM WITHOUT ASPIRATIONAL CONTENT. IT DOESN'T MEAN HIGH PERFORMANCE, IT DOESN'T MEAN INNOVATIVE, IT DOESN'T MEAN SOCIALLY RESPONSIBLE, IT DOESN'T MEAN LIVING RIGHT, GOOD WORK FORCE, RESPONSIBLE ACTION, ADDING VALUE TO THE COMMUNITY. IT JUST DOESN'T HAVE MUCH OF AN ASPIRATIONAL QUALITY. THERE ARE WONDERFUL ORGANIZATIONS OUT THERE THAT HAVE MADE NONPROFIT LIKE MEAN SOMETHING. THEY GET BETTER EVERYDAY. THEY XENON

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27

PROFIT LIKE AS MAKING A DIFFERENCE ON THEIR MISSION AND IMPROVING EVERYDAY. NOW, IF YOU ADOPT THE TERM NONPROFIT LIKE AS A TERM OF ASPIRATION, GUESS WHAT, SOME NONPROFITS WON'T BE VERY NONPROFIT LIKE. HAVE YOU EVER THOUGHT ABOUT THAT? I MEAN IF YOU GIVE IT A CLEAR

Day of Learning transcript

ASPIRATIONAL MEANING WE'RE GOING TO HAVE TO SAY YOU ARE NOT VERY NONPROFIT LIKE ACROSS TOWN. YOU ARE NOT DOING YOUR JOB. YOU HAVE NO MISSION. YOU HAVE NO MEASUREMENT. YOU DON'T KNOW WHAT YOU ARE DOING. YOU ARE SUCKING UP RESOURCES THAT WE NEED FOR THIS COMMUNITY BUT YOU ARE NOT VERY NONPROFIT LIKE. GET YOUR ACT TOGETHER OR GET OUT, CLOSE YOUR DOORS OR IMPROVE. THAT'S WHAT PUTTING AN ASPIRATIONAL ON A NONPROFIT LIKE MIGHT MEAN. THERE ARE WONDERFUL ORGANIZATIONS HERE IN KANSAS CITY AND ELSEWHERE AROUND THE COUNTRY THAT ARE VERY NONPROFIT AND ARE GETTING MORE NONPROFIT LIKE EVERYDAY. IT IS POSSIBLE TO ACHIEVE AND SUSTAIN HIGH PERFORMANCE.

SECOND THING I WANT TO SAY IS THAT IT DOES NOT INVOLVE HEROIC LEADERSHIP. WE CONSTANTLY LOOK FOR THE CHARISMATIC TAP DANCING LEADER. IF YOU GO TO BARNES & NOBLE, YOU GO FIND THESE BOOKS ABOUT PRIMAL LEADERSHIP. THAT IS A BOOK YOU REALLY WANT. I'M INTO PRIMAL LEADERSHIP AND YOU FIND BOOKS BY LEE IACOCCA AND THE NEW BOOK IS BY JACK WELSH. I'M THINKING OF WRITING A

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28

BOOK FOR GOVERNMENT CALLED LEADERSHIP SEEKER, ANDY OF MAYBERRY. I THINK IT COULD SELL. LESSON NO. 1 IS DON'T GIVE YOUR DEPUTY A BULLET.

I MEAN DON'T LET OTIS IN YOUR JAIL. DON'T DELIVER GROCERIES TO EMMA WATSON. YOU CAN GO AND FIND THESE BOOKS AND YOU CAN SAY I HAVE GOT TO BE THE

Day of Learning transcript
INSPIRATIONAL, CHARISMATIC LEADER. MOST OF THE PEOPLE
I CONFRONT, DEAL WITH AND ADMIRE IN THE SECTOR ARE
PEOPLE WHO ARE EXTRAORDINARILY COMMITTED TO THE
COMMISSION OF THEIR ORGANIZATIONS, THEY BREATHE AND
INFUSE THEIR ORGANIZATIONS WITH MISSION EVERYDAY BUT
THEY ARE NOT EXTRAORDINARY LEADERS IN THE SENSE OF
BEING CHARISMATIC. WHAT THEY ARE ABOUT IS CREATING THE
CONDITIONS FOR OTHERS TO SUCCEED. IT IS THAT HUMBLE
LEADERSHIP THAT YOU READ ABOUT IN THE BEST-SELLING
BUSINESS BOOK, GOOD TO GREAT. THEY ARE NOT OUT LOOKING
FOR AN AWARD. THEY ARE NOT OUT THERE LOOKING FOR THE
BIG ACKNOWLEDGMENT. WHAT THEY ARE ABOUT IS INFUSING
THEIR ORGANIZATIONS WITH MISSION. IT IS A WONDERFUL
STORY REALLY THAT YOU DON'T HAVE TO BE SUPER HUMAN IN
ORDER TO DO THAT. I MEAN SOME OF YOU WILL BE SAYING I
CAN'T BUY INTO THIS AGENDA OF HIGH PERFORMANCE BECAUSE
I'M JUST NOT THAT KIND OF LEADER. YOU ARE THAT KIND OF
LEADER. EVERYBODY IN THIS ROOM IS THAT KIND OF LEADER.
IT DOESN'T TAKE SOME SORT OF SPECIAL CHARISMATIC

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29

SPARKLE TO TURN A MEDIOCRE OR POOR PERFORMING INTO A
HIGH PERFORMER NOR DOES IT REQUIRE THAT SPARKLE TO KEEP
THAT HIGH-PERFORMING ORGANIZATION ON A PATH TOWARDS
EVERYDAY IMPROVEMENT. AT MY BUSINESS COLLEGE WE CALL
CONTINUOUS IMPROVEMENT, WE'VE GOT TO HAVE OUR OWN
LANGUAGE HERE. I DON'T USE THE LANGUAGE OF CUSTOMERS.
I DON'T USE THAT LANGUAGE. SOME OF YOU MIGHT. I WOULD
SAY WE'VE GOT TO GO QTM. WE'VE GOT TO USE A CUSTOMER

Day of Learning transcript

SATISFACTION APPROACH. I DON'T CARE WHAT YOU DO, BUT YOUR LANGUAGE HAS TO BE SPECIAL TO THE MISSION OF YOUR ORGANIZATION. YOU DON'T HAVE TO BE HEROIC TO DO IT. YOU CAN HAVE A HOBBY, YOU CAN HAVE A DOG, A CAT. WHY YOU WOULD WANT A CAT, I DON'T KNOW, BUT I HAVE GOT TWO OF THEM. I DON'T KNOW WHY I HAVE THEM. MY DAUGHTER IS INTO BRINGING FERAL CATS HOME. DO YOU KNOW WHAT A FERAL CAT IS? IT IS NOT VERY GOOD FOR YOUR FURNITURE. BUT SHE'S A CAT RESCUER AND YOU CAN HAVE HUSBANDS, WIVES, KIDS. THE LEADERS WHO ARE WORKING 80 HOURS A WEEK ARE GOING TO BE OUT OF YOUR ORGANIZATION IN THREE HOURS TIME. YOU HAVE GOT TO DO THIS MORE NATURALLY. I'M NOT TALKING ABOUT HEROIC INTERVENTION BY HEROIC LEADERS TO LIFT POORLY PERFORMING ORGANIZATIONS. I'M TALKING ABOUT NATURAL HIGH PERFORMANCE THROUGH CAPACITY BUILDING AND ORGANIZATIONAL DESIGN.

THIRD, IT DOES NOT INVOLVE BEING PERFECT. NOW,

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30

AS WE WENT ABOUT THE COUNTRY WITH OUR NONPROFIT EFFECTIVENESS PROJECT, WE INTERVIEWED 250 GRANT MAKERS, PROVIDERS OF TECHNICAL ASSISTANCE AND SCHOLARS. I DON'T KNOW WHETHER DAVID OR JANINE WERE IN THAT SAMPLE. I DON'T WANT TO KNOW. I HOPE YOU WERE. BUT WE INTERVIEWED THEM, YOU KNOW, AND ASKED THEM ABOUT THE CHARACTERISTICS OF HIGH-PERFORMING ORGANIZATIONS THAT THEY KNEW. THEN WE INTERVIEWED 250 EXECUTIVE DIRECTORS OF HIGH-PERFORMING ORGANIZATIONS THEY NOMINATED. SO WE

Day of Learning transcript
SAID TO THE GRANT MAKERS, WHAT ARE THE CHARACTERISTICS
OF THE HIGH-PERFORMING ORGANIZATIONS? AND WE SAID AT
THE END OF THE INTERVIEW CAN YOU NAME A COUPLE OF
ORGANIZATIONS THAT YOU THINK EXEMPLIFY THOSE
ORGANIZATIONS, AND WE INTERVIEWED 250 EXECUTIVE
DIRECTORS, ORGANIZATIONS LIKE BIG APPLE CIRCUS OR
HEARTLAND ALLIANCE IN CHICAGO OR CARE OR HABITAT. I
MEAN WE HAVE A VERY, VERY POWERFUL SAMPLE, AND WE HAD A
FEW ORGANIZATIONS HERE IN KANSAS CITY THAT WE
INTERVIEWED. YOU KNOW WHAT COMES THROUGH THAT PORTRAIT
THAT WE KNOW EXACTLY WHAT A HIGH PERFORMING LOOKS LIKE,
I CALL IT THE MARY POPPINS SYNDROME. IT IS PRACTICALLY
PERFECT IN EVERYWAY. WHEN YOU ASK GRANT MAKERS OR
E. D.'S LOOK LIKE, WHAT DOES THE HIGH-PERFORMING
ORGANIZATION LOOKS LIKE, WHAT THEY DO IS COME UP WITH
THE INVENTORY OF NEAR PERFECTION, YOU COLLABORATE WITH

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31

THE COMMUNITY, YOU DO ENVIRONMENTAL FUNDING, YOU DO
SCANNING, MEASURE RESULTS, YOU WORK HARD TO KEEP YOUR
ORGANIZATION FLAT AND YOU INVEST IN TRAINING, YOU HAVE
GOT A RAINY DAY FUND. THIS IS AN INTERESTING ONE FOR
YOU GRANT MAKERS HERE. THE GRANT MAKERS SAID DO MOST
OF THE HIGH-PERFORMANCE ORGANIZATIONS YOU KNOW HAVE A
RAINY DAY FUND AND THE GRANT MAKERS WERE SAYING NO,
THEY DON'T HAVE ANY RAINY DAY FUNDS AND WE GO ON AND
TALK TO THE E.D.'S OF THE ORGANIZATIONS THAT THEY HAVE
NOMINATED AND WE SAY, DO YOU HAVE A RAINY DAY FUND OR A
RESERVE FUND? THEY SAY, YEAH, WE DO. THREE MONTHS,

Day of Learning transcript

SIX MONTHS. WE TRY TO GET THERE. AND I SAY TO THEM, WELL, WHY DON'T YOU TELL YOUR GRANT MAKERS YOU HAVE A RAINY DAY FUND? LIKE THAT'S JUST A SIMPLE QUESTION TO ANSWER BECAUSE THE GRANT MAKERS WOULD TAKE IT FROM THEM. THEY WOULD REDUCE THE OVERHEAD AVAILABLE IF THEY KNEW YOU HAD A RAINY DAY FUND. BY HAVING A RAINY DAY FUND, A HEDGE FUND, SOME SORT OF LINE OF CREDIT IS ESSENTIAL FOR MAKING INVESTMENTS IN CAPACITY BUILDING AND FOR SURVIVING THE EBBS AND FLOWS THAT WE'RE SEEING RIGHT NOW. IT IS INTERESTING TO SEE GRANT MAKERS WERE VERY POSITIVE ABOUT THE OUTSIDE WORLD, BUT THEY WERE ALSO SOMETIMES ASKING FOR A LEVEL OF PERFORMANCE AT NO COST THAT JUST IS IMPOSSIBLE, AND I AM A GRANT MAKER. I WAS A GRANT MAKER AT THE PEW CHARITABLE TRUST. MOST

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32

OF MY BEST CLOTHES ARE FROM PEW. IT IS A DOT COM, IT IS NOT A DOT ORG. OUR IDEA OF A CASUAL FRIDAY WAS TO WEAR PATTERNED SOCKS. THEY WERE REALLY CORPORATIZED.

WHAT'S A FAIR RATE OF OVERHEAD? AND WE GET INTO THESE DALLY LOGS ABOUT WAS THE GRANTEE BEING HONEST, WHERE WAS THE OVERHEAD HIDDEN, SO FORTH AND SO ON. WE'VE GOT TO HAVE MORE HONEST DIALOGUE BETWEEN GRANTEES AND GRANTORS ABOUT WHAT FAIR RATES OF OVERHEAD ARE AND WHAT WE NEED TO EXPLAIN TO OUR BOARDS AND COMMUNITIES. THE COMMUNITIES THINK POST SEPTEMBER 11TH, POST SEPTEMBER 11 FUNDS THAT YOU OUGHT TO PUT THE MONEY RIGHT DOWN INTO THE ACTUAL ACTIVITY, THAT THERE

Day of Learning transcript
IS NO SUCH THING AS OVERHEAD AND ADMINISTRATIVE COST.
WE'VE ACTUALLY CONVINCED THE AMERICAN PUBLIC THAT YOU
CAN DO IT WITHOUT SPENDING ANY MONEY ON ANYTHING. NO
COMPUTERS. I MEAN THAT'S SOMEBODY ELSE'S
RESPONSIBILITY, NO ELECTRICITY, NO LIGHT, NO AIR
CONDITIONING OR HEAT OR WHATEVER. I MEAN NO WATER,
WHATEVER, THAT YOU CAN SOMEHOW MAGICALLY GET ALL THE
MONEY OUT IN PROGRAMMATIC ACTIVITY.

AT ANY RATE, MY BASIC POINT HERE IS YOU DON'T
HAVE TO BE PRACTICALLY PERFECT IN EVERYWAY. I WILL
TELL YOU IF YOU DON'T HAVE YOUR FINANCIAL SYSTEM IN
ORDER, YOU ARE IN BIG TROUBLE AND THEN AND THAT YOU
OUGHT TO STRIVE FOR REALTIME BUDGETING SYSTEM SO YOU

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33

CAN TELL ME ON ANY GIVEN DAY WHAT YOU HAVE GOT. IF YOU
DON'T HAVE THAT, YOU ARE SOME DISTANCE AWAY FROM MAKING
THE INVESTMENTS YOU NEED TO MAKE. MY ORGANIZATION,
BROOKINGS INSTITUTION, IS NOT PERFECT BY FAR. WE DON'T
CLOSE OUR BOOKS UNTIL SIX MONTHS AFTER THE FISCAL YEAR
ENDS. I CANNOT TELL YOU WHAT I HAVE ON ANY OF MY
PROJECT ACCOUNTS ON A DAILY BASIS. I DO HAVE A BUDGET
AND I DO HAVE A CUFF SPREADSHEET WHERE I TRY TO MONITOR
COSTS AND EXPENDITURES BUT OUR BUDGETING SYSTEM JUST
DOESN'T WORK FOR ME. IT IS A COST ACCOUNTING SYSTEM,
AND IT'S JUST NOT VERY HELPFUL. NOW ON THAT PARTICULAR
SCORE, YOU HAVE TO BE COMPLETELY AND TOTALLY SOLID ON
YOUR ACCOUNTING AND ON YOUR COST ACCOUNTING AND ON YOUR
BUDGETING SYSTEM. THE LEADERSHIP OF HIGH-PERFORMING

Day of Learning transcript

ORGANIZATIONS KNOW WHERE THEY ARE IN A GIVEN POINT IN TIME. YOU CAN'T INVEST IN INNOVATION. FOR EXAMPLE, IF YOU DON'T KNOW WHAT YOU ARE INVESTING, OTHERWISE YOU WILL BLEED OUT BEFORE YOU KNOW IT.

FINAL POINT HERE IS THAT THERE'S NO SINGLE PATHWAY TO HIGH PERFORMANCE. I WISH I HAD IT FOR YOU. I REALLY DO. WE ALL KNOW WHAT THE HIGH-PERFORMING NONPROFIT MIGHT LOOK LIKE. IT REALLY DOES WORK ITS BOARD VERY HARD. IT REALLY DOES HAVE GOOD SYSTEMS. THE LEADERSHIP IS VERY COMMITTED TO PARTICIPATORY STYLE. THERE ARE LOTS OF THINGS THAT ARE TRUE HERE.

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34

THE REAL ISSUE IS HOW DO YOU GET THERE? DO YOU KNOW WHAT I MEAN? IT IS A REALLY TOUGH ISSUE AND ONE THAT WE STRUGGLE WITH CONSTANTLY. THE GRANT MAKERS IN OUR SAMPLE SAID YOU SHOULD START THE JOURNEY TO HIGH PERFORMANCE WITH STRATEGIC PLANNING. THAT'S NOT WHAT THE EXECUTIVE DIRECTORS OF THE HIGH-PERFORMING ORGANIZATIONS SAID. THEY SAID IF YOU ARE POORLY PERFORMING OR MEDIOCRE, STRATEGIC PLAN AIN'T GOING TO GET YOU THERE. YOU HAVE GOT TO HAVE THE INFRASTRUCTURE IN PLACE BEFORE YOU STRATEGIC PLAN. SOME ORGANIZATIONS STRATEGIC PLAN ALL THE TIME. IT IS THE WAY THEY GET OPERATING SUPPORT. IF YOU GO TO MINNEAPOLIS, ST. PAUL WHERE IT IS THE LAND OF STRATEGIC PLANNERS, I'M FROM THAT PART OF THE COUNTRY. THAT'S WHAT YOU GET FOR CAPACITY BUILDING IS STRATEGIC PLANNING. I WENT TO AN

Day of Learning transcript
INTERVIEW WITH THE ARTISTIC TEAM AT THE THEATER OF
DELJUNE. DO YOU HAVE A STRATEGIC PLAN. THEY ARE ALL
FRENCH. I'M GOING TO TRY THIS. ONE OF THE EXECUTIVE
DIRECTORS OF THE TEAM FORCE TALKED IN FRENCH, WE HAVE
FIVE STRATEGIC PLANS, WE HAVE ONE TO DO MORE MUSICALS,
FOR BALLET, FOR OPERA AND OF COURSE, IT IS THE ONLY
MONEY THEY CAN GET FOR CAPACITY BUILDING. IF YOU GO
OUT TO CALIFORNIA, IT IS INFORMATION TECHNOLOGY IS THE
ANSWER. YOU CAN ALWAYS GET MONEY FOR IT. YOU CAN'T
GET MUCH FOR STRATEGIC PLANNING. WHEN WE WENT AROUND

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35

THE COUNTRY LOOKING FOR CAPACITY BUILDING, WHAT YOU GET
BY WAY OF CAPACITY BUILDING SUPPORT REALLY DEPENDS ON
WHERE YOU HAPPEN TO BE AND WHAT THE FASHION IS IN YOUR
COMMUNITY RATHER THAN WHAT YOU NEED. THAT'S A FAILURE
OF DAVID RENZ. ACTUALLY THAT'S A FAILURE OF THE
SCHOLARLY COMMUNITY TO DO THE HEAVY WORK TO SAY WHAT
CAUSES WHAT. DAVID HAS REALLY DONE SOME WONDERFUL
WORK. ONE OF THE REASONS I CAME OUT HERE IS BECAUSE I
SO RESPECT HIS WORK AND I WANT IT IN MY OWN LIMITED WAY
TO CREDENTIAL WHAT HE IS DOING. HE HAS DONE SOME VERY
IMPORTANT WORK ON WHAT CAUSES WHAT. LET ME GIVE YOU AN
EXAMPLE. EVERYBODY SAYS YOU OUGHT TO HAVE AT LEAST SIX
BOARD MEETINGS A YEAR. THAT'S PART OF THE STANDARDS
FOR EXCELLENCE THAT THE MARYLAND ASSOCIATION OF
NONPROFITS IS PROMULGATING, AND I'M SUPPORTIVE OF THAT.
I'M ON THEIR ADVISORY BOARD. THINK ABOUT IT. DO YOU
THINK THAT HAVING SIX BOARD MEETINGS A YEAR WILL GET

Day of Learning transcript

YOU TO HIGH PERFORMANCE? WELL, IT ALL DEPENDS. LET ME GIVE YOU PERMISSION THAT IF YOU HAVE A REALLY STUPID BOARD, DON'T MEET WITH THEM.

IT IS OKAY WITH ME. AND LET ME SAY TO THE BOARD MEMBERS HERE, IF YOU HAVE A REALLY STUPID EXECUTIVE DIRECTOR, GET OFF THE BOARD. I MEAN HIGH-PERFORMING BOARDS TEND TO BE THE PRODUCT OF INVESTMENTS IN CAPACITY BUILDING. PEOPLE WANT TO WORK.

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36

I MEAN I WAS TALKING -- WHO WAS I TALKING TO LAST NIGHT ABOUT THIS CHILDREN'S NETWORK? GOSH, I'M DRAWING A BLANK. SHE IS HERE RIGHT NOW. SHE'S DRESSED IN RED, BUT THAT WOULD DESCRIBE ABOUT ALL OF THE AUDIENCE. IN NEW YORK EVERYBODY IS DRESSED IN BLACK. I'M DRESSED IN CORDUROYS AND A LUMBERJACK. I'M NOT FITTING IN IN NEW YORK. BUT SHE MEETS HER BOARD SIX TIMES A YEAR PLUS EXECUTIVE COMMITTEE PLUS OTHER COMMITTEES AND SO FORTH, AND HIGH-PERFORMING ORGANIZATIONS HAVE VERY HARD-WORKING BOARDS. THEY REALLY DO. ONE OF THE ISSUES WE CONFRONT IN THE FUTURE IS WE CURRENTLY HAVE A 3 MILLION POSITION SHORTAGE IN BOARD MEMBERSHIP. IF YOU WANT YOUR BOARD TO WORK HARD, WHERE ARE YOU GOING TO GET THE BOARD THAT WILL DO THAT? BUT I DON'T THINK THAT BUILDING THE BOARD IS THE FIRST STEP. I THINK DEVELOPING A BOARD IS AN ONGOING PROCESS THAT EVENTUALLY IS PART OF THE CHARACTERISTICS OF A HIGH-PERFORMING ORGANIZATION, BUT I'M NOT SURE THAT'S

Day of Learning transcript
WHERE YOU BEGIN.

LET ME TELL YOU WHAT WE DID FIND HERE BY WAY OF WHAT SEEMS TO WORK. I CAN'T TELL YOU WITHOUT ABSOLUTE CERTAINTY THAT X LEADS TO Y, BUT IT APPEARS TO BE IN MY ANECDOTAL OBSERVATIONS AND THESE ARE NOT HARD AND EMPIRICALLY-GROUNDED SUGGESTIONS ARE AS FOLLOWS: THERE ARE FOUR STEPS THAT I THINK YOU HAVE TO CONFRONT ON THE

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37

PATHWAY TO HIGH PERFORMANCE.

NO. 1, YOU HAVE TO PAY ATTENTION TO THE QUALITY OF YOUR STAFF LEADERSHIP AND BOARDS AND NURTURE THAT QUALITY. I MEAN THE NONPROFIT SECTOR HAS A UNIQUE TALENT BASE. WE DO HAVE HIGHLY COMMITTED BOARD MEMBERS TOO MANY OF WHOM CHECK THEIR INSIGHTS AT THE DOOR WHEN WE GET A CORPORATE BOARD MEMBER OR WE GET SOMEBODY FROM THE CORPORATE COMMUNITY, TOO OFTEN HE OR SHE WILL SAY OKAY, I HAVE GOT TO LEAVE MY CORPORATE KNOWLEDGE BASE AT HOME AND I'M GOING TO GO TO THIS BOARD MEETING AND I'M NOT GOING TO REALLY CONTRIBUTE. I MEAN WE ACTIVE AND ENGAGE SMART BOARD PEOPLE BUT WE HAVE TO BE AWARE THAT YOU DON'T GET OVERNIGHT. NONPROFIT SECTOR IS DIFFERENT FROM THE CORPORATE SECTOR. NONPROFIT SECTOR IS CLEARLY DIFFERENT FROM GOVERNMENT. WE'RE OFTEN IN PARTNERSHIP ACROSS SECTORIAL BOUNDARIES, BUT I WILL TELL YOU I'M ABSOLUTELY CONVINCED AND IT'S ALMOST A TRUISM THAT HIGH-PERFORMING ORGANIZATIONS HAVE MADE SIGNIFICANT INVESTMENTS IN THE QUALITY OF THEIR BOARD, STAFF AND LEADERSHIP. NOW, THAT'S A TRUISM, BUT WHAT

Day of Learning transcript

IS YOUR ORGANIZATION DOING? THOSE OF YOU WHO ARE FROM ORGANIZATIONS OR THOSE OF YOU WHO ARE FUNDING ORGANIZATIONS, CAN YOU TELL ME HOW MUCH YOU SPEND ON TRAINING AS A PERCENTAGE OF TOTAL PAYROLL? HAVE YOU GOT THAT FIGURE HANDY? OKAY. HOW MUCH ARE YOU

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38

SPENDING ON STAFF DEVELOPMENT? WHAT WAS THE GENERAL QUALITY OF THE RECRUITS THAT YOU BROUGHT IN OVER THE LAST SIX YEARS? WHAT'S YOUR TURNOVER RATE BY LEVEL OF ORGANIZATION? I MEAN, ARE YOU MONITORING THE QUALITY OF YOUR ORGANIZATION AT THAT LEVEL? WHAT ARE YOU DOING ABOUT YOUR HUMAN CAPITAL INVESTMENT? WE ARE IN A TALENT WAR AND THE NONPROFIT SECTOR JUST DOESN'T GET IT YET. YOUNG AMERICANS REALLY WANT TO GO NONPROFIT. YOU KNOW WHAT, JUST ABOUT THE WORST THING YOU CAN DO IN TERMS OF RECRUITING A STUDENT FROM A SCHOOL LIKE WAGNER OR FROM AN UNDERGRADUATE PROGRAM IS TO HAVE THEM TALK TO NONPROFIT PEOPLE. MANY OF US IN THIS ROOM HAVE A CHIP ON OUR SHOULDER ABOUT BEING NONPROFIT, HOW STRESSFUL AND DIFFICULT IT IS. STOP TALKING ABOUT THAT WITH YOUR RECRUITS. DO SOMETHING ABOUT IT TO MAKE IT LESS DIFFICULT AND STRESSFUL. BUILD YOUR ORGANIZATION, STRIP IT DOWN, TAKE A LOOK AT IT, FOCUS YOURSELVES SO THAT IT IS LESS STRESSFUL THAN IT CURRENTLY IS.

SECOND THING WE SEE IS, IN FACT, THAT HUMAN CAPITAL IS ESSENTIAL. I AM SO PROUD OF THE NONPROFIT WORK FORCE. I WILL TELL YOU WE DO SURVEYS OF THE

Day of Learning transcript
FEDERAL WORK FORCE, PRIVATE SECTOR WORK FORCE,
NONPROFIT WORK FORCE. WE'RE JUST ABOUT TO RELEASE A
SURVEY OF HUMAN SERVICES WORKERS, CHILD CARE, CHILD
YOUTH SERVICES, CHILD WELFARE, JUVENILE JUSTICE, AND I

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39

WILL TELL YOU THE NONPROFIT SECTOR HAS THE MOST HIGHLY
MOTIVATED WORK FORCE IN AMERICA BY FAR. WE ASK PEOPLE
WHY DO YOU COME TO WORK EVERYDAY? WHEN YOU LOOK AT
FEDERAL EMPLOYEES, YOU READ DOWN THE VERBATIMS, ANSWERS
TO THESE OPEN-ENDED QUESTIONS, WHY DO YOU COME TO WORK?
IT IS THE PAYCHECK. I HAVE GOT A MORTGAGE. MY WIFE
MAKES ME WORK, MY HUSBAND MAKES ME WORK, I HAVE GOT CAR
PAYMENTS TO PICK UP AND ABOUT 41% OF FEDERAL EMPLOYEES,
WHEN THEY ARE ASKED THE QUESTION WHY DO YOU COME TO
WORK EVERYDAY GIVE AN ANSWER THAT INVOLVES
COMPENSATION. ABOUT 50% IN THE PRIVATE SECTOR
EMPLOYEES GIVE AN ANSWER THAT INVOLVES COMPENSATION.
AMONG PEOPLE WHO SERVE LOW-INCOME CHILDREN, YOUTH AND
FAMILIES IT IS 8% SAY COMPENSATION. NOW, YOU WILL SAY
TO YOURSELVES OH, I HAVE GOT THE ANSWER FOR THAT. HOW
COULD YOU SAY THAT YOU COME TO WORK FOR THE
COMPENSATION? WHAT WE FIND IN OUR RESEARCH ON THE
NONPROFIT SECTOR, WHICH HAS A VERY LOW INCIDENCE OF
COMPENSATION-MOTIVATED WORK, IS THAT THEY ARE VERY
SATISFIED OR GENERALLY SATISFIED WITH THEIR PAY,
COMPENSATION AND BENEFITS, EVEN THOUGH THEY KNOW THEY
CAN MAKE MORE IN THE PRIVATE SECTOR OR IN GOVERNMENT.
IT IS A SELF-EXPLOITING WORK FORCE. IT IS REALLY KIND

Day of Learning transcript

OF INTERESTING THAT SOMEHOW NONPROFIT WORKERS COME INTO
THE INDUSTRY OR THE SECTOR AND THEY ARE WILLING TO

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40

SELF-EXPLOIT. WHEN YOU READ THROUGH THE VERBATIMS
ABOUT WHY NONPROFIT PEOPLE COME TO WORK, IT IS I LOVE
THE JOB. I LOVE THE KIDS. I WANT TO MAKE A DIFFERENCE
IN THIS WORLD. I WANT TO MAKE IT A BETTER PLACE. I
WANT TO DEAL WITH MY COMMUNITY. I WANT TO MAKE MY
COMMUNITY A BETTER PLACE. IT IS ABOUT THE LOVE OF THE
JOB. AND THEY ARE WILLING TO PAY A SIGNIFICANT
DISCOUNT IN PAY AND BENEFITS IN ORDER TO DO THAT WORK
BECAUSE IT IS SO MEANINGFUL. THEREFORE, IT IS OUR
RESPONSIBILITY TO SAY TO THE SECTOR AND TO SAY TO THE
FUNDERS, THIS IS NOT OKAY, THAT YOU MUST PROVIDE DECENT
BENEFITS, THAT IS NOT OKAY FOR US TO SAY THAT YOUR
CHOICE IS TO BE A NONPROFIT EMPLOYEE OR SEND YOUR
CHILDREN TO COLLEGE. IT IS NOT OKAY TO SAY, YOU ARE
EITHER A NONPROFIT EMPLOYEE OR YOU CAN RETIRE WITH A
DECENT PENSION. WE'VE GOT TO CONFRONT THAT. THAT'S
THE WHOLE OF COMMUNITY FOUNDATIONS. THAT'S THE ROLE OF
FUNDERS IN THE COMMUNITY. THAT'S THE ROLE OF A
COLLECTIVE CONSCIENCE IN THE SECTOR. AND I WILL TELL
YOU AMONG HIGH-PERFORMING ORGANIZATIONS THEY ARE
CONFRONTING ALL THE TIME HOW THEY ARE INVESTING HUMAN
CAPITAL AND HOW THEY ARE TREATING THEIR WORK FORCE.
THEY HAVE HEALTH INSURANCE, THEY HAVE BENEFIT PLANS.
EVEN SMALL ORGANIZATIONS, TINY ORGANIZATIONS WITH

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41

THROUGH THIS RESEARCH STRUGGLE WITH HOW TO PROVIDE A DECENT PACKAGE SO THAT THEIR NONPROFIT WORK FORCE IS NOT COMING TO WORK EVERYDAY WORRYING ABOUT HOW THEY ARE GOING TO RETIRE.

THIRD THING IS THAT YOU MUST DEVELOP YOUR LEADERSHIP CORE. I HEAR ALL THE TIME ABOUT PEOPLE WHO HAVE A WONDERFUL COMMITMENT TO AN IDEA AND BRING A NONPROFIT INTO BEING. THEY ARE OFTEN DOING IT WITHOUT ANY GUIDANCE WHATSOEVER. THEY JUST HAVE A PASSION ABOUT MAKING A DIFFERENCE. WHEN WE LOOK AT CAPACITY BUILDING GRANTS, THERE'S A VERY SMALL PERCENTAGE THAT ACTUALLY GOES TO THE KIND OF PEER-TO-PEER LEARNING THAT WE KNOW WORKS IN TERMS OF HELPING LEADERS DEVELOP. WE DO NOT NEED TO TEACH LEADERS HOW TO BE GOOD SPEAKERS. WE DO NOT NEED TO TEACH THEM HOW TO BE GOOD FUND RAISERS, BUT WE DO NEED TO TEACH HIM HOW TO BUILD ORGANIZATIONS THAT CAN SUSTAIN HIGH PERFORMANCE NATURALLY. WE DON'T DO ENOUGH OF THAT.

I THINK THAT HERE IN KANSAS CITY YOU HAVE A REAL RESOURCE IN THE MIDWEST CENTER. I THINK YOU HAVE A SIGNIFICANT RESOURCE IN TERMS OF TRAINING AVAILABILITY THROUGH THE BLOCH SCHOOL. I'M SURE THAT YOU HAVE OPPORTUNITIES FOR DEVELOPMENT. BUT TO THE EXECUTIVE DIRECTORS IN THIS AUDIENCE, YOU KNOW, AT LEAST ONCE A WEEK YOU SHOULD BE ON THE PHONE TO ANOTHER

EXECUTIVE DIRECTOR ASKING A QUESTION OF SOME KIND. PEER-TO-PEER LEARNING IS SO ABSOLUTELY ESSENTIAL AND THE ORGANIZATIONS THAT WE HAVE COME TO ADMIRE DO A GREAT DEAL OF LEADERSHIP TO LEADERSHIP LEARNING. ON THE CORE ISSUE, YOU MUST KNOW WHERE YOU ARE HEADING. THE SAYING ANY ROAD WILL DO IF YOU DON'T KNOW WHERE YOU ARE GOING. ONE OF THE THINGS I STRUGGLE WITH WHEN I GO OUT THERE AND TALK TO ORGANIZATIONS, WE OFTEN WILL BE ENGAGED IN CONVERSATION AND WE'LL SAY WHAT ARE YOU ABOUT, WHAT ARE YOU GOING? WHAT WE WANT TO KNOW IS DOES THE ORGANIZATION HAVE THE ANSWERS TO THREE FUNDAMENTAL QUESTIONS THAT YOU SHOULD ASK YOURSELF EVERYDAY.

WHY DO WE EXIST? WHO DO WE SERVE? HOW DO WE KNOW WE'LL BE SUCCESSFUL IF WE ARE? THOSE ARE THE THREE BASIC QUESTIONS THAT YOU NEED TO STRUGGLE WITH EVERYDAY. I'M NOT TALKING ABOUT A MISSION STATEMENT HERE. YOU WANT A MISSION STATEMENT? GO TO DILBERT.COM. IF YOU ARE ALL ABOUT THE MISSION STATEMENT, SAVE THE MONEY AND GO TO DILBERT.COM AS A GENERATOR. IT HAS GOT THOUSANDS OF VERBS, THOUSANDS OF NOUNS & IT GENERATES THEM RANDOMLY. WE DESIRE TO BE A FIRST CLASS, WORLD CLASS, HIGH CLASS, HIGH-PERFORMING ORGANIZATION THAT SERVES THE PUBLIC WITH GREAT HONOR AND GLORY, WHATEVER. I'M JUST MIXING VERBS.

DILBERT.COM ALSO HAS A PERSONNEL GENERATOR. THIS PERSON HAS DONE A WONDERFUL JOB THIS YEAR. SHE CAME IN ON TIME MOST OF THE TIME. SHE CONTRIBUTED MIGHTLY AND WE'RE GOING TO GIVE HER THE AVERAGE 0.5% INCREASE. MISSION IS ABOUT A DAILY CONFRONTATION WITH REALITY. WHY DO WE EXIST AGAIN? WHY ARE WE HERE? IS WHAT WE'RE DOING IMPORTANT? ARE WE MAKING A DIFFERENCE? ARE THERE OTHER PEOPLE IN THE COMMUNITY DOING WHAT WE'RE DOING? SHOULD WE HAVE A CONVERSATION WITH THEM ABOUT A STRATEGIC ALLIANCE? SHOULD WE TALK ABOUT POOLED RESOURCES? SHOULD WE TALK ABOUT A POSSIBLE MERGER? WHO ARE WE SERVING ANYWAY? ARE WE SERVING OURSELVES? ARE WE SERVING OUR PROFESSION? I MEAN ARE WE SERVING THE COMMUNITY? ARE WE SERVING THE CHILDREN? ARE WE SERVING THE STATE, THE NATION, WHAT ARE WE DOING? I MEAN WHO IS IT THAT WE NEED TO BE AWARE OF OUT THERE AS WE LOOK AT THE OUTSIDE WORLD THAT WE SERVE, HOW WILL WE KNOW WE'RE SUCCESSFUL IF WE ARE? I MEAN THINK ABOUT THAT QUESTION. I GO OUT THERE AND TALK TO NONPROFITS ALL THE TIME AND SAY HOW WILL YOU KNOW YOU ARE SUCCESSFUL IF YOU ARE? SOMETIMES IT IS LIKE WE'LL MAKE IT THROUGH THE YEAR. WE'LL DELIVER THIS MANY WIDGETS. WE WILL SERVE THIS MANY PEOPLE. WE WILL HANDLE THIS MANY CASES. THAT'S NOT WHAT I'M TALKING ABOUT. I MEAN HOW ARE YOU MAKING PROGRESS? HOW ARE YOU MAKING YOUR

Day of Learning transcript

COMMUNITY BETTER? IT IS NOT JUST ABOUT A SPECIFIC ACTIVITY OR INPUT. IT IS ABOUT ACTUALLY PRODUCING VALUE IN YOUR COMMUNITY. I SAY IT TO COMMUNITY FOUNDATIONS ALL THE TIME. WHAT ARE YOU ADDING BY WAY OF VALUE TO THE GRANT MAKING IN THIS COMMUNITY? YOU HAVE GOT ALL OF THESE DONOR-ADVISED FUNDS. WHAT DO YOU ADD BY WAY OF VALUE? WHAT ARE YOU, AS A NONPROFIT, ADDING BY WAY OF VALUE? HOW CAN YOU MEASURE IT? I HAD THIS CONFRONTATION YEARS AGO WITH A TEENAGE PREGNANCY PREVENTION PROGRAM. THEY SAID WE JUST DON'T KNOW HOW TO MEASURE OUR RESULTS AND I'M THINKING HMM, THAT'S A HARD ONE.

ANTI-SMOKING PROGRAM. WE'RE CONFUSED. WE DON'T KNOW HOW TO MEASURE RESULTS. I'M GOING HMM, LET ME HAVE A SMOKE AND I WILL GET BACK TO YOU. NOW, THERE ARE HARD OUTCOMES TO MEASURE, FOLKS. I MEAN YOU GO TO THE HIGHWAY DEPARTMENT AND THEY HAVE GOT THIS LITTLE MACHINE THAT THEY HAVE DRIVE DOWN THE ROAD AND IT WILL TELL THEM HOW BUMPY OR SOFT THE RIDE IS. THAT'S WHY A LOT OF MONEY GOES TO TRANSPORTATION AND MEASURABLE THINGS. WE'VE GOT TO BE CAREFUL WHAT WE MEASURE BECAUSE YOU DO WHAT'S MEASURED. WE CAN BE MORE ASSERTIVE ABOUT WHAT WE DO AND MAKE THAT INTO A STRONG JUSTIFICATION FOR BEING NONPROFIT LIKE. YOU KNOW, WHAT DOES AN ARTS ORGANIZATION LIKE THEATER DELAJUNE OR

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Day of Learning transcript
PACIFIC REPERTORY THEATER IN CARMEL, CALIFORNIA. THE
STRESS. WHAT DOES AN ARTS ORGANIZATION HAVE AS A
MEASURABLE RESULT? HOW DOES IT CONTRIBUTE TO THE
QUALITY OF ITS COMMUNITY? WE WERE TALKING ABOUT
CREATIVITY LAST NIGHT. WHAT'S THE ENVIRONMENT OF A
COMMUNITY? WHAT IS COMMUNITY? WHAT DO ORGANIZATIONS
THAT ARE BASED IN CREATIVE ACTIVITY? HOW DO THEY
CONTRIBUTE TO THE COMMUNITY? IF WE PUT THEM ON THE
BLOCK AND SAY SHOW US THE MEASURABILITY RESULTS LIKE A
HIGHWAY PROGRAM, IT IS TOUGH, BUT YOU HAVE GOT TO GET
AGGRESSIVE ABOUT IT. YOU HAVE GOT TO BE ABLE TO ASSURE
YOURSELF EVERYDAY YOU GO IN TO KNOW WHAT YOU ARE DOING.
ONE OF MY FAVORITE ORGANIZATIONS WAS STARTED BY BOB AND
CATHY DEBORE IN MINNEAPOLIS, A CHANCE TO GROW NEW
VISION SCHOOL. BOB AND CATHY HAD A BRAIN-INJURED
CHILD. THEY WENT TO THE UNIVERSITY OF MINNESOTA AND
THE SCHOOL OF ED AND THE SCHOOL OF ED SAID, NOTHING YOU
CAN DO ABOUT IT. GET USED TO IT. BOB AND CATHY SAID,
WE'RE NOT GOING TO GET USED TO THIS. WE BELIEVE WE CAN
DO SOMETHING. THEY STARTED READING. YOU KNOW, THEY
KNEW NOTHING ABOUT BRAIN INJURY. THEY STARTED READING
AND READING AND READING AND READING AND THEY STARTED
THINKING AND THEY STARTED LOOKING AT DIFFERENT WAYS OF
TREATING BRAIN INJURY. THEY EVENTUALLY GOT SOME MONEY
TO START THE CHANCE TO GROW NEW VISION SCHOOL, WHICH IS

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46

FOR BRAIN-INJURED CHILDREN. I WENT TO A SITE VISIT
LAST SPRING TO JUST CHECK UP ON THEM. I HAD LAST SEEN

Day of Learning transcript

THEM IN 1995. THEY WERE AT SAINT BERNILD SCHOOL. THEY WERE IN A CATHOLIC SCHOOL THAT HAD CLOSED. I'M ALWAYS GETTING IT CONFUSED WITH SAINT BERNARD BECAUSE CATHY WANTS TO START -- SHE WANTS TO BUY 90 ACRES SOMEWHERE OUTSIDE OF THE CITY TO FOSTER CARE ABANDONED SAINT BERNARDS. IT IS ABOUT THE DUPLICATION ISSUE. CATHY, JUST SAINT BERNARDS, WHAT IF A GERMAN SHEPHERD SHOWS UP? WHAT ARE YOU GOING TO DO? THAT'S KIND OF THE SORT OF CONSTANT SEGMENTATION OF THE NONPROFIT COMMUNITY. BUT THEIR SCHOOL WAS IN THIS DILAPIDATED THING THAT WERE IN THIS CATHOLIC SCHOOL. THEY HAD A BIOFEEDBACK, BRAIN GYM AND THEY KEPT TALKING ABOUT WANTING A SCHOOL OF THEIR OWN THAT THEY COULD BUILD. I WENT BACK LAST SPRING AND I GOT IN MY CAR AND I STARTED DRIVING TO NORTH MINNEAPOLIS WHERE THEIR SCHOOL WAS, BUT THE DIRECTIONS SAID DON'T GO THAT WAY. TAKE A RIGHT OVER HERE AND GO OVER THERE, AND I PULLED UP TO THIS BRAND NEW SCHOOL, PLASTIC CARPETING BECAUSE PLASTIC CARPETING DOESN'T GROW MOLD, FULL SPECTRUM LIGHTING BECAUSE FULL SPECTRUM LIGHTING IS BETTER FOR READING, BIOFEEDBACK LAB, THEY HAVE GOT THEIR OWN KITCHEN BECAUSE WE KNOW THERE ARE CERTAIN BRAIN FATS THAT HELP ACTIVATE LEARNING. I EAT THE NONACTIVATING LEARNING BRAIN FATS.

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47

THEY MEASURE EVERYDAY THE TINIEST OF PROGRESS MADE AND THAT KEEPS THEM GOING. CAN YOU IMAGINE WORKING WITH BRAIN-INJURED CHILDREN EVERYDAY TRYING TO FIGURE OUT

Day of Learning transcript
WHAT WE ACCOMPLISHED? HAVING THE FAITH THAT OVER TIME YOU WILL GET THERE, BUT NOT KNOWING WEEK-TO-WEEK OR MONTH-TO-MONTH. I MEAN THE PROGRESS MADE IN BRAIN INJURY TREATMENT IS TOO SMALL THAT IT IS ALMOST NOT MEASURABLE. BUT THEY CAN TELL YOU WHY THEY EXIST. THEY CAN TELL YOU WHAT THEY DO AND THEY CAN TELL YOU HOW THEY KNOW THEY WILL BE SUCCESSFUL, IF THEY ARE. LET ME TELL YOU ABOUT THAT PARTICULAR SCHOOL.

IF YOU CHALLENGE THE PREVAILING WISDOM AND THAT'S THE TRUE DEFINITION OF INNOVATION. IT IS NOT WHATEVER IS NEW TO YOU. FEDERAL GOVERNMENT DURING REINVENTING GOVERNMENT, REMEMBER REINVENTING GOVERNMENT WITH AL GORE, PUSH BUTTON TELEPHONES WERE CONSIDERED AN INNOVATION. THAT IS NOT INNOVATION. INNOVATION IS AN ORIGINAL, DISRUPTIVE ACT THAT CHALLENGES THE PREVAILING WISDOM. WHEN YOU CHALLENGE THE PREVAILING WISDOM, PREVAILING WISDOM CHALLENGES BACK. THAT'S HOW IT GOT TO BE THE PREVAILING WISDOM. IF YOU DON'T HAVE GOOD MEASUREMENT YOU ARE NOT GOING TO GET THERE. SO THAT REALLY IS THE THIRD LESSON HERE, WHICH IS GET YOUR HEAD AROUND RIGOROUS MEASUREMENT. DEAL WITH IT. QUIT COMPLAINING ABOUT IT. THIS IS AN OPPORTUNITY TIME FOR

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48

THE SECTOR. THERE IS TOO MUCH COMPLAINTS ABOUT ALL THE BAD THINGS THAT ARE HAPPENING. WE COULD EITHER COMPLAIN ABOUT IT OR WE CAN USE THIS MOMENT IN TIME TO DO SOME REAL HARD THINKING ABOUT WHAT WE'RE GOING TO BE. WE CAN JETTISON PROGRAMS THAT WE KNOW DON'T WORK.

Day of Learning transcript

WE CAN FOCUS OUR ORGANIZATION. I SEE A LOT OF ORGANIZATIONS THAT ARE STRIPPING DOWN THEIR WALLPAPER, STRIPPING DOWN THE WALLPAPER, TAKING OUT THE PROJECTS THAT THEY DID BECAUSE SOME MISGUIDED GRANTOR LIKE ME SAID WOULDN'T YOU LIKE TO DO THIS? YOU ARE THE HOT ORGANIZATION IN TOWN. YOU REALLY KNOW HOW TO DO SOMETHING. IT IS REALLY NOT THAT FAR FROM YOUR CORE MISSION. WHY DON'T YOU TAKE OUR MONEY TO DO SOMETHING THAT IS REALLY NOT WHAT YOU WANT TO DO. THIS IS THE KIND OF TIME WHERE YOU CAN STRIP OUT THOSE PROJECTS AND YOU CAN REFOCUS YOUR ENERGY.

FINAL POINT IS PREPARE TO PERSEVERE. SUSTAINING EXCELLENCE IS ABOUT DAY-TO-DAY PERSEVERANCE. YOU DON'T JUST GET THERE AND STOP. IT IS AN EVER-EVOLVING TARGET, EVER-MOVING UPWARD TARGET. YOU KNOW, WHEN YOU THINK ABOUT IT -- TO BRING THIS TO A CLOSE -- WHEN YOU THINK ABOUT THE CORE VALUES OF HIGH-PERFORMING ORGANIZATIONS, THE TRUST YOU NEED, THE HONESTY YOU NEED TO HAVE, THE RIGOR, THE FAITH YOU NEED IN THE IMPOSSIBLE. YOU ARE DRAWN BACK TO THE STORY I

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49

TOLD ABOUT WILE E. COYOTE. YOU DON'T FIND MANY PEOPLE TALKING ABOUT THE ROAD RUNNER, HIM GETTING WHAT HE NEEDS -- ACTUALLY I DON'T KNOW WHETHER IT'S A HE OR A SHE. PROBABLY A SHE BECAUSE SHE GETS WHAT SHE WANTS, DOING WHAT SHE NEEDS AND GETTING IT DONE. NONPROFIT SECTOR CERTAINLY HAS A LOT OF ROAD RUNNERS IN IT. BUT

Day of Learning transcript

WE DON'T CELEBRATE THAT. WE CELEBRATE THE WILE E. COYOTE AS HE IS GOING OVER THE CLIFF. THAT'S WHEN YOU GET YOUR ANNUAL INNOVATION AWARD, THAT'S WHEN YOU ARE CROSSING OUT INTO THE CLOUD OF SMOKE. AND IT'S ABOUT A YEAR AFTER YOU GET THAT AWARD THAT YOU REALIZE THERE IS NOTHING UNDERNEATH YOU, BUT YOU ARE ABOUT TO DROP TO YOUR DEMISE ONLY TO RISE AGAIN. WHAT I WANT TO SAY ABOUT THE HIGH-PERFORMANCE PROJECT AND WHAT I'VE SEEN OUT THERE IN CASE STUDIES, MARRIAGE OF CAPACITY BUILDING TO SPECIFIC DEMANDS THAT YOU FACE IN DIFFERENT STAGES OF ORGANIZATIONAL LIFE, AND THIS IS REALLY IMPORTANT WORK TO BE ABLE TO SAY TO AN ORGANIZATION, WELL, I THINK YOU ARE HERE AND THEREFORE, YOU NEED THIS KIND OF INVESTMENT RATHER THAN THAT KIND OF INVESTMENT. THAT'S THE IMPORTANT WORK THAT DAVID AND OTHERS ARE DOING AND THAT I HOPE TO DO. BUT AT THE END OF THE DAY YOU WANT TO BE THE ROAD RUNNER. YOU WANT TO HAVE THE FAITH IN THE POSSIBLE, YOU WANT TO HAVE THE RIGOR TO ANSWER THE QUESTIONS AND YOU WANT TO BE MORE NONPROFIT

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50

LIKE. I REALLY BELIEVE THAT WE CAN GET THERE, DO IT IN A WAY THAT IS HONORABLE TO OUR MISSION AND ALSO TEACHES AMERICA JUST WHAT THE NONPROFIT SECTOR IS AND WHAT WE DO. THERE'S AN AWFUL LOT OF MISINFORMATION AND AN AWFUL LOT OF IGNORANCE OUT THERE.

I APPRECIATE YOUR ASKING ME OUT HERE FOR THIS CONVERSATION. I'M VERY SERIOUS ABOUT THIS WORK, BUT WE'VE GOT TO HAVE SOME FUN ALONG THE WAY. AND BLESS

Day of Learning transcript

YOU AS YOU CONTINUE FORWARD IN THE WORK THAT YOU HAVE CHOSEN TO DO. I APPRECIATE IT. AND I WILL MOVE INTO THE NEXT PART OF OUR DAY OF LEARNING. THANK YOU VERY MUCH.

MR. RENZ: THANK YOU, PAUL. I DIDN'T KNOW IT WAS MY FAULT. WE'RE GOING TO HAVE TO START CHECKING SPEECHES BEFORE THEY COME AND GIVE THEM. NOW, ONE OF THE KEY THINGS WE TRY TO DO WITH THE EDWARD SMITH LECTURE IS TO BRING FOLKS TO TOWN WHO WILL CHALLENGE US AND PROVOKE US AND GET US THINKING SOMETIMES ABOUT NEW THINGS, SOMETIMES ABOUT THE SAME THINGS IN NEW WAYS, AND I THINK PAUL HAS DONE THAT TODAY. HE HAS SET THE STAGE FOR WHAT WILL BE AN IMPORTANT DISCUSSION YET TO COME. THANK YOU VERY MUCH. I APPRECIATE YOUR INSIGHTS.

OUR PLAN FOR THE MORNING NOW IS WE WILL TAKE A 15-MINUTE BREAK AND WE'LL CALL YOU BACK TO ORDER AT --

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51

I WILL CHECK MY OFFICIAL CLOCK RIGHT. IT IS 10:23 SO AT 10:38, THAT'S AN OLD FACILITATOR'S TRICK, GIVE THEM AN ODD NUMBER AND THEY WILL REMEMBER IT BETTER. AT 10:38 WE'LL ASK YOU TO RETURN TO YOUR SEATS SO WE CAN HAVE A PANEL. WE HAVE A PANEL OF LOCAL EXECUTIVES AND LEADERS WHO WILL REFLECT ON AND BUILD ON WHAT PAUL HAD TO SAY, AND WE'LL INVITE SOME INTERACTION WITH PAUL AND THEN WE'LL GET INTO SOME ROUND-TABLE DIALOGUE, THE RESULT OF WHICH WILL LEAD TO QUESTIONS AND INTERACTION

Day of Learning transcript
WITH THE PANELISTS AND WITH PAUL. FOR THOSE OF YOU
SAYING DON'T I GET TO ASK QUESTIONS NOW? NO, YOU HAVE
TO WORK MORE BEFORE YOU GET TO ASK THE QUESTIONS.
THAT'S PART OF THE GROWTH AND INTERACTION THAT WE FOUND
WORKS VERY WELL FOR THIS SESSION. PLEASE RETURN AT
10:38 AND WE'LL HAVE THE PANEL AND THEN WE'LL GET INTO
DIALOGUE. THANK YOU.

(A RECESS WAS TAKEN.)

MR. RENZ: IT IS NOW 10:38, AND I WOULD
LIKE TO ASK YOU TO GET THAT NEXT CUP OF COFFEE AND TAKE
YOUR SEATS. IF WE COULD HAVE YOUR ATTENTION, WE WOULD
LIKE TO BEGIN YOUR NEXT PHASE OF DAY OF LEARNING. I'M
GLAD THAT THIS IS SPURNING SO MUCH DIALOGUE, AND I'M
SURE EVERYTHING YOU ARE SAYING IS EXACTLY ON POINT WITH
WHAT PAUL WAS SAYING THIS MORNING. IT IS IMPORTANT AS
PAUL WAS SAYING IS FOR US TO HAVE OPPORTUNITIES TO GET

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52

TOGETHER AND SPEAK TO EACH OTHER ABOUT THINGS WE'RE
WORKING ON AND CHALLENGES WE'RE DOING WITH. HOPEFULLY
PART OF THE VALUE OF THIS DAY OF LEARNING IS TO PROVIDE
THAT SETTING AS WELL. WE HAVE NOW THE PRIVILEGE OF
HEARING FROM THREE PANELISTS WHO WILL SHARE SOME
OBSERVATIONS AND REACTIONS WITH US AND WITH PAUL.
WE'LL INVITE PAUL TO RESPOND AS HE HEARS WHAT THEY HAVE
TO SAY A LITTLE BIT LATER AS WELL. WE'VE INVITED
PEOPLE WHO IN A SENSE REPRESENT SOME FAIRLY DIFFERENT
AND UNIQUE BUT IMPORTANT ROLES IN OUR SECTOR IN KANSAS
CITY. AND WE'RE DELIGHTED TO HAVE THREE VERY TALENTED

Day of Learning transcript

FOLKS ON OUR PANEL. WE'RE STARTING AT THE END OF MY FAR LEFT IS BETSY VANDER VELDE, THE PRESIDENT AND CEO OF HEART OF AMERICA FAMILY SERVICES. I THINK MOST OF YOU KNOW BETSY. THEY ARE BASED IN KANSAS CITY, KANSAS, BUT WORK THROUGHOUT THE REGION IN PROVIDING A RANGE OF SERVICES TO CHILDREN AND FAMILIES. ONE OF THE THINGS THAT I'VE TEASED BETSY ABOUT IS I THOUGHT IT WOULD BE GOOD TO HAVE HER ON THE PANEL BECAUSE SHE'S LEADING ONE OF THOSE LARGE ORGANIZATIONS THAT DOESN'T REALLY HAVE MANY CHALLENGES LIKE THE REST OF US DO DURING THOSE TOUGH TIMES AND YOU MAY NOT BE SURPRISED TO LEARN THAT BETSY DIDN'T AGREE WITH ME.

AND OUR SECOND PANELIST IS IRENE CAUDILLO WITH YOUTH OPPORTUNITIES UNLIMITED. IT ALSO SEEMS WE'VE GOT

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53

A LITTLE BIT OF A WYANDOTTE HEAVY PANEL. THAT IS OKAY. IRENE WITH YOUTH OPPORTUNITIES UNLIMITED IS ALSO BASED IN KANSAS CITY, KANSAS, AND IRENE DIRECTS A MUCH SMALLER AGENCY AND ALSO HAS A SOMEWHAT DIFFERENT VANTAGE POINT IS YOUTH OPPORTUNITIES, AN INTERMEDIARY, IS A LINK BETWEEN AGENCIES AND NOT DOING THE WORK ITSELF, AND I THOUGHT THAT WOULD BE A GOOD COMPLEMENT.

AND OUR THIRD PANELIST IS VICE-PRESIDENT OF EWING MARION KAUFFMAN FOUNDATION, AND AS YOU HAVE HEARD FROM PAUL AND AS YOU ALL KNOW FROM YOUR OWN WORK, JANINE HAS BEEN A TIRELESS SUPPORTER OF CAPACITY BUILDING AND HELPING US ALL THINK ABOUT AND UNDERSTAND

Day of Learning transcript
NONPROFIT EFFECTIVENESS AND FUNDING PROGRAMS AND
ACTIVITIES THAT HELP US REALLY ACT ON THAT AND NOT JUST
TALK ABOUT IT. SO IT IS DELIGHTFUL TO HAVE JANINE
HERE. WHAT YOU PERHAPS KNOW AND MAYBE YOU DON'T KNOW
IS ONE OF THE THINGS PAUL WAS ALLUDING TO IS JANINE IS
RESPECTED NATIONALLY IN THE GRANT COMMUNITY, IS SHE
UNDERSTANDS AND WORKS HARD TO HELP BUILD EVERYBODY'S
UNDERSTANDING OF NONPROFIT EFFECTIVENESS. WE'RE
PRIVILEGED TO HAVE HER HERE. I'VE ASKED EACH PANELIST
TO RESPOND TO PAUL'S PRESENTATION PARTICULARLY ITS
IMPACT ON KANSAS CITY. IT IS NOT ONLY TO SAY PAUL IS
GREAT BUT TO REALLY SAY -- --

DR. LIGHT: IN SO MANY WORDS.

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54

MR. RENZ: YOU DID SAY IT WAS MY FAULT.
THE POINT OF OUR CONVERSATION HERE IS TO MOVE BEYOND
JUST HEARING THE LECTURE AND THINK ABOUT WHAT DOES THIS
MEAN? WHAT DOES IT MEAN FOR THE SECTOR, FIELD AND THE
WORK THAT WE'RE DOING, ESPECIALLY IN KANSAS CITY? SO
BETSY, IF WE COULD CALL UPON YOU TO SHARE A FEW
OBSERVATIONS, AND YOU ARE FREE TO EITHER COME UP HERE
OR SPEAK AT THE TABLE, WHICHEVER YOU PREFER.

MS. VANDER VELDE: GOOD MORNING. I GUESS I
WOULD LIKE TO START WHEN PAUL -- I HAD THE PLEASURE OF
MEETING HIM YESTERDAY SO WE HAD SOME EARLY-ON DIALOGUE.
BUT THERE ARE MANY TIMES IN THE LAST TWO TO THREE YEARS
THAT I FELT LIKE THE ROAD RUNNER HITTING THE WALL OR
GOING OVER THE MOUNTAIN EDGE. IT HAS BEEN WITHOUT A

Day of Learning transcript

DOUBT THE TOUGHEST TIME IN MY CAREER. SO IT'S BEEN REALLY QUITE FUN AND ENERGIZING TO SIT AND TALK WITH PAUL BECAUSE I THINK WHAT HE IS SAYING IS SO VALID AND SO RIGHT. BUT I NEED TO ALSO PUT IT IN LIGHT -- NO PUN IN THE CONTEXT -- THAT WE'RE DEALING WITH TODAY, WHICH IF WE HAD HEARD THIS SAME TALK ABOUT FOUR YEARS AGO, I THINK WE'D BE RESPONDING A LITTLE BIT DIFFERENTLY. AND I THINK WHAT I HAVE TO DO IS INTEGRATE WHAT HE IS TALKING ABOUT INTO THE REALITY OF OUR EVERYDAY LIFE AT HEART OF AMERICA FAMILY SERVICES. THERE'S SEVERAL THINGS THAT I COULDN'T AGREE WITH MORE. WHEN HE TALKED

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55

ABOUT OUR BEING NONPROFIT LIKE, YOU KNOW YOU THINK ABOUT THE WORD NONPROFIT OR NOT-FOR-PROFIT, IT IS VERY NEGATIVE. IT IS ABOUT NEGATIVITY, NONPROFIT. AND I DO THINK THAT THE NONPROFIT COMMUNITY HISTORICALLY MAYBE HAS A SELF-ESTEEM PROBLEM IN THAT WAY. WE HAVE A LOT OF EDUCATION TO DO ABOUT THE VALUE CREATION THAT WE'RE ABOUT. AND WE DO, I THINK DURING THIS TIME, FOR OUR ORGANIZATION WHAT IS PROBABLY CENTERING IS MORE THAN ANYTHING ELSE IS TAKING THE TIME TO REVISIT WHAT IT IS THAT WE DO WELL AND WHO WE ARE SERVING. AND IF WE'RE NOT MAKING A DIFFERENCE AND WE CAN'T SHOW THAT, MAYBE THERE'S A BETTER USE OF OUR DOLLARS. BECAUSE ONE OF THE PREMISES THAT ARE ACTUALLY MAJOR GUIDING PRINCIPLE THAT OUR BOARD LAID DOWN IN THE EARLY '90S WAS IF WE CANNOT SHOW -- IF WE CANNOT SHOW THAT WE'RE MAKING A

Day of Learning transcript
DIFFERENCE, IF WE CANNOT MEASURE RESULTS, IF WE DO NOT
KNOW THAT WE'RE HAVING A POSITIVE IMPACT, WE NEED TO
RETHINK THE USE OF THOSE DOLLARS.

SO OUTCOMES, RESULTS ORIENTATION HAS REALLY
BEEN A PRIMARY FOCUS, AND I THINK ONE THAT KEEPS US
VERY MUCH CENTERED. DURING THESE TOUGH TIMES, IT IS
THE LEADERSHIP WITHIN OUR ORGANIZATION AND WITHIN THE
BOARD THAT HAS REALLY RISEN TO THE CALL. BECAUSE IF
YOU USE OUR MISSION OF HELPING ALL PEOPLE THRIVE IN
THEIR COMMUNITIES AND YOU ARE FOCUSED ON BASICALLY IN

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56

OUR ENVIRONMENT, YOU HAVE TO DO MORE WITH LESS, BUT YOU
STILL SAY FOCUSED ON THAT AND LOOKING AT YOUR SUCCESS
AND MAYBE AS YOU ARE DOING MORE WITH LESS, IT IS LESS
SUCCESS. MAYBE YOUR NUMBERS AREN'T AS HIGH BECAUSE YOU
HAVE FEWER STAFF, BUT YOU ARE STILL VERY FOCUSED ON
THAT. THE LEADERSHIP HAS BEEN PRETTY CRITICAL. AS ONE
OF MY VICE-PRESIDENTS SAID BEFORE OUR ENTIRE LEADERSHIP
TEAM, WE CANNOT KEEP FOCUSED ON WHAT WE DON'T HAVE,
WHAT'S NOT COMING IN THE DOOR. WE HAVE TO HAVE OUR
FOCUS ON INNOVATION AND OPPORTUNITY. AND THAT BEING
THE FOCUS, BE FORWARD THINKING. THE BOARD IS VERY MUCH
LIKE THAT, VERY ENGAGED IN FORWARD THINKING. I KNOW
THAT WHEN OUR DOLLARS OR FUNDERS ARE COMING IN LESS AND
EVERY FUNDING SOURCE WHETHER IT'S FEDERAL, STATE,
LOCAL, WHETHER IT'S INDIVIDUALS, CORPORATIONS,
EVERYTHING IS COMING IN LESS BECAUSE THERE'S LESS OUT
THERE. SO WE HAVE AN ENVIRONMENT WHERE WE HAVE GOT TO

Day of Learning transcript

MOBILIZE OUR LEADERSHIP. WE HAVE -- WE'RE IN AN ENVIRONMENT WHERE WE'RE WILLING TO DO MORE WITH LESS, WE'RE WILLING TO MAKE SACRIFICES, AND I THINK IF IT WASN'T FOR THE COMMITTED LEADERSHIP THROUGHOUT OUR ORGANIZATION, WE WOULD REALLY, REALLY BE SUFFERING RIGHT NOW BECAUSE YOU HAVE GOT TO KEEP -- IT IS LOOKING AT OUR PLANS FOR THE FUTURE AND THE OPPORTUNITIES THAT KEEP US EXCITED AND KEEP US GOING ON.

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57

I AGREE WITH DR. LIGHT WHOLEHEARTEDLY, THAT THERE'S NO SINGLE PATHWAY FOR HIGH PERFORMANCE. I THINK EVERYBODY IN THIS ROOM INVOLVED IN ANY ORGANIZATION YOU HAVE, THERE IS PROBABLY YOUR OWN UNIQUE PATHWAY THAT YOU ARE TAKING THAT IS WORKING FOR YOU. AND STARTING YOUR JOURNEY WITH INFRASTRUCTURE AND LEADERSHIP, INVESTMENT LEADERSHIP COULDN'T BE MORE ON TARGET. I THINK AS ALL OF US KNOW RIGHT NOW, WHAT'S HAPPENING IN THE WORLD BECAUSE WE'RE GETTING LESS RESOURCES, WHERE DO YOU GO FOR THOSE CAPACITY BUILDING GRANTS NOW? AND AS YOU SUBMIT A PROPOSAL OR A GRANT, IT COMES BACK WITH MAYBE THE ADMINISTRATIVE LINE CUT OUT. WE'LL PAY FOR THE SEED MONEY, WE'LL PAY FOR YOU TO START A PROGRAM UP, BUT NOT REALIZING THAT IN ORDER TO HAVE OUTCOMES AND ACCOUNTABILITY FOR EVERY DOLLAR THAT COMES IN, YOU CERTAINLY NEED THE CAPACITY BUILDING INVESTMENTS. AND SO IN LIGHT OF THAT, WE'RE DOING A LOT MORE INTERNAL COMMUNICATION AND ENGAGING LEADERSHIP

Day of Learning transcript
THROUGHOUT DEPARTMENTS IN SOLUTIONS OF HOW EVERYONE CAN
PLAY A PART IN WHAT THEY HAVE CONTROL OVER. THERE'S
TOO MUCH HAPPENING IN OUR WORLD RIGHT NOW THAT WE HAVE
ABSOLUTELY NO CONTROL OVER. SO TO STAY SANE, WE'RE
FOCUSING ON WHAT WE DO HAVE CONTROL OVER AND FOCUSING
ON OUR MISSION AS THE NORTH STAR AND FOCUSING ON
INNOVATIONS AND OPPORTUNITY. IN LIGHT OF THAT, TOO,

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58

BEING MORE NONPROFIT LIKE AND BEING ALSO MORE
ENTREPRENEURIAL, AND I THINK IS SOME PEOPLE THINK
THAT'S BUSINESS LIKE, BUT I'M THINKING MORE THAT THAT'S
BEING FOCUSED ON INNOVATION AND OPPORTUNITY. AND
KNOWING THAT YOU CAN'T SPEND WHAT YOU DON'T HAVE AS
WELL. SO THAT BEING SAID, THOSE WERE THE HIGHLIGHTS.
I DON'T THINK THERE'S EVER BEEN A TIME WHERE HE SAID
THE WORD PERSEVERE THAT WE'RE NOT MORE COMMITTED TO OUR
MISSION AND MORE COMMITTED TO PERSEVERANCE THAN NOW.

AS I SAID BEFORE, IT HAS BEEN THE TOUGHEST TIME
WE'VE EVER HAD IN TERMS OF NOT FILLING POSITIONS WHEN
PEOPLE LEAVE, IN TERMS OF -- LUCKILY WE HAVEN'T HAD
MAJOR DOWNSIZING, BUT WE'RE HAVING TO INTEGRATE, WE'RE
HAVING TO ADJUST TO INTERNAL AND EXTERNAL THREATS, AND
IT'S JUST NOT EASY. SO WE DO A LOT OF INTERNAL
CELEBRATIONS. AS WE TAKE A BABY STEP FORWARD OR WE DO
HAVE A SUCCESS, THERE'S A LOT OF CELEBRATIONS GOING ON
INTERNALLY BECAUSE THAT'S THE ONLY WAY THAT YOU CAN
KEEP YOUR HEAD UP. YOU MAKE A CHOICE EVERYDAY WHEN YOU
GET UP IN THE MORNING WHAT LENS YOU ARE GOING TO LOOK

Day of Learning transcript

THROUGH. IT CAN BE AS DR. LIGHT SAID, THE CUP HALF FULL OR THE CUP HALF EMPTY AND I CHOOSE THE LATTER. THANK YOU VERY MUCH.

MR. RENZ: THANK YOU, BETSY. IRENE.

MS. CAUDILLO: WE'RE GOING TO SIT AT THE

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59

TABLE, IF YOU DON'T MIND. ONE OF THE THINGS I DO WANT TO CLARIFY UPFRONT, WE'RE AN INTERMEDIARY AGENCY, BUT WE DO DO WORK. WE DON'T DO THE WORK BUT WE DO DO WORK. WHAT I WANT TO DO IS I WANT TO TAKE YOU BACK AND THEN SHARE WITH YOU A LITTLE BIT MORE ABOUT THE ORGANIZATION. TAKE YOU BACK ABOUT ALMOST SIX YEARS NOW WHEN I CAME TO WYANDOTTE COUNTY AS THE EXECUTIVE DIRECTOR OF YOUTH OPPORTUNITIES UNLIMITED. I HAD BEEN THERE SIX YEARS PRIOR AS A YOUTH WORKER IN THE COUNTY DOING A VARIETY OF THINGS WITH OUR YOUNG PEOPLE. WYANDOTTE COUNTY AS I GREW TO KNOW AND EXPERIENCE AND ACTUALLY BEEN THERE FOR YEARS PRIOR TO, BUT WAS IN THE NONPROFIT SECTOR REALLY WAS -- WE WERE EXPERIENCING SOME OF THE THINGS THAT DR. LIGHT -- WE WERE EXPERIENCING THE OPPOSITE OF WHAT HE IS TALKING ABOUT, THE FOUR STEPS. AND I WILL TAKE YOU BACK TO A COUNTY THAT REALLY TALKED ABOUT UNLIMITED RESOURCES, REALLY SHARED WITH FOLKS IN THE COUNTY ABOUT HOW WE DIDN'T CARE WHAT MISSOURI WAS DOING, WE DIDN'T CARE TO USE ANY OF MISSOURI'S RESOURCES OR EVEN TO THE EXTENT EVEN LET JOHNSON COUNTY IN. THAT WAS PROBABLY A BIG ONE.

Day of Learning transcript
PEOPLE LOOKED AT LICENSE PLATES, AND I THINK WHAT WE
SHARED INTERNALLY IN A COMMUNITY WAS WE WERE GOING TO
DO IT OURSELVES. ASIDE FROM ALL THE NEGATIVE ABOUT
MISSOURI AND NEGATIVE ABOUT JOHNSON COUNTY, ONE OF THE

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60

THINGS THAT WYANDOTTE COUNTY EXPERIENCED AND WHAT I
ALWAYS HEARD FROM SO MANY PEOPLE WAS WE WERE THE
STEPCHILD. WE WERE THE STEPCHILD IN FUNDING, STEPCHILD
IN OPPORTUNITIES, STEPCHILD IN ALMOST EVERYTHING YOU
CAN IMAGINE. WE TALKED ABOUT THE NEGATIVES OF A POOR
COMMUNITY, POOR ECONOMY, POOR GOVERNMENT AND OUR SECTOR
REALLY WAS OUT THERE SEPARATE IN WHAT THEY WERE DOING,
SEPARATE IN HOW TO EVEN BEGIN TO TALK TO EACH OTHER.
YOUTH OPPORTUNITIES UNLIMITED ABOUT SEVEN YEARS AGO
REALLY DEVELOPED INTO AN ORGANIZATION THAT BEGAN TO
LOOK AT THE CRITICAL ISSUES OF WHAT WAS SO BAD ABOUT
WHAT WAS GOING IN MISSOURI BECAUSE WE SURE WERE --
THERE SURE WERE ASPIRING IT TO GREAT THINGS. WHAT WAS
SO BAD THAT WAS GOING -- THAT WAS COMING OUT OF JOHNSON
COUNTY OR EVEN COMING INTO THE COMMUNITY? YOUTH
OPPORTUNITIES UNLIMITED ACTUALLY STARTED TO REALIZE WE
HAVE 206 NONPROFIT ORGANIZATIONS IN WYANDOTTE COUNTY
TODAY FROM THE SMALLEST CHURCH TO THE BIGGEST 800-POUND
GORILLAS. BUT ONE OF THE THINGS WE BEGAN TO
STRATEGICALLY THINK ABOUT WAS A SECTOR. WE WERE ALL
PART OF A SECTOR THAT WAS CONTRIBUTING TO EITHER OUR
YOUNG CHILDREN, OUR YOUNG PEOPLE, OUR YOUNG ADULTS IN
THE COMMUNITY. AS WE BEGAN TO DEVELOP INTO WHAT WE NOW

Day of Learning transcript

CALL OURSELVES AS AN INTERMEDIARY ORGANIZATION, WE
BEGAN TO REALIZE OUR SMALLEST NONPROFITS WERE REALLY

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61

STRUGGLING WITH THE CAPACITY TO REALLY DO THINGS TO
MAKE THINGS HAPPEN. THE LEADERSHIP WASN'T THERE, AND I
WON'T EVEN TALK ABOUT THE FUNDING BECAUSE WE ALL KNOW
FUNDING IN WYANDOTTE COUNTY WAS VERY UNLIMITED. THE
LEADERSHIP WASN'T THERE, THE VISIONS WEREN'T THERE, WE
REALLY WERE DOING OUR OWN THING AND MOVING ALONG. OUR
ORGANIZATION REALLY IS A TRUSTED ORGANIZATION IN THE
COMMUNITY. IT BEGAN TO START TELLING FOLKS THERE WERE
CHANGES AT THE STATE LEVEL, PRIVATIZATION IN FAMILY
FOSTER CARE, SO MANY THINGS, JUVENILE JUSTICE REFORM
THAT WAS HAPPENING ON THE STATE LEVEL, IF WE DIDN'T
BEGIN TO SEE THE VISION WHAT WE COULD DO AS A SECTOR
AND COME TOGETHER AS A COMMUNITY, THEN THOSE THINGS AT
THE STATE LEVEL THAT WERE BEING REGULATED WERE REALLY
GOING TO HIT US HARD. WE BEGAN TO SEE THE LIGHT IN
REGARD TO HOW THESE SMALL NONPROFITS REALLY WERE DOING
THINGS STRATEGICALLY AND HOW TO GET THAT GOING.
CURRENTLY TODAY YOUTH OPPORTUNITIES UNLIMITED DOES A
LOT OF WORK, DR. RENZ, BUT WHAT WE REALLY PRIDE
OURSELVES ON IS REALLY BEGINNING TO TAKE STEPS TO BUILD
A YOUTH DEVELOPMENT GROUP OR YOUTH DEVELOPMENT FIELD, I
SHOULD SAY, THAT REALLY LOOKS AT DEVELOPING QUALITY
STANDARDS, REALLY LOOKS AT TRAINING OUR YOUTH WORKERS
TO UNDERSTAND YOUTH WORKER PRINCIPLES AND ALSO REALLY

Day of Learning transcript
GETTING OUR COMMUNITY TOGETHER TO UNDERSTAND WHAT WE

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62

CAN DO TOGETHER AS OPPOSED TO WORKING INDIVIDUALLY. ONE OF THE THINGS THAT HAPPENED IN THE PAST, AND I WANT TO GIVE YOU AN EXAMPLE IN REGARD TO BECAUSE HE IS SITTING HERE AT THE TABLE AND I WANT TO ACKNOWLEDGE THE FACT. PROBABLY ALMOST 12 YEARS AGO, MR. BERKELEY, OR HOW LONG HAS LINC BEEN IN OPERATION?

MR. BERKELEY: TEN AND-A-HALF.

MS. CAUDILLO: TEN AND-A-HALF YEARS SO PROBABLY NINE YEARS AGO, REALLY STARTED TO BEGAN TO THINK OF HOW WE CAN FORM A LINK IN KANSAS CITY, KANSAS, AND I DON'T MEAN JUST THE ORGANIZATION, BUT HOW WE CONNECT IN REALLY LOOKING AT SOME OF THE IMPORTANT THINGS THAT WERE HAPPENING IN KANSAS CITY, MISSOURI, AROUND HIGH SCHOOL TIME AND FUNDING STREAMS TO SUSTAIN PROGRAMS. NINE YEARS AGO WHAT HAPPENED IN KCK, DID ANYTHING HAPPEN WITH KCK AROUND LINC? ALMOST NOTHING. WE HEARD WHAT HE WAS SAYING, BUT WE DIDN'T VALUE WHAT HE WAS SAYING. AND I JUST WANT TO LET HIM KNOW THAT TODAY NOT ONLY DO WE HAVE A RELATIONSHIP AND PARTNERSHIP WITH LINC BUT WE'VE SPENT TWO YEARS TRYING TO FIND BEST PRACTICES IN OUT OF SCHOOL TIME SYSTEMS, AND I'M TALKING ABOUT KCK STAKEHOLDERS. WE WENT TO MINNEAPOLIS. WE WENT TO BALTIMORE. WHAT I WANT TO SHARE AFTER ALL THAT RESEARCH OUR BEST PRACTICES IN OUR BACKYARDS IN WHAT YOUTH NET OF GREATER KANSAS CITY WAS

DOING AND IN WHAT LINC HAS AND CONTINUES TO DO IN KANSAS CITY, MISSOURI, TODAY. SO ONE OF THE THINGS THAT I VALUE IN YOUR STATEMENT IS IT'S TAKEN WYANDOTTE COUNTY WAYS IN DEVELOPING OR LOOKING AT SOME OF THE BEST PRACTICES IN NONPROFITS, BUT MORE IN PARTICULAR THAT WYANDOTTE REALLY WAS BUILT AROUND STRATEGIC PARTNERSHIPS. IT IS LATELY THAT WE'RE REALIZING SOME OF THOSE PARTNERSHIPS ARE UNIQUE, ACROSS THE STATE LINE, ACROSS THE COUNTY LINE, BUT REALLY IMPLIES THAT WE'VE GROWN AND COME A LONG WAYS. AS A NONPROFIT EXECUTIVE OF AN INTERMEDIARY, ONE OF THE THINGS WE DO TODAY IS WE WORK WITH THOSE SMALL NONPROFITS BECAUSE OF THE LIMITED FUNDING IN HELPING THEM PARTICULARLY WITH THEIR OUTCOME MEASURES. WE'RE NOT AGAINST OUTCOMES. WE'RE NOT AGAINST RESULTS. WHAT WE ASK THEM TO DO, THOUGH, IS NOT LOOK AT WHAT A FUNDER IS ASKING THEM TO DO. FOR INSTANCE, AND I SHARE THIS WITH DR. LIGHT. IF YOUR PROGRAM AND SOME OF YOUR OUTCOMES ARE REDUCING TRUANCY BY 5% IS THEIR PROGRAM. WHAT WE'RE LOOKING AT IS HOW THEY IMPACT WITH THE CLIENTS THEY WORK WITH FIRST. LET'S DEVELOP THE SYSTEM. HOW DO YOU BEGIN TO SHOW THE RESULTS WITH EITHER THE YOUNG CHILDREN, YOUNG PEOPLE YOU ARE WORKING WITH TODAY, OR ADULTS? VALUE THAT. WE ENCOURAGE THAT. WE ASK THEM TO INCORPORATE THAT INTO THEIR PROGRAMS, VALUE THE TRAINING IN PARTICULAR TO

BEGIN TO BUILD A YOUTH DEVELOPMENT FIELD. I USE IT LOOSELY BECAUSE WE, IN YOUTH DEVELOPMENT, HAVE NOT BEGUN TO SHARE JUST A LANGUAGE OF WHAT YOUTH DEVELOPMENT IS. UNTIL WE COME TOGETHER AGAIN TO DO THAT, YOU KNOW, WE REALLY WE'VE HELP BUILD SOME OF THESE HIGH-PERFORMANCE COMMUNITIES WE'VE BEEN TALKING ABOUT.

WHAT I WILL SAY IS THE FOUR STEPS ARE MOST DEFINITELY WHY YOUTH OPPORTUNITIES WAS DEVELOPED AND REALLY GIVING SOME RESOURCES AND THE NEEDS IN THE SMALLER NONPROFIT COMMUNITY OF WYANDOTTE COUNTY, BUT ALSO THEY ARE RIGHT ON TARGET OF WHAT WE DEFINITELY ARE ENCOURAGING FOR OUR NONPROFIT PROVIDERS AND EVEN TO THE EXTENT WHEN I THINK ABOUT OUR NONPROFIT PROVIDERS THAT I REALLY BEGAN TO SEE SOME OF THE CAPACITY BUILDING WITH THE KAUFFMAN FOUNDATION BUT REALLY NOW WE'RE STRUGGLING BECAUSE THE TRANSITION WITH THE KAUFFMAN FOUNDATION. SO I'M LEADING INTO JANINE THINKING SHE MIGHT SHARE SOMETHING WITH US. AT THE SAME TIME THAT TRANSITION IS ANOTHER TRANSITION OF WHAT WE OFTEN DEAL WITH THAT IS IN SOME CRITICAL CRISIS AND SITUATIONS. ONE OF THE THINGS WE DO AS AN INTERMEDIARY DEFINITELY IS TRY TO GET OUR SMALL NONPROFITS TO UNDERSTAND THE IMPORTANCE OF THESE FOUR BUT ALSO GIVE THEM THE RESOURCES TO MEET. ONE OF THE THINGS I HOPE TO SEE

Day of Learning transcript

HAPPEN IS IN THE YOUTH DEVELOPMENT FIELD THAT THOSE COMPONENTS ALSO BE STRONGER AND STRENGTHENED AS WE MOVE TO WHAT WE NEED TO DO TO BE HIGH PERFORMANCE.

MR. RENZ: THANK YOU, IRENE. I APPRECIATE IT. JANINE, PERHAPS YOU COULD GIVE US ANOTHER PERSPECTIVE AND SHARE YOUR THOUGHTS WITH US.

MS. LEE: SURE, I WOULD BE HAPPY TO. AS I'VE BEEN SITTING HERE LISTENING TO BOTH BETSY AND IRENE THAT IT OCCURRED TO ME THAT I NEED TO SET A BIT OF CONTEXT BEFORE I GIVE MY DIRECT RESPONSE TO PAUL, WHO I'VE ENJOYED KNOWING FOR QUITE SOME TIME AND HAS BEEN A STRONG RESOURCE TO MANY OF US IN THE FUNDING COMMUNITY WHO ARE PART OF THE NATIONAL MOVEMENT, IF YOU WILL, REFERRED TO AS THE GRANT MAKERS FOR EFFECTIVE ORGANIZATIONS AND THESE ARE ABOUT 400 GRANT MAKERS STRONG ACROSS THE COUNTRY WHO BELIEVE VERY STRONGLY IN BUILDING EFFECTIVE NONPROFIT ORGANIZATIONS. A FEW YEARS AGO AT THE FIRST GO CONFERENCE, COLE WILBUR, THE FORMER CEO OF THE PACKARD FOUNDATION IN SOME REMARKS THAT WE WERE TAKING FROM THE CEO'S ON A PANEL ASKED A QUESTION, WHY WOULD ANY FUNDER INVEST IN A PROGRAM THAT DOES NOT HAVE AN ORGANIZATION THAT IS STRONG ESSENTIALLY? WHY WOULD A FUNDER INVEST IN ANY PROGRAM WHERE THE ORGANIZATION IS NOT STRONG? THAT SEEMS ESSENTIALLY LIKE A NO BRAINER TO ME. IT SEEMS

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Day of Learning transcript
ESSENTIALLY LIKE A NO BRAINER TO ME AND MY G. O.
COLLEAGUES, BUT QUITE HONESTLY FOR MANY OF MY OTHER
COLLEAGUES ACROSS THE COUNTRY, THAT QUESTION SEEMS
BAFFLING AND THAT'S UNFORTUNATE. THAT'S SOMETHING
WE'RE TRYING TO PROVIDE EDUCATION, RESOURCES AND
INFORMATION AND RESEARCH TO PROVIDE TO THOSE FUNDERS
AND THE PATHWAYS TO EXCELLENCE THAT PAUL TALKED ABOUT
EARLIER IS A PART OF THAT. I THINK IN ORDER TO SET
THIS CONTEXT, THOUGH, I ALSO HAVE TO GIVE CREDIT TO
SOMEBODY WHO IS IN THE ROOM, GENE WILSON WHO, OF
COURSE, DIDN'T KNOW I WAS GOING TO DO THIS. WHEN I
STARTED AT THE FOUNDATION 12 YEARS AGO WE WERE
ESSENTIALLY AN OPERATING FOUNDATION. WE DIDN'T DO A
LOT OF GRANT MAKING. WE OPERATED PROGRAMS AND WE HAD
OUR OWN INTERNAL STAFF TO MANAGE THOSE PROGRAMS. WHEN
GENE CAME TO THE FOUNDATION IN 1995, HE REALLY
INTRODUCED US TO THE WHOLE NOTION OF GRANT MAKING AND
HELPED US APPRECIATE WHAT IT MEANT TO BE A PHILANTHROPY
AND WHAT THE INTERDEPENDENT RELATIONSHIP WAS BETWEEN
PHILANTHROPIC ORGANIZATIONS AND NONPROFITS AND
CHARITIES. UNDER GENE'S LEADERSHIP THAT I BECAME VERY
INTERESTED, VERY PASSIONATE ABOUT THIS WHOLE TOPIC
ABOUT PHILANTHROPY AND THE NONPROFIT SECTOR. SO I'VE
CONTINUED TO PURSUE THAT OVER THE PAST SEVERAL YEARS.
I SAY THAT BECAUSE IT IS REALLY IMPORTANT TO UNDERSTAND

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67

HOW IMPORTANT LEADERSHIP IS AND HOW IMPORTANT
LEADERSHIP CAN INFLUENCE CULTURE AND THINKING. BECAUSE
Page 63

Day of Learning transcript

OF GENE'S PASSION FOR THE SECTOR, AND HE'S BEEN DEEPLY INVOLVED IN THIS SECTOR FOR PROBABLY WHAT, OVER 30, 40 YEARS, GENE, 40 YEARS AND ONE OF THE FIRST QUESTIONS HE WOULD OFTEN ASK TO A GROUP LIKE THIS HAVE YOU HUGGED A 501 (C) (3) TODAY? ONE OF THE FIRST PIECES OF WORK THAT HE INTRODUCED ME TO AS HE MENTORED ME THROUGH THIS WHOLE UNDERSTANDING OF THE PHILANTHROPIC SECTOR AND NONPROFITS WAS A PIECE THAT WAS WRITTEN BY ALAN PIFFER, WHO WAS THE FORMER PRESIDENT OF THE CARNEGIE FOUNDATION THAT HE SHARED HIS EXPERIENCE OF OVER 25 YEARS AND INDICATED THAT MONEY DOES NOT CONFER WISDOM. AND HE TALKED A LOT ABOUT HOW PROGRAM OFFICERS AND OTHERS SHOULD CONDUCT THEMSELVES WITH GREAT HUMILITY AND UNDERSTANDING AND RESPECT FOR THE SECTOR. IT IS FROM THAT BEGINNING THAT I SET MY CONTEXT FOR MY COMMENTS.

YOU KNOW, THE LAST POINT THAT PAUL MADE ABOUT SUSTAINING EXCELLENCE IS ABOUT PERSEVERANCE. I ABSOLUTELY AGREE WITH THAT. WHEN I HAD THE OPPORTUNITY A FEW YEARS AGO BEFORE DR. JOHN GARDNER DIED, TO INTERVIEW HIM ABOUT HOW HE VIEWED THE CHARACTERISTICS OF AN EFFECTIVE NONPROFIT AND HOW HE VIEWED THE NONPROFIT SECTOR. AND HE TALKS ABOUT WHETHER IT WAS CIVIL RIGHTS, WHETHER IT WAS WOMEN'S RIGHTS, WHETHER IT

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68

WAS THE ARTS, HUMAN SERVICES, THAT THE GREAT CONTRIBUTIONS OF THIS COUNTRY HAPPENED IN THE NONPROFIT SECTOR. IT WAS CITIZENS THAT MADE THESE THINGS HAPPEN.

Day of Learning transcript

AND HE SAID THIS SECTOR WILL CONTINUE TO GO THROUGH EXTRAORDINARY CHANGE AND NONPROFITS WILL NEED TO CHANGE WITH IT OR FIND THEMSELVES IN THE DUSTPAN OF HISTORY. AND I AGREE WITH THAT AS WELL BECAUSE WE ARE GOING THROUGH EXTRAORDINARY CHANGES NOW. THERE ARE SO MANY THINGS AFFECTING THE SECTOR. BUT IN REFERENCE TO SUSTAINING EXCELLENCE BEING ABOUT PERSEVERANCE, I THINK EVEN MORE TODAY IT IS REALLY IMPORTANT THAT NONPROFITS REALLY HOLD ON TO THEIR CORE. WHAT IS YOUR CORE PURPOSE? THOSE QUESTIONS THAT PAUL ASKED ABOUT WHY DO WE EXIST? WHO DO WE SERVE? HOW DO WE KNOW THAT WE'RE BEING SUCCESSFUL? I WOULD ADD ANOTHER QUESTION, WHY DO WE MATTER? THESE ARE IMPORTANT QUESTIONS TO ADDRESS AND TO BE PREPARED TO DISCUSS IN THE SECTOR. HE ALSO TALKS ABOUT THE NONPROFIT SECTOR IS AT WORK. IT IS. I THINK THE LAST ESTIMATES IT WAS SOMEWHERE AROUND 8% OF GDP, PROBABLY 1.4 MILLION STRONG, 55,000 FOUNDATIONS ACROSS THIS COUNTRY, AND I THINK AS YOU NOTED IN YOUR WRITTEN MATERIALS IN THE BOOK, PATHWAYS TO EXCELLENCE, ONE OF THE THINGS WE DO KNOW ABOUT THIS SECTOR IT IS REALLY HARD TO GET OUR ARMS AROUND IT AS 501 (C) (3)S SOMETIMES DISSOLVE, THEY KIND OF LANGUISH AND JUST SIT

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69

THERE UNTOUCHED UNLESS SOMEONE PICKS THAT 501 (C) (3) UP, THEY JUST DON'T GO AWAY COMPLETELY SO THEY ARE STILL REGISTERED.

I THINK THIS NOTION OF NONPROFITS BEING AT WORK IS CRITICAL. I THINK THIS SECTOR IS VIBRANT. IT IS

Day of Learning transcript

COMMITTED. IT IS DEDICATED. BUT I SEE A NUMBER OF CHANGES HAPPENING. AND I HAVE A NUMBER OF CONCERNS, ALTHOUGH I THINK THE FUTURE HOPEFULLY WILL BE MUCH BRIGHTER, IF PEOPLE DO HOLD ON TO THE CORE. I HAVE SOME CONCERNS. ONE OF THE CONCERNS THAT I HAVE IS ACTUALLY SOME OF THE CHANGES THAT I SEE HAPPENING WITHIN HOW MANY GRANT MAKERS, MANY FUNDERS ARE APPROACHING AND INTERACTING WITH NONPROFITS. I KNOW SEVERAL YEARS AGO WE HAD THIS REALLY IMPORTANT MOVEMENT AROUND OUTCOMES. BUT ONE OF THE THINGS THAT I SEE MORE RECENTLY COMES BACK TO ANOTHER COMMENT THAT PAUL MADE AND THAT WAS ABOUT THIS WHOLE NOTION OF BEING BUSINESS LIKE RATHER THAN NECESSARILY BEING NONPROFIT LIKE. AND JUST TO SHARE BRIEFLY, I WAS READING AN ARTICLE ABOUT ONE -- IT WAS ACTUALLY WRITTEN BY THE PRESIDENT AND CEO OF A FUNDING COLLEAGUE IN ANOTHER PART OF THE COUNTRY. IT WAS AN ARTICLE WRITTEN ON REENGINEERING IN THE SECTOR. THIS IS A FAIRLY NEW ARTICLE AND I JUST PRINTED IT OFF LAST WEEK AND I READ IT AS I WAS PREPARING FOR THIS. THIS PARTICULAR PERSON ACTUALLY

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70

CAME OUT OF THE SECTOR, OUT OF THE NONPROFIT SECTOR, OUT OF A PUBLIC CHARITY, VERY LARGE ONE AND IS NOW THE PRESIDENT AND CEO OF A MAJOR GRANT MAKING ORGANIZATION IN THIS COUNTRY. AND ONE OF THE THINGS THAT HE HAS CHOSEN TO DO WAS TO REDUCE HIS STAFF VERY SIGNIFICANTLY, WHICH WAS PREDOMINANTLY MADE UP OF

Day of Learning transcript
PEOPLE WHO CAME FROM THE SECTOR. HE HAS NOW REPLACED THAT STAFF WITH PEOPLE THAT CAME FROM THE FOR PROFIT SECTOR. THAT'S NOT A BAD THING. BUT I THINK IT IS AN INDICATION OF A TREND THAT'S HAPPENING. HE REFERS TO HIS STAFF NOT AS PROGRAM OFFICERS BUT AS PORTFOLIO MANAGERS. THEY HAVE TO HAVE A VERY STRONG FOCUS AND UNDERSTANDING OF FINANCE AND ORGANIZATIONAL MANAGEMENT AND THOSE KINDS OF THINGS. HE ALSO HAS UNDERGONE A VERY RIGOROUS PROCESS TO SELECT GRANTEEES. THE INTENT HERE IS NOT JUST TO LOOK AT OUTCOMES, THE INTENT IS TO PUT THEM THROUGH A VERY RIGOROUS PROCESS SO THAT WITH THESE VERY KIND OF PRECIOUS RESOURCES THAT ARE DWINDLING, HOW CAN WE POSSIBLY MAKE DECISIONS ABOUT WHO RECEIVE GRANTS. SO A VERY RIGOROUS PROCESS HAS BEEN UNDERGONE AND THERE'S A LOT OF DISCUSSION ABOUT PRODUCTS AND SERVICES, A LOT OF DISCUSSION ABOUT HOW WE CAN REALLY GET TO THE CORE OF DONOR INTENT. SO I THINK THAT IN ADDITION TO MANY OTHER FUNDERS ACROSS THE COUNTRY, PACKARD IS VERY WELL KNOWN THAT PACKARD

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71

FOUNDATION HAS GONE FROM SOMETHING LIKE 18 BILLION TO FOUR BILLION. PEOPLE ARE HAVING TO MAKE VERY TOUGH DECISIONS. OFTEN THOSE DECISIONS COME DOWN TO WHAT IS THE DONOR INTENT? WHAT WAS THE DONOR INTENT? DEPENDING ON THE LEADER WITHIN THAT FOUNDATION, THAT ORGANIZATION, IT COULD BE UP TO HIS OR HER INTERPRETATION WHAT THAT INTENT IS OR WAS. SO I THINK IF I HAVE A MESSAGE TO LEAVE FOR THE NONPROFIT SECTOR,

Page 67

Day of Learning transcript

IT WOULD BE HOLD ON TO YOUR CORE AND DON'T COMPROMISE WHO YOU ARE, WHY YOU EXIST, WHAT YOUR PURPOSE IS FOR REALLY ANY FUNDER. IN FACT, LEARN MORE ABOUT WHO THE FUNDER IS. LEARN MORE ABOUT WHAT THE FUNDER'S INTENT IS AND DETERMINE IF STRATEGICALLY THERE'S AN ALIGNMENT THERE WITH WHAT YOU ARE TRYING TO DO. IN OTHER WORDS, DON'T CHANGE WHO YOU ARE, DON'T CHANGE WHAT YOU ARE DOING IN ORDER TO RECEIVE DOLLARS FROM SPECIFIC FUNDERS. SO I THINK I WILL LEAVE IT THERE.

MR. RENZ: THANK VERY MUCH, JANINE. SO YOU HEARD IT HERE FIRST, HANG ON TO YOUR CORE AND HANG ON TO YOUR HATS. PAUL, DO YOU HAVE ANY OBSERVATIONS THAT YOU CARE TO SHARE IN RESPONSE TO WHAT OUR PANEL SAYS TODAY?

DR. LIGHT: NO.

MR. RENZ: WHAT WE WOULD LIKE TO DO IS HAVE PROCESS OF TABLE DISCUSSIONS. WE'LL LEAD ULTIMATELY TO

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72

YOU WITH QUESTIONS AND COMMENTS THAT YOU CAN SHARE WITH THE PANELISTS AND PAUL LIGHT. YOU WILL FIND IN THE MIDDLE OF YOUR TABLE A CREAM-COLORED SHEET THAT SUGGESTS SOME SPECIFIC QUESTIONS THAT WE WOULD ASK YOU TO INTERACT AT YOUR TABLE FOR ABOUT 15 MINUTES. WE'LL ASK YOU TO TAKE 15 MINUTES TO TALK WITH EACH OTHER ABOUT WHAT IS IT THAT'S PARTICULARLY IMPORTANT OR USEFUL THAT YOU HAVE HEARD TODAY, WHAT, IF ANYTHING, HAVE YOU HEARD THAT CHALLENGE OR TROUBLES YOU? LET'S

Day of Learning transcript

TAKE IT TO THE NEXT STEP THEN, WHICH IS BEYOND THAT. WHAT IS IT THAT YOU HAVE HEARD TODAY THAT WE SHOULD BE BUILDING ON, THAT WE SHOULD BE USING TO GROW THE SECTOR IN KANSAS CITY AND WHAT SHOULD WE BE DOING ABOUT THIS? SO IF YOU WOULD TAKE A FEW MINUTES TO REFLECT UPON THOSE QUESTIONS AND HAVE TABLE DISCUSSION, IN 15 MINUTES I WILL INVITE YOU TO COME BACK TO FULL GROUP AND WE'LL THEN INTERACT WITH OUR PANELISTS. BECAUSE OF THE SIZE OF THE ROOM FOR QUESTIONS AND ANSWERS, WHAT WE ASK YOU TO DO IS TO USE THE NOTE CARDS ON THE TABLE TO WRITE QUESTIONS AND IF YOU NEED MORE NOTE CARDS, OUR STAFF CAN BRING MORE TO YOU. AND WE'LL OPERATE SOMEWHAT AS THE NATIONAL PRESS CLUB DOES. WE WILL ASK YOU TO WRITE QUESTIONS ON THE CARDS AND HOLD YOUR HAND UP WITH THE CARD AND OUR STAFF WILL COLLECT THEM AND BRING THEM UP HERE AND WE'LL SORT OF CLUSTER THEM SO WE

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73

CAN BE EFFICIENT AND INVITE BOTH OUR PANELISTS AND PAUL LIGHT TO RESPOND TO THEM. SO THAT'S YOUR CHARGE, TAKE ABOUT 15 MINUTES TO THINK ABOUT AND TALK TO EACH OTHER AT THE TABLE ABOUT THE IMPLICATIONS OF THIS DISCUSSION FOR US AND THEN WE'LL COME BACK TO TALK.

(BREAKOUT GROUPS.)

MR. RENZ: WE HAVE LOTS GREAT, INTERESTING QUESTIONS SO LET'S GET ROLLING. AS YOU WOULD EXPECT, WE HAVE SOME KEY THEMES FOR WHICH WE HAVE SEVERAL QUESTIONS AND SO PART OF THE -- IN ORDER TO RESPOND TO AS MANY TOPICS AND QUESTIONS AS POSSIBLE WE'RE

Day of Learning transcript

COMBINING THEM WHERE THERE ARE SOME GOOD CONNECTIONS HERE. SO TO BEGIN WITH, PAUL, THERE ARE SEVERAL QUESTIONS THAT I THINK YOU CAN PROBABLY ADDRESS AS A SET. ONE QUESTIONER ASKS THAT YOU PLEASE ELABORATE ON POSSIBLE REGULATION BY CONGRESS AND INVOLVEMENT BY THE IRS, ANOTHER QUESTIONER SIMILARLY ASKED PLEASE AMPLIFY ON THE THREAT AND THE QUESTIONER THERE ALSO SAYS WHAT SHOULD WE BE DOING OR WHAT MIGHT WE BE DOING TO ADDRESS THESE KINDS OF THREATS, CHALLENGES OR ISSUES?

DR. LIGHT: I THINK THE SENATE FINANCE COMMITTEE IS CLEARLY ORIENTED NOW TO DO AN INVESTIGATIONS OF THE THIRD SECTOR. THEY ARE LOOKING AT A SERIES OF HEARINGS DEALING WITH COMPENSATION AND BEHAVIOR OF PHILANTHROPY AND THEY ARE LOOKING AT THE

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74

UNITED WAY, CAPITAL AREA AND DIGGING AROUND. THE ISSUE IN WASHINGTON HERE IS THAT THERE IS NOT A CREDIBLE COUNTERWEIGHT OR A CREDIBLE VOICE RIGHT NOW TO SAY, OKAY, THERE IS -- THERE ARE ACCOUNTABLE ISSUES ON THE TABLE AND WE NEED TO ACT ON THEM. I CANNOT FIND OTHER MEMBERS OF THE SENATE FINANCE COMMITTEE WHO HAVE MUCH INTEREST IN THESE PARTICULAR ISSUES ON THE DEMOCRATIC SIDE OR THE REPUBLICAN SIDE. YOU HAVE A RANGE OF POTENTIAL SENATE DEMOCRATS WHO MIGHT BE INTERESTED. IRONICALLY AND SADLY, ONE OF THE MOST IMPORTANT ADVOCATES WHO HAVE BEEN PAUL MILESTONE BECAUSE MINNESOTA IS SO STRONGLY ACTIVE, THE MINNESOTA

Day of Learning transcript
ASSOCIATION OF NONPROFITS IS A VERY STRONG ASSOCIATION
AND VERY ORIENTED TOWARDS ADVOCACY. THERE IS A NEW
PRESIDENT OF THE INDEPENDENCE SECTOR WHO I THINK IS
TERRIFIC AND I HOPE THAT HER SELECTION WILL BRING A
GREATER FOCUS TO THESE ISSUES BUT WE REALLY DO HAVE TO
GET SERIOUS ABOUT FINDING VOICES THAT ARE NOT JUST ON
THE DEFENSE, THAT AREN'T JUST ABOUT SAYING IT IS A FEW
BAD APPLES. WE'VE GOT SOME REVERB HERE. CAN YOU PULL
YOUR MIC FORWARD. SEE HOW I AM.

THE REGULATORY RANGE OF OPTIONS REALLY DOES
INVOLVE DEFINING TERMS MORE CAREFULLY AND LIMITING THE
AMOUNT OF INDIRECT THAT 501 (C) (3)S CAN ALLOCATE AND
FORMALLY DEFINING WHAT INCORRECT IS. WHEN I SAID THIS

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75

TO MY BROTHER WHEN I TALKED ABOUT INDIRECT, HIS FIRST
RESPONSE WAS WELL, YOU KNOW, WE CAN MAKE INDIRECT TO
ANYTHING AND WE CAN MAKE INDIRECT GO UP OR DOWN
DEPENDING WHETHER WE INCLUDE MARKETING, FUND RAISING,
THIS AND THAT. I SAID MY UNDERSTANDING WAS THAT ANY
LEGISLATIVE INITIATIVE WOULD INVOLVE QUITE PRECISE
DEFINITIONS OF WHAT COUNT AS INDIRECT IN AN EFFORT TO
FORMALIZE WHAT THAT TERM IS AND HOW IT IS REPORTED ON
THE 990S. THE SECOND ISSUE IS WHETHER CONGRESS WILL
GIVE IRS ENOUGH STAFF TO ACTUALLY AUDIT THE EXEMPT
ORGANIZATIONS, DIVISION OF IRS IS RELATIVELY SMALL AND
UNDERSTAFFED AND SENATOR GRASSLEY IN THE HEARINGS LAST
WEEK REGARDING THE CONFIRMATION OF MARK EVERSON AS THE
NEW COMMISSIONER OF IRS WAS TALKING ABOUT SOME OF THESE

Day of Learning transcript

ISSUES ABOUT EVERSON'S COMMITMENT TO DO THE OVERSIGHT OF THE THIRD SECTOR, THAT'S WHERE YOU GET A LITTLE BIT OF THE SIGNALING. I DON'T THINK -- WE CAN GET TO THE ISSUE OF WHAT THE SECTOR CAN DO IN RESPONSE BUT THE FIRST STEP IS DEVELOPING CREDIBLE VOICES OF REASON WHO WILL PARTICIPATE IN THE CONVERSATION. IF REGULATION IS INEVITABLE OR REREGULATION BASED ON THE 1969 TAX REFORM ACT, WHO IS GOING TO SIT AT THAT TABLE AS THE DECISIONS ARE BEING MADE? IS THAT DECISION JUST GOING TO BE DELEGATED TO SENATOR GRASSLEY AND HIS STAFF WHICH SOMETIMES HAPPEN. WHEN YOU CANNOT SURMOUNT, REACH A

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76

THRESHOLD OF INTEREST WHERE OTHER SENATORS GET INTERESTED THEN SOMETIMES YOU JUST DEFER TO THE SENATOR OR THE HOUSE COMMITTEE THAT IS EXPRESSING CONCERN AND YOU JUST ROLL THIS THING FORWARD ON UNANIMOUS CONSENT AND THERE'S REALLY NOT MUCH OF A DEBATE TO HAVE. SO WE'VE GOT TO GET THE PEAK ASSOCIATIONS LIKE INDEPENDENT SECTOR, COUNCIL ON FOUNDATIONS, OTHERS IN THE SECTOR TO TAKE AN INTEREST IN THIS AND START BEING PLAYERS IN THE CONVERSATION RATHER THAN JUST HOPING THAT IT WILL PASS, I THINK.

MR. RENZ: THANK YOU. JANINE, WE HAD A QUESTION RAISED SPECIFICALLY FOR YOU. THE OBSERVATION WAS MADE THAT YOU SAID THAT THE QUESTION OF FUNDING A PROGRAM IN A WEAK ORGANIZATION WAS A NO BRAINER BUT WHAT WAS THE NO BRAINER ANSWER I GUESS YES OR NO AND

Day of Learning transcript
WHAT ARE FUNDERS REALLY WILLING TO DO TO MAKE
ORGANIZATIONS STRONGER, HOW ARE THEY INVESTING?

MS. LEE: THE NO BRAINER PART OF IT FOR ME
IS IT IS REALLY CRITICAL, NOT ONLY TO FUND PROGRAMS, IT
IS TO MAKE THE PROGRAMS STRONG WITHIN THE NONPROFIT.
BUT WHY WOULD YOU FUND A PROGRAM IF YOU WERE NOT
WILLING TO FUND -- TO STRENGTHEN THE ORGANIZATION, THE
LEADERSHIP, THE BOARD, ITS TECHNOLOGY, ITS VALUATION
STRATEGIES? THOSE ARE THE KINDS OF THINGS THAT WE HAVE
DONE HISTORICALLY AT THE KAUFFMAN FOUNDATION UNDER THE

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77

PREVIOUS LEADERSHIP, IT WAS CONSIDERED A VERY STRONG
PRIORITY. AS WE MOVE FORWARD I'M NOT CERTAIN THAT IT
WILL BE. AND THAT'S JUST A VERY HONEST WAY TO PUT
THAT.

BUT LEADERSHIP IS KEY. HOW THE LEADER VIEWS
SUPPORTING ORGANIZATIONS, WHETHER IT'S THEIR OPERATIONS
OR PROGRAMMATIC STRATEGIES IS REALLY IMPORTANT. FOR
THOSE OF US THAT HAVE BEEN A PART OF THE GRANT MAKERS
FOR EFFECTIVE ORGANIZATIONS, I THINK WHAT I WAS TRYING
TO SAY WAS IT IS A NO BRAINER FOR US AS FUNDERS TO
SUPPORT NOT ONLY THE PROGRAMS BUT ALSO THE CAPACITY
BUILDING OF THE OPERATION ITSELF. THAT INCLUDES NOT
ONLY THE CORE OPERATING SUPPORT OR GENERAL OPERATING
SUPPORT BUT A CAPACITY BUILDING AS WELL, WHETHER IT BE
FOR SCREENING THE NEW BOARD OR THE TECHNOLOGY SYSTEMS.
WHAT WAS THE SECOND PART OF THAT QUESTION?

MR. RENZ: I'M READING AHEAD. WHAT ARE
Page 73

Day of Learning transcript

FUNDERS REALLY WILLING TO DO TO MAKE ORGANIZATIONS STRONGER? HOW THIS THEY INVESTING TO MAKE ORGANIZATIONS STRONGER?

MS. LEE: WELL, I THINK IN KANSAS CITY A FEW YEARS AGO THERE WAS A SURVEY THAT WAS DONE. I THINK IT WAS DONE THROUGH THE GREATER KANSAS CITY COUNCIL ON PHILANTHROPY AND THERE WAS SOME QUESTIONS BEING RAISED FROM NONPROFITS TO FUNDERS ABOUT THEIR

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78

WILLINGNESS TO INVEST IN THE CORE OPERATING SUPPORT, CAPACITY BUILDING OF THEIR OPERATIONS. WHAT WAS INTERESTING ABOUT THAT WAS FROM THE NONPROFIT PERSPECTIVE FUNDERS WERE NOT DOING THIS. BUT THEN WHEN FUNDERS WERE ASKED IF THEY WERE DOING IT, I THINK OVER 92% OF THEM INDICATED THAT THEY WERE, IN FACT, PROVIDING IT. SO IT WAS KIND OF DIFFICULT TO UNDERSTAND WHAT THE DISCREPANCY WAS THERE. JUST MY OWN ASSUMPTION WAS EVIDENTLY FUNDERS MAY NOT BE SUPPORTING THESE GENERAL OPERATING CAPACITY BUILDING EFFORTS TO THE EXTENT THE NONPROFITS NEED THEM BECAUSE THEIR VIEW WAS THAT IT WAS NOT HAPPENING. BUT I THINK FROM MY POINT OF VIEW AND FROM GEO'S POINT OF VIEW FUNDERS ARE SUPPORTING GENERAL OPERATING FUNDS, THEY ARE DISCRETIONARY FUNDS WHETHER IT'S RENT, UTILITIES, THE DAY-TO-DAY MANAGEMENT OF THE ORGANIZATION CAN BE MAINTAINED AND SUSTAINED AS WELL AS INNOVATION, SUPPORTING INNOVATIVE IDEAS HAS BEEN CERTAINLY A PART

Day of Learning transcript
OF WHAT WE'VE DONE TO SUPPORT CAPACITY BUILDING.

MR. RENZ: GREAT. THANK YOU. WE HAVE A CLUSTER OF QUESTIONS, PAUL DIRECTED MOSTLY TO YOU, AROUND THE ISSUE OF CORE AND FUNDING. LET ME PHRASE SEVERAL OF THEM. HOW DO NONPROFITS GET IN THEIR OWN DRIVER'S SEAT INSTEAD OF LETTING FUNDERS AND OTHERS IMPOSE ON THEM? ANOTHER QUESTIONER ASKED HOW DO YOU

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79

PREVENT FUNDERS TO DO YOUR CORE VALUES, WHAT ARE SOME OF THE BARRIERS WHEN YOU HAVE A CLUSTER OF POWERHOUSE FUNDERS IN TOWN AND THEY KNOW WHAT THEY THINK IS MOST IMPORTANT? SO PERHAPS YOU COULD TALK MORE ABOUT THAT FUNDING/FUNDER RELATIONSHIP.

DR. LIGHT: THAT'S THE BOOK I WOULD LIKE TO WRITE CALLED WHY GOOD GRANTEES GET INVOLVED WITH BAD GRANTORS. I WAS THINKING OF LIKE GRANT MAKERS ARE FROM MARS AND GRANTEES ARE FROM VENUS. GRANT MAKERS LIKE ME DON'T CORRUPT YOU WITH THE GRANT. YOU CORRUPT YOURSELVES WHEN YOU TAKE A GRANT FROM A GRANT MAKER WHO SEEKS TO CORRUPT YOU. NOW, HOW DO WE DEAL WITH THAT IN THE REAL WORLD WHERE WE HAVE POTENTIAL CROSS SUBSIDIES THAT WE CAN DRAW OUT OF A GRANT FROM A POWERHOUSE FOUNDATION THAT IS OFFNISH? WHEN \$700,000 KNOCKS ON YOUR DOOR, HAVE A CONVERSATION WITH IT. GET INTO A DIALOGUE WITH IT. BUT BE AWARE OF WHAT YOU ARE GETTING INTO. WE'RE HAVING A CONVERSATION ON MY TEAM RIGHT NOW AT BROOKINGS ABOUT A VERY LARGE GRANT. WHETHER WE REALLY WANT TO BE PULLED AS FAR FROM OUR CORE MISSION

Day of Learning transcript

AS THIS GRANT WOULD TAKE US, IT IS VERY LARGE, ABOUT \$650,000. IT IS OFF MISSION BY ABOUT 10 OR 15 DEGREES BUT IT WOULD PROVIDE ABOUT \$170,000 IN CROSS SUBSIDY OR LIBERATE, DISPLACE CAPITAL THAT WE COULD PLOW INTO OUR MISSION AT OUR OWN DISCRETION. THAT'S PRETTY POTENT.

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80

SO YOU SIT THERE AND DO THE COST BENEFIT ANALYSIS IF YOU WISH TO GO THAT WAY OR YOUR DEFLECTION ANALYSIS OR WHATEVER YOU WANT TO CALL IT YOU NEED TO BE VERY CANDID WITH YOURSELF ABOUT WHAT YOU ARE GETTING INTO. IT IS VERY DIFFICULT TO SAY NO TO THAT KIND OF MONEY. BUT I CAN TELL YOU THAT WE HAVE SAID NO TO A COUPLE OF GRANTS LIKE THAT. IT FEELS GOOD AND IT ALSO FEELS VERY SCARY BECAUSE YOU ARE BASICALLY SAYING GEE, YOU KNOW, IF YOU SAY NO TOO MANY TIMES, THEN THEY ARE NOT GOING TO COME TO US EVER AGAIN. SO I DON'T THINK YOU CAN BE KIND OF HOLIER THAN THOU OR SO PURE THAT YOU CAN'T ENGAGE IN A DIALOGUE. YOU NEED TO KNOW WHERE YOU ARE HEADED AS YOU ARE TAKING THESE FUNDS AND YOU NEED TO CONSTANTLY TALK ABOUT THAT WITH YOUR BOARD, YOUR TEAM AND YOUR STAFF ABOUT WHAT THE DOLLARS ARE DOING TO YOU, SURVIVAL MAY REQUIRE THAT YOU DO SOME CROSS SUBSIDY AND THERE ARE SOME GRANTS THAT YOU MIGHT NOT OTHERWISE TAKE. I'M STRUCK RIGHT NOW BY THE CONSTANT MOTION ABOUT DIVERSIFYING YOUR FUNDING BASE AS A WAY OF PROTECTING YOURSELF FROM THESE KINDS OF DISPLACEMENT, GOAL DISPLACEMENT EFFECTS. BUT DIFFERENT FUNDING SOURCES

Day of Learning transcript
HAVE DIFFERENT IMPACTS ON YOU. SOME OF THEM CREATE
GREATER DEPENDENCY OVER TIME. FEE FOR SERVICE IS VERY
ATTRACTIVE UNTIL YOU REALIZE THAT THEY ARE GOING TO CUT
YOUR FEE EVERY YEAR BY 5% REGARDLESS AND THEN YOU TRY

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81

TO DO REVENUE GENERATION. HOW MUCH REVENUE GENERATION
CAN YOU DO WITHOUT MOVING TOO FARAWAY FROM YOUR CORE
MISSION? I JUST THINK THAT IT'S IMPORTANT TO HAVE THIS
CONVERSATION. PUT IT ON THE TABLE AND BE AWARE OF WHAT
YOU ARE DOING AS YOU ARE HAVING THE DIALOGUE WITH THE
GRANTOR AND TRY TO FIND AN INTERSECTION OF POSSIBILITY
WHERE YOU CAN GET WHAT YOU NEED EVEN IF YOU CAN'T GET
WHAT YOU WANT. NOW, WHERE I DID I GET THAT REFRAIN?

MR. RENZ: YOU WOULD MAKE A GOOD ROCK STAR.

DR. LIGHT: I THINK SO.

MR. RENZ: PERHAPS THE NEXT QUESTION WE
COULD ASK, PAUL, IT IS BUILDING ON THAT VEIN OF
THINKING BUT ALSO WE WOULD LIKE ALL THE PANELISTS TO
OFFER BRIEF RESPONSES TO THIS. THE QUESTIONER SAYS
WOULD DR. LIGHT AND THE PANEL CLARIFY HOW A NONPROFIT
CAN IDENTIFY WHAT SHOULD BE CORE AND WHAT SHOULD BE
FLEXIBLE? I THINK YOU SAID DON'T SELL YOUR SOUL.

DR. LIGHT: THIS IS HAPPENING IN GOVERNMENT
AS WELL AS WE STRUGGLE WITH OUTSOURCING. THE ISSUE IS
WHAT IS CORE TO THE MISSION OF YOUR ORGANIZATION AND
WHAT CAN YOU DO WITHOUT? IN MINNEAPOLIS BY WAY OF
EXAMPLE WE HAVE A VERY FINE ORGANIZATION CALLED PROJECT
FOR PRIDE AND LIVING AND I VISITED THEM OFF AND ON OVER

Day of Learning transcript

THE YEARS AND I WENT BACK A COUPLE OF YEARS AGO AND FOUND THAT THEY WERE OPERATING A SCHOOL IN

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82

COLLABORATION WITH THE EDISON SCHOOLS CORPORATION WHICH WAS WORKING WITH A PROJECT FOR PRIDE AND LIVING TO GET A FOOT IN THE DOOR IN THE MINNEAPOLIS PUBLIC SCHOOL SYSTEM FOR THEIR BUSINESS. THIS SCHOOL WAS SO FARAWAY. IT WASN'T TEN GRASS OF DEFLECTION. IT WAS 180 AGREES OF DEFLECTION. IT WAS WELL BEYOND PPL SKILL SET. THEY DID NOT KNOW ANYTHING ABOUT RUNNING A SCHOOL. THEY DID NOT KNOW ANYTHING ABOUT THAT PARTICULAR LINE OF WORK AND THE SCHOOL EVENTUALLY BECAME KNOWN AS PPL HELL, WHICH IS NOT EXACTLY GOOD FOR YOUR ABILITY TO RAISE FUNDS. AND THEY HAVE SINCE STRIPPED THAT WALLPAPER OFF. I MEAN IT IS VERY HARD THING TO DETERMINE WHAT IT IS YOU ARE ABOUT AND THEN TRY TO STAY WITHIN THE PATHWAY. TEN DEGREES ONE WAY OR THE OTHER. IT INVOLVES A CONSTANT SOUL SEARCHING ABOUT WHY YOU EXIST AND THE REALIZATION THAT THE WORLD DOES CHANGE AROUND YOU. THE GIRL SCOUTS BEING A GOOD EXAMPLE OF AN ORGANIZATION THAT IS WORKING TO THINK ABOUT WELL, WHAT PLACE ARE GIRL SCOUTS IN THIS PARTICULAR SOCIETY? NOT THE ONE THAT EXISTED IN THE 1950S, AND YOU SEE THAT STRUGGLE THAT THEY ARE ENGAGED IN IN THE COOKIE BOX AND HOW THE COOKIE BOX LOOKS. WE ALL LOVE GIRL SCOUT COOKIES BUT THOSE OF US WHO HAVE EATEN THEM OVER TIME, YOU KNOW, ARE NOW BECOMING LARGER VERSIONS OF OUR

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83

OF MY NATIONAL ORGANIZATIONS THAT WE'VE BEEN PREFILING AS PART OF THIS STUDY AND I ASKED THEM, THIS IS THE KIND OF QUESTION THAT YOU JUST -- YOU THINK ABOUT IT AND YOU SHOULDN'T ASK IT BUT I WAS SITTING THERE AND I WAS SAYING WELL, IF THE GIRL SCOUTS WERE A COOKIE, WHAT KIND OF COOKIE WOULD YOU BE? I GUESS THIS IS THE BIG APPLE CIRCUS. IF YOU WERE A CIRCUS ACT, WHAT WOULD YOU BE? A JUGGLER. FOR THE GIRL SCOUTS THE ANSWER WAS THE SHORTBREAD COOKIE BECAUSE THEY REALLY ARE -- THEY REALLY WANT TO BECOME A SIMOLA, THEY WANT TO BECOME MORE DIVERSE AND MORE VIBRANT AND THEY ARE JUST TOO MUCH THE SHORTBREAD. THAT'S PART OF JUST CONSTANTLY CHALLENGING YOURSELF, I GUESS. I DON'T THINK THERE'S AN EASY WAY AROUND IT. JUST KEEP CHALLENGING YOURSELF.

MR. RENZ: DO OTHER PANELISTS HAVE THOUGHTS, THAT ISSUE OF WHAT SHOULD BE CORE AND WHAT SHOULD BE FLEXIBLE?

MS. VANDER VELDE: AT HEART OF AMERICA FAMILY SERVICES BACK IN THE '80S WE WERE ALWAYS KIND OF ALL THINGS TO ALL PEOPLE. OUR MISSION SINCE IT IS SO BROAD WE COULD ALWAYS JUSTIFY ANYTHING THAT WE TOOK ON. THEN IN THE '90S WE HAD SOME VERY FORWARD-THINKING CORPORATE BOARD MEMBERS THAT WHEN WE REVISITED OUR STRATEGIC PLAN, MADE US TAKE A LOOK AT OUR, AS HE WOULD SAY, OUR CORE COMPETENCIES, WHAT REALLY IS IT THAT

HEART OF AMERICA FAMILY SERVICES DOES WELL? WE NEED TO HONE IN ON WHAT WE DO WELL AND THEN PARTNER WITH OTHERS TO ACHIEVE OUR GOALS. SO THAT'S BEEN KIND OF A MANTRA WITH US FOR SEVERAL YEARS IN TERMS OF OUR CORE SERVICES OR CORE COMPETENCIES, AND THEN LOOKING AT THOSE MAKING SURE THAT EACH ONE OF THOSE IS MEASURABLE AND THAT WE ARE MAKING A DIFFERENCE WITH THOSE CORE SERVICES SO THAT'S HOW WE'VE BEEN DEFINING THAT FOR US.

DR. LIGHT: LET ME GIVE YOU SOME PRACTICAL ADVICE HERE, WHICH IS AGAINST MY BETTER JUDGMENT. STRATEGIC PLANNING CERTAINLY IS IMPORTANT BUT THERE IS A FORM OF PLANNING CALLED ASSUMPTION-BASED PLANNING. THE RAND CORPORATION IN CALIFORNIA HAS DONE A LOT OF WORK ON THIS AND YOU CAN GET A WEB READABLE INTRODUCTION TO ASSUMPTION-BASED PLANNING BY GOING TO WWW.RAND.ORG. ASSUMPTIONS-BASED PLANNING IS VERY INEXPENSIVE AND VERY SIMPLE. IT BASICALLY SAYS WHAT ARE THE LOAD-BEARING ASSUMPTIONS ON WHICH WE HAVE BASED OUR PLAN FOR THE FUTURE? HOW ACCURATE AND VALID, WHAT ARE THE POSSIBLE THREATS TO THE LOAD-BEARING ASSUMPTIONS WE HAVE MADE. THAT'S SOMETHING THAT A YOUNG, ORGANIC, BEGINNING NONPROFIT NEEDS TO DO AS IT MOVES FORWARD. IT IS A DIFFERENT TYPE OF STRATEGIC PLANNING FROM THE KIND THAT A MATURE ORGANIZATION LIKE BETSY'S DOES AND IT'S DIFFERENT FROM THE KIND OF

STRATEGIC PLANNING THAT YOU MIGHT SEE IN A RED CROSS OR A FEDERATED ORGANIZATION WHERE YOU MIGHT WANT TO BE USING SOME SORT OF EXPLORATORY ANALYSIS AND SCENARIO BUILDING KIND OF APPROACH. SO I JUST RECOMMEND THAT YOU REALLY MAKE VIBRANT WITHIN YOUR ORGANIZATION THE ASSUMPTIONS ON WHICH YOUR PLAN IS BASED. IN LOOKING AT THOSE ASSUMPTIONS YOU ARE GOING TO SEE WHERE YOUR CORE REALLY IS. IT IS JUST BREAKING DOWN THAT PLAN AND TAKING A LOOK AT WHAT DO WE BELIEVE, WHAT DO WE ASSUME IS ESSENTIAL TO GETTING THERE. THAT'S A HEALTHFUL EXERCISE WHICH IS VERY INEXPENSIVE TO DO.

MR. RENZ: THANK YOU. FOR THOSE OF YOU WHO ARE WONDERING ABOUT TIMING. WE WILL CONTINUE WITH QUESTIONS UNTIL 12:15 AND WENT WE'LL TAKE BREAK TO MOVE TO THE LUNCHEON SO WE HAVE TIME FOR A FEW MORE YES, SIR. THERE'S A STREAM OF QUESTIONS AS YOU WON'T BE SURPRISED TO KNOW, THAT RELATE TO MONEY AND PAY. ONE QUESTIONER SAYS HOW DO YOU MAINTAIN YOUR CORE IF YOU CANNOT PAY THEM AT PAR? ANOTHER QUESTIONER SAYS HOW DO NONPROFITS KEEP THEIR CORE GROUP WHEN THE FOR PROFITS SEEM TO HAVE BETTER BENEFITS? ANOTHER QUESTIONER CONNECTED THAT TO FUNDING AND FUNDERS IN ASKING WHETHER, I THINK PAUL IN PARTICULAR, YOU WERE THINKING ABOUT STAFF SALARIES IN THE CONTEXT OF CAPACITY BUILDING OR IS IT JUST COMPUTERS AND UTILITIES?

Day of Learning transcript

DR. LIGHT: THIS IS WHAT WE WOULD CALL PHILOSOPHICAL TERMS THE TRAGEDY OF THE COMMONS. THAT INDIVIDUAL NONPROFITS OFTENTIMES DO NOT HAVE THE RESOURCES TO CARE FOR AND DEVELOP THE HUMAN CAPITAL THAT THEY NEED OR HAVE. IT IS PRIMARILY A QUESTION THAT MUST BE RAISED AT THE COLLECTIVE LEVEL INVOLVING YOUR COMMUNITY FOUNDATIONS, YOUR FUNDERS, AND THE NONPROFITS AS A WHOLE BECAUSE YOU ARE NOT RECRUITING, YOU ARE NOT GOING TO BE ABLE TO SOLVE THIS PROBLEM INDIVIDUALLY. SOME WILL. A LARGE, MATURE ORGANIZATION MAY BE ABLE TO HARNESS THE CAPITAL, PROVIDE LOAN FOR A BUSINESS OR WHATEVER AS A RECRUITMENT DEVICE. THIS IS A VERY SIGNIFICANT, COLLECTED, GOOD PROBLEM THAT NEEDS TO BE SOLVED AT THE COMMUNITY WIDE BASIS. HOW IS KANSAS CITY GOING TO ASSURE ITSELF A STEADY SUPPLY OF TALENTED, COMMITTED WORKERS AS THE BABY BOOM RETIRES OUT. NOW, WE BABY BOOMERS HAVE ABSOLUTE BELIEF THAT WE ARE NEVER GOING TO LEAVE. WE ARE CONVINCED OF THIS EVEN THOUGH WHEN WE LOOK IN THE MIRROR WE SEE THAT WE'RE GRAYING. I BELIEVE THE BIGGEST CONTRIBUTOR TO OUR BELIEF IN IMMORTALITY IS THE GRAMMY AWARDS, YEAR AFTER YEAR BABY BOOMERS WIN. IT WAS BRUISE SPRING STEIN. I PREDICT IN 2020 MICK JAGGER WILL WIN A GRAMMY ON MICK UNPLUGGED. THERE IS A RETIREMENT MOVING THROUGH THE SECTOR. BABY BOOMERS ARE MOVING ON. WE'RE

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Day of Learning transcript

GOING TO BE DISRUPTIVE IN RETIREMENT JUST AS WE'VE BEEN EVERY PLACE ELSE. DON'T EXPECT US TO VOLUNTEER. I TALK WITH THE CONTINUUM OF CARE COMMUNITY PEOPLE WHO ARE INVOLVED IN THE LONG-TERM CARE ISSUE AND THEY ARE BUILDING SWIMMING POOLS AND SPORTS CLUBS. GARDEN PLOTS FOR GROWING THINGS THAT SHALL REMAIN -- SO IF YOU ARE THINKING THAT WE'RE THE ANSWER TO YOUR VOLUNTEER PROBLEM OR YOUR BOARD PROBLEM, FORGET ABOUT IT. YOU PROBABLY DON'T WANT US. AT ANY RATE, THIS IS A COLLECTED GOOD PROBLEM. KANSAS CITY HAS TO DEAL WITH IT AT KANSAS CITY'S LEVEL. THE FEDERAL GOVERNMENT IS BECOMING MORE AGGRESSIVE IN ITS RECRUITMENT. YOU CANNOT RELY ON A POOR ECONOMY TO DELIVER YOU THE KIND OF TALENT THAT YOU NEED. YOU HAVE GOT TO WORK AS A COMMUNITY TO SAY WHAT IS IT THAT WE'RE GOING TO DO TO SOLVE THIS PROBLEM? OTHER COMMUNITIES ARE DOING THIS. THE COPELAND FUND IN PITTSBURGH HAS MADE A SIGNIFICANT COMMITMENT TO UNDERSTANDING ITS NONPROFIT WORK FORCE POSITION. WHAT ARE COLLEGES DOING? WHAT ARE YOUNG PEOPLE THINKING? HOW CAN COPELAND AND OTHER FUNDERS ASSURE A STEADY SUPPLY OF TALENT AND ALSO DEAL WITH THESE COLLECTIVE GOOD PROBLEMS LIKE BENEFIT SYSTEMS AND RAISING PAY RATES AND EXPLAINING TO THE PUBLIC WHAT TYPE OF COMPENSATION IS ACCEPTABLE FOR AN EXECUTIVE DIRECTOR. THAT'S SOMETHING YOU HAVE GOT TO DO AS A

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88

COMMUNITY. IT IS OFTEN VERY WELL DONE THROUGH THE KIND OF RESEARCH THAT DAVID AND MIDWEST CENTER CAN DO.

Day of Learning transcript

MR. RENZ: MORE WORK FOR US. AND YOU THOUGHT YOUR ADVICE WAS JUST GOING TO BE LIMITED TO THE NONPROFIT SECTOR. YOU NOW HAVE MUCH BROADER INSIGHTS ON SEVERAL OTHER SOCIAL ISSUES AS WELL. PAUL AND PARTICULARLY JANINE WE HAVE A CLUSTER OF QUESTIONS AROUND CAPACITY BUILDING THAT WE WOULD LIKE TO SHARE WITH YOU. ONE OF THE QUESTIONERS ASKS WHO DOES AND WHO SHOULD DRIVE CAPACITY BUILDING, WHICH IS AN INTERESTING QUESTION IN AND OF ITSELF BUT LET'S CONNECT IT ALSO WITH A COUPLE OF OTHER QUESTIONS. HOW DOES A 501 (C) (3) TRANSITION FROM BEING A COYOTE TO A ROAD RUNNER? CAN AN ORGANIZATION WHO IS STRUGGLING FINANCIALLY STILL BE CONSIDERED A HIGH-PERFORMANCE ORGANIZATION? PAUL, ONE OF THE QUESTIONERS ASKED WHAT DID YOU FIND WERE THE CHARACTERISTICS OF HIGH-PERFORMING NONPROFITS IN KANSAS CITY AREA?

DR. LIGHT: YOU CAN BE A VERY HIGH-PERFORMING ORGANIZATION YET BE TEETERING ON THE BRINK OF COLLAPSE. THAT'S ONE OF THE SAD CHARACTERISTICS OF OUR SECTOR IS YOU CAN GO INTO AN ORGANIZATION AND SEE THAT IT'S DOING WHAT IT'S ABOUT, I MEAN IT IS DO ITS BUSINESS. IT IS PRODUCING RESULTS BUT IT IS ONE FISCAL CRISIS AWAY FROM COLLAPSE. THAT'S

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89

HIGH PERFORMANCE DONE THE HARD WAY. THERE'S ANOTHER WAY OF HIGH PERFORMANCE DONE MORE NATURALLY WHERE YOU REALLY WORK TO DEVELOP THE THREE TO SIX MONTH RESERVE.

Day of Learning transcript
YOU HAVE STRIPPED YOURSELF DOWN TO THE BASICS AND BUILT AN ORGANIZATION THAT IS MORE SUSTAINABLE HIGH PERFORMANCE. WE FIND IT ALL THE TIME IN WEAK ORGANIZATIONS. WHAT WE WANT TO DO IS MAKE IT A MORE NATURAL ACT.

ON THE CAPACITY BUILDING SIDE, CAPACITY BUILDERS LIKE TO SAY THAT THEY NEED THE SECTOR WHEREVER IT IS AT AND THAT THE MANTRA HAS BEEN TO LET NONPROFITS DETERMINE WHAT THEY NEED. I THINK ACTUALLY THAT MANTRA IS REALLY TRANSLATED INTO WE MEET THE NONPROFIT SECTOR WHEREVER IT HAPPENS TO BE. WE NEED TO BE MORE SPECIFIC AND MORE ENGAGED IN THE CONVERSATION ABOUT LINKING CAPACITY BUILDING ACTIVITIES TO THE STATE OF ORGANIZATIONAL DEVELOPMENT. FOR EXAMPLE, A SMALL NONPROFIT, LET'S SAY \$250,000 THREE YEARS OLD REALLY SHOULD BE DOING ASSUMPTIONS-BASED PLANNING BUT NOT STRATEGIC PLANNING PERHAPS. THEY SHOULD BE WORKING ON BOARD DEVELOPMENT. THEY SHOULD BE WORKING ON CERTAIN TYPES OF CAPACITY BUILDING THAT A MATURE, RESILIENT NONPROFIT REALLY SHOULDN'T BE WORKING ON. THE MATURE, RESILIENT NONPROFIT AND I MIGHT PLACE BETSY'S ORGANIZATION IN THAT CATEGORY, REALLY DOESN'T NEED TO

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90

BE WORKING ON ASSUMPTIONS-BASED PLANNING. THEY NEED TO BE PROJECTING AND USING SCENARIO BUILDING OR ENVIRONMENTAL SCANNING TO SEE WHERE THEIR OPPORTUNITIES AND THREATS ARE, MORE TRADITIONAL SWAT BASED PLANNING. THEY SHOULD ALSO BE WORKING ON ISSUES DEALING WITH WORK

Day of Learning transcript

FORCE DEVELOPMENT, RETENTION AND SO FORTH. SO WE HAVE TO ON MY SIDE OF THE EQUATION AS WE GO AROUND THE COUNTRY LOOKING AT ORGANIZATIONS START TO LINK CAPACITY BUILDING INTERVENTIONS WITH STAGES OF ORGANIZATIONAL DEVELOPMENT AND IT'S NOT JUST EVERYTHING WILL WORK. IT IS NOT JUST A DOLLAR STORE IN WHICH ANYTHING YOU APPLY BY WAY OF CAPACITY BUILDING IS GOING TO HELP YOU GET BETTER BECAUSE SOME ORGANIZATIONS ARE, IN FACT, NOT ABLE TO ABSORB OR MAKE A GOOD DECISION ABOUT INFORMATION TECHNOLOGY SYSTEM. I MEAN WHY HAVE INFORMATION TECHNOLOGY ADVANCEMENT IF YOU DON'T KNOW WHAT IT'S DOING FOR YOU. SO FORTH AND SO ON. WHAT WAS THE SECOND PART OF THAT QUESTION? WHAT ARE THE CHARACTERISTICS OF HIGH-PERFORMING ORGANIZATIONS? I'LL TELL YOU WHAT WE THINK, IS THAT OUR STATISTICAL ANALYSIS AND OUR ADVANCED WORK NOW IS SUGGESTING THAT CLARITY OF MISSION, BEING ABLE TO ARTICULATE CLEARLY WHAT IT IS THAT YOU ARE DOING, WHY YOU EXIST, MEASUREMENT OF MISSION, HAVING A CLEARLY DEFINED PATH MODEL OF WHAT THE INTERVENTION IS AND HOW IT IS GOING

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91

TO PRODUCE RESULTS, PARTICIPATORY STYLE OF LEADERSHIP IN WHICH YOU ARE FULLY ENGAGED IN CONVERSATION WITH YOUR STAFF, YOUR EXTERNAL COMMUNITY, YOUR BOARD, STRONG INCENTIVES FOR PERFORMANCE FOR YOUR WORK FORCE, THAT THESE ARE ESSENTIAL. NOW, THE LAST ONE IS PARTICULARLY HARD TO SWALLOW BECAUSE WE'RE NOT ABOUT BUILDING STRONG

Day of Learning transcript
INCENTIVES. THESE ORGANIZATIONS IN THE NONPROFIT
SECTOR GENERALLY HAS VERY WEAK INCENTIVES FOR
PERFORMANCE AND RELIES ON MISSION TO COMPENSATE FOR THE
LACK OF COMPENSATION FOR THE LACK OF CELEBRATION. I
LIKE WHAT BETSY WAS SAYING EARLIER ABOUT CELEBRATION.
IT DOESN'T ALWAYS HAVE TO BE ABOUT THE MONEY BUT YOU
NEED TO MAKE CLEAR WHAT THE INCENTIVES ARE IN YOUR
ORGANIZATION FOR PERFORMANCE. THAT'S JUST A SKETCH
WE'RE STILL WORKING ON THIS BUT LOOKING AT THE
ORGANIZATIONS THAT WE'VE EXAMINED NATIONALLY, YOU
REALLY CAN SEE THE LINK BETWEEN THE MISSION AND WHAT'S
GOING TO HAPPEN INSIDE THAT ORGANIZATION UPON
ACCOMPLISHMENT. THERE IS GOING TO BE SOME SORT OF
CELEBRATION, THERE WILL BE SOME SORT OF REWARD, SOME
SORT OF ADVANCEMENT BASED ON ACTUAL PERFORMANCE
CAREFULLY MEASURED.

MR. RENZ: THANK YOU. JANINE, YOU'VE DONE
SOME EXTENSIVE WORK IN THIS AREA AS WELL, WOULD YOU
CARE TO.

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92

MS. LEE: SURE. I WAS THINKING AS I WAS
LISTENING TO PAUL TALK ABOUT HOW I WOULD ADDRESS THAT
QUESTION BECAUSE IN SOME WAYS I THINK THE QUESTION OF
WHO SHOULD DRIVE CAPACITY BUILDING, THE ANSWER TO THAT
IS PROBABLY FROM MY PERSPECTIVE WHO IS DRIVING IT QUITE
OFTEN ARE FUNDERS. HOWEVER, WHO SHOULD DRIVE IT, I
THINK, IS THE SECTOR ITSELF, THE NONPROFIT LEADERS,
SUCH AS YOURSELVES, WHO ARE IN THE ROOM. I THINK IT

Day of Learning transcript

CAN'T BE DONE WITHOUT A LOT OF INTERACTION BETWEEN NOT ONLY INTERMEDIARY ORGANIZATIONS LIKE DAVID'S, ALSO RESEARCHERS LIKE PAUL AND OTHERS WHO ARE TRYING TO STAY REALLY ON TOP OF WHAT'S HAPPENING ACROSS THE COUNTRY, LOCALLY, REGIONALLY AS INFORMATION THAT CAN ENHANCE WHAT YOU ALREADY KNOW. I THINK A PART OF THE ISSUE HERE IS THAT IN THE NONPROFIT SECTOR WE'RE SO DISCIPLINED SPECIFIC. WE HAVE OUR OWN DISCIPLINES, AREAS THAT WE WORK IN KIND OF CATEGORICALLY AND WE'RE NOT INTERACTING ENOUGH AS A SECTOR AS A WHOLE. SO FROM A DISCIPLINE SPECIFIC AREA LIKE HOUSING OR SOMETHING, WE MAY BE ABLE TO SPEAK TO CAPACITY BUILDING ISSUES AS IT RELATES TO HOUSING OR HUMAN SERVICES OR THE ARTS AND THERE ARE SOME INCREDIBLE WORK, QUITE HONESTLY, THAT HAVE GONE ON IN ALL OF THOSE AREAS AND I'VE HAD THE OPPORTUNITY TO REVIEW SOME OF THE LITERATURE IN EACH ONE OF THOSE VERY DISCIPLINE SPECIFIC AREAS. THERE IS

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93

SOME INCREDIBLE HISTORICAL INFORMATION ABOUT CAPACITY BUILDING THAT HAS BEEN LEARNED IN THE ARTS, THAT PEOPLE IN HUMAN SERVICES MAY OR MAY NOT BE AS FAMILIAR WITH OR IN HOUSING. THERE'S SOME INCREDIBLE RESEARCH THAT'S BEEN DONE IN THE HOUSING ARENA. SOMEHOW WE'VE GOT TO PULL TOGETHER AS A SECTOR AND SHARE THESE LESSONS WITH EACH OTHER AND CREATE A VERY STRONG VOICE SO THAT WE CAN DRIVE WHAT CAPACITY BUILDING IS FOR THE SECTOR.

MR. RENZ: THANK YOU. ONE OF THE

Day of Learning transcript
QUESTIONERS BUILDS IN A SENSE ON THIS AND PURSUES IT FROM A LITTLE DIFFERENT ANGLE. ASKS IF PANELISTS WOULD COMMENT ON THIS. ONE OF THE DEFICITS FOR NONPROFITS IS THE ABILITY OR ACCESS TO CONSULTING EXPERTISE TO BUILD CAPACITY, FOR EXAMPLE, MARKETING, BUSINESS PLAN DEVELOPMENT, TECHNOLOGY DEVELOPMENT. BOTH FUNDS AND KNOWLEDGE OF CONTRACTORS IS MISSING, YET THE EXPECTATION TO DO THIS IS THERE. ANY THOUGHTS FROM ANY OF OUR PANELISTS ABOUT SORT OF ACCESS TO AND USE OF CONSULTANTS AND THE MONEY TO SUPPORT AS WELL AS THE KNOWLEDGE OF THEM?

MS. CAUDILLO: THIS IS AN ISSUE THAT I THINK THE COUNCIL ON PHILANTHROPY PROBABLY ABOUT THREE TO FOUR YEARS AGO LOOKED AT WAS THAT THERE WERE SO MANY NONPROFITS, SMALL NONPROFITS IN PARTICULAR, THAT WERE MISSING OUT ON OPPORTUNITIES OF GREAT CONSULTANTS WE

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94

HAD HERE IN KANSAS CITY. MANY OF YOU ARE HERE TODAY. ONE OF THE THINGS THAT THE COUNCIL DID WAS REALLY START TO REFLECT ON IF WE HAVE 700 MEMBER BODIES, WHICH INCLUDED SOME OF THESE CONSULTANTS, HOW DO WE CREATE OPPORTUNITIES TO GIVE THEM FOLKS THAT COME IN BUT AGAIN NOT NECESSARILY DOING THE WORK BUT HELPING THEM UNDERSTAND WHAT IT IS, WHETHER IT'S STRATEGIC PLANNING, WHETHER IT'S MARKETING DEVELOPMENT, FUND DEVELOPMENT, SPECIAL EVENTS, CAMPAIGN DEVELOPMENT, AND THE COUNCIL OF PHILANTHROPY CURRENTLY IS WORKING TO USE ITS 700 MEMBERS TO GET SOME OF THAT INFORMATION AS WELL AS

Day of Learning transcript

HELPING NONPROFITS ALSO LOOK AT RESOURCES TO MATCH WITH SOME OF THE CONSULTANTS AS WELL AS JUST FUNDING OPPORTUNITIES AND RESOURCES TO DO THAT. I MEAN THAT'S SOMETHING I'VE BEEN INVOLVED IN FOR THE PAST THREE TO FOUR YEARS BECAUSE, I MEAN EVEN TO THE EXTENT WE'VE BEEN LUCKY AS A SMALL NOT-FOR-PROFIT, TO BE ABLE TO USE CONSULTANT, IT IS STILL NOT IN OUR BUDGETS. I MEAN WE GET OPPORTUNITIES LIKE WITH KAUFFMAN PARTNERS, OTHER OPPORTUNITIES THAT ARISE, BUT I WILL SAY COUNCIL ON PHILANTHROPY, WHAT WE'RE DOING IS REALLY WORKING ON THAT AND IS MOVING INTO THE AREA TO REALLY GET OUR VOLUNTEERS TO MEET THAT NEED.

MS. VANDER VELDE: I TOTALLY SUPPORT WHAT IRENE IS SAYING BECAUSE IT IS A HUGE ISSUE. WE HAVE

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95

USED BUSINESS CONSULTANTS AND FUND RAISING CONSULTANT AND COMMUNICATIONS CONSULTANT AT VARIOUS TIMES OVER THE LAST SEVERAL YEARS AND WHAT WE DID, WE PURSUED DIFFERENT GRANTS THROUGHOUT THE COMMUNITY TO FUND THE WORK OF THOSE CONSULTANTS, TO FUND THE BUSINESS PLAN, TO FUND THE FUND DEVELOPMENT PLAN, AND THERE WAS ONE PARTICULAR TIME THAT THE BOARD BELIEVED ENOUGH IN A PARTICULAR WAY TO GO THAT THEY DID PUT INTO THE BUDGET SOME OF OUR RESERVES TO FUND THAT. BUT I ALSO REALIZED THAT DURING TOUGH TIMES NOW THERE IS NO MONEY TO PAY FOR CONSULTANTS RIGHT NOW. AND WE TRULY ARE DRAWING FROM WHAT WE'VE LEARNED. WE'VE HAD MANY LESSONS

Day of Learning transcript
LEARNED FROM BEING ABLE TO USE THOSE. BUT I WAS REALLY
GLAD OF WHAT IRENE SAID BECAUSE IT IS A HUGE ISSUE AND
ONE THAT DIRECTLY RELATES TO CAPACITY BUILDING THAT I
THINK THAT WE NEED OUR GRANT MAKERS, NEED TO WORK WITH
US AROUND THAT CAPACITY BUILDING ISSUES SO THAT WE CAN
CONTINUE WITH VALUE CREATION AND CONTINUE WITH PURSUING
INNOVATION AND HAVE THE CONSULTING EXPERTISE WITH US SO
WE HAVE QUALITY SERVICES COMING FORWARD. SO RIGHT NOW
I THINK THAT THAT'S PROBABLY A HUGE -- A BIGGER ISSUE
THAN EVER BECAUSE OF JUST SCARCE RESOURCES.

DR. LIGHT: IT IS ANOTHER ONE OF THESE
COLLECTIVE GOOD PROBLEMS THAT YOUR COMMUNITY FOUNDATION
AND AS A WHOLE NEEDS TO STRUGGLE WITH. ACCESSIBILITY,

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96

THE TECHNICAL ASSISTANCE, THE CONSULTING PROFESSION IN
THE NONPROFIT WORLD IS EXTREMELY UNEVEN. SOMETIMES YOU
WILL GET A CONSULTANT PURCHASED, CONSULTING SERVICES
PURCHASED BY A FOUNDATION, DELIVERED TO YOU IN RETURN
FOR YOUR GRANT. I WAS IN A MEETING ON MONDAY WITH AN
ORGANIZATION THAT I'M INVOLVED WITH AND WE WERE
REQUIRED TO MEET WITH THE CONSULTANT AND I FOUND IT --
I WAS INFURIATED. I FELT WHAT HE WAS GOING TO SAY WAS
GOING TO BE WRONG, IT WAS LIKE BEING SENT TO THE
PRINCIPAL'S OFFICE. AS A COLLECTIVE GOOD TO CREATE
TECHNICAL ASSISTANCE OF MANAGEMENT SUPPORT OR WHATEVER
AND THEN FUND IT SO THAT IT CAN PROVIDE SERVICES ON
REQUEST UP TO A CERTAIN DOLLAR DEFINED AMOUNT, THAT
WILL BE INDIRECTLY SUPPORTED GIVES THE NONPROFIT

Day of Learning transcript

COMMUNITY ACCESS TO QUALITY CONSULTING BUT NOT THE FEELING THAT THEY HAVE TO DO IT. AT THE NATIONAL LEVEL THE GIRL SCOUTS HAS ITS OWN IN-HOUSE CONSULTING SERVICE IN THE NATIONAL SHOP TO HELP THE 316 COUNCILS. THAT IS SOLVING COLLECTIVE GOOD PROBLEM THAT THE INDIVIDUAL COUNCILS WOULD NOT BE ABLE TO HANDLE. SO THE GIRL SCOUTS HAVE DONE THAT ON A NATIONAL LEVEL.

MS. LEE: I THINK IT IS IMPORTANT TO RESPOND TO THIS QUESTION ALSO BECAUSE WE HAVE OCCASIONALLY HELPED CONNECT PARTNERS WITH INDIVIDUAL CONSULTANTS. HOWEVER, ONE OF THE CHALLENGES TO THAT IS

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97

WE OBVIOUSLY DON'T KNOW EVERY CONSULTANT AVAILABLE IN KANSAS CITY. THERE'S PROBABLY A HUGE NUMBER OF THEM THAT ARE VERY HIGH QUALITY, BUT WE DON'T HAVE ANY WAY OF KNOWING THAT. WE DON'T HAVE A WAY OF REALLY CONNECTING WITH THOSE INDIVIDUAL CONSULTANTS TO BE ABLE TO CONNECT THEM WITH MANY OF OUR GRANTEES. IT SEEMS TO ME THAT WE HAVE THE OPPORTUNITY HERE TO BE VERY CREATIVE. AGAIN, IF THERE WAS A WAY IN THE SECTOR THAT WE COULD PULL TOGETHER OUR THINKING AROUND CONSULTANTS BECAUSE THERE ARE SO MANY IN KANSAS CITY. I KNOW WHEN WE WERE OFFERING THE TRAINING, WE WANTED TO OFFER THE TRAINING TO CONSULTANTS IN KANSAS CITY AND I ASKED FOR A LIST, WHO ARE THEY? WHERE ARE THEY? AND THROUGH ONE OF OUR INTERMEDIARY PARTNERS WE WERE ABLE TO GET A LIST OF ABOUT 300. NOW THAT MAY NOT EVEN BEGIN TO TOUCH THE

Day of Learning transcript
SURFACE. I DON'T KNOW HOW MANY CONSULTANT THERE ARE IN
KANSAS CITY. BUT FROM THAT LIST WHICH I THOUGHT WAS
HUGE, WE WERE ABLE TO OFFER THE TRAINING I THINK TO 55
OR SO OF THOSE CONSULTANTS. BUT IT SEEMS TO ME THERE'S
AN OPPORTUNITY TO BE CREATIVE HERE IN WORKING WITH
CONSULTANTS AND CONNECTING THEM WITH NONPROFITS, BUT
SOMEONE OR SOME INTERMEDIARY OR SOMEBODY WOULD HAVE TO
HELP MANAGE THAT BECAUSE TYPICALLY WE WOULDN'T BE IN A
POSITION TO TALK WITH EVERY INDIVIDUAL CONSULTANT.

MR. RENZ: THANK YOU. WE ARE AT THE POINT

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98

IN TIME, A LITTLE BEYOND THE APPOINTED TIME TO TAKE A
BREAK. PLEASE JOIN ME IN THANKING OUR PANEL FOR THEIR
PRESENTATION. I WOULD ASK THAT EACH OF YOU TAKE A
MINUTE TO FILL OUT THE FEEDBACK FORM, WE DO USE THE
INFORMATION ON THESE FORMS TO STRUCTURE HOW WE DO
PROGRAMS FOR THE FUTURE. SO THERE ARE FORMS IN THE
MIDDLE OF YOUR TABLE THAT WE WOULD ASK YOU TO COMPLETE
BEFORE YOU HEAD OFF TO LUNCH, BEFORE YOU LEAVE. OUR
PLAN FOR THE REMAINDER OF TODAY NOW IS WE WILL MOVE
IMMEDIATELY NEXT DOOR, TO THE BALLROOM NEXT DOOR FOR
LUNCH FOR THOSE OF YOU WHO HAVE MADE RESERVATIONS AND
CHOSEN TO STAY FOR LUNCH AND LUNCH WILL GO UNTIL 1:15
AND THEN WE WILL RETURN TO THIS ROOM FOR THE CLOSING
DISCUSSION OF THE AFTERNOON WITH PAUL LIGHT. THANK YOU
VERY MUCH FOR JOINING US.

WE WILL TRY TO GET TO MORE OF THE QUESTIONS,
THERE ARE A NUMBER OF THOSE QUESTIONS, WE'LL TRY TO

Day of Learning transcript

PICK UP ON SOME OF THOSE IN THE AFTERNOON SESSION.

(THE NOON RECESS WAS TAKEN.)

MR. RENZ: OKAY. AGAIN I WOULD LIKE YOU TO SIT CLOSER TO THE FRONT. THE OPPORTUNITY WE HAVE WITH THIS AFTERNOON SESSION IS THE CHANCE TO BE MORE INFORMAL AND GET INTO MORE OF AN INTIMATE DIALOGUE. I DON'T KNOW IF INTIMATE APPLIES EXACTLY WHEN YOU HAVE 60 OR 70 PEOPLE. THAT'S PART OF WHAT'S GREAT ABOUT THIS.

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99

I WOULD LIKE TO MAKE THE PITCH FOR THOSE OF YOU WHO ARE HERE, IF YOU HAVE NOT YET FILLED OUT AN EVALUATION, BEFORE YOU LEAVE TODAY, PLEASE DO THAT. WE DO USE THIS FEEDBACK INFORMATION AS A BASIS FOR PLANNING FUTURE PROGRAMS. SO IT IS VERY HELPFUL TO US TO KNOW WHAT YOU THINK WORKED, WHAT DIDN'T, WHAT KINDS OF IDEAS YOU HAVE FOR FUTURE PROGRAMS. IF YOU THINK THERE'S SOME PROGRAMS OR SPEAKERS WHO WOULD BE PARTICULARLY LOGICAL FOR THIS KIND OF A VENUE FOR THE FUTURE, PLEASE LET US KNOW THAT.

WE'LL BE GETTING TOGETHER IN JUST A MINUTE. OUR SPEAKER IS OFF FOR ONE SECOND, SO HE WILL BE RIGHT BACK SHORTLY. ONE OF THE RESOURCES THAT WE'VE PUT OUT ON THE TABLES AND WE HAVE ADDITIONAL COPIES BY -- ON THE TABLES JUST OUTSIDE THE DOOR TO THE AUDITORIUM IS A CATALOG OF PROGRAMS FOR THE MIDWEST CENTER FOR NONPROFIT LEADERSHIP. WE HAVE IDENTIFIED THE DATES FOR MOST OF THE PROGRAMS, PUBLICLY OFFERED PROGRAMS THAT

Day of Learning transcript
WOULD BE OFFERED FOR THE COMING YEAR. THEY ARE IN THIS
CATALOG. WE DO ENCOURAGE YOU TO GO TO THE WEBSITE
IDENTIFIED ON THE FRONT OF THE CATALOG BECAUSE WE'RE
ALWAYS UPDATING THE PROGRAMMING AND TRYING TO ADD
ADDITIONAL EITHER PROGRAMS OR EVENTS THAT ARE
RESPONSIVE TO NEEDS AND ISSUES THAT ARE UNFOLDING IN
THE NONPROFIT COMMUNITY. BUT THE CATALOG PROGRAMS

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100

GIVES YOU AN IDEA OF THOSE CORE OPPORTUNITIES THAT WE
OFFER EVERY YEAR AND THE LAST PAGE OF THE CATALOG GIVES
YOU THE DATES FOR THE COMING 12 MONTHS FOR EACH OF
THOSE PROGRAMS. THIS IS OUR CHANCE -- ARE YOU GOING TO
COME BACK, PAUL?

DR. LIGHT: YES, I AM.

MR. RENZ: IT GAVE ME TIME TO DO A
COMMERCIAL. I THINK WE'RE READY TO START, IF YOU ARE.
THE INTENT OF OUR AFTERNOON SESSION, AS YOU KNOW, AS I
BELIEVE YOU KNOW IS THAT WE'RE GOING TO BE MUCH MORE
INFORMAL IN PURSUING CONVERSATION, DIALOGUE,
INTERACTIONS WITH OUR PANELISTS -- NOT OUR PANELISTS,
OUR KEYNOTE SPEAKER FOR THIS YEAR, PAUL LIGHT. IF
PEOPLE WISH, WE CAN COME BACK AND PICK UP ON SOME OF
THE QUESTIONS THAT WE DID NOT HAVE A CHANCE TO ANSWER
THIS MORNING BECAUSE WE HAD SOME REALLY GREAT QUESTIONS
THAT TIME DIDN'T ALLOW US TO GET TO. WE WANTED TO TAKE
ADVANTAGE OF THE OPPORTUNITY FOR YOU TO RAISE QUESTIONS
AND ISSUES THAT PAUL CAN RESPOND TO AND WE CAN GET SOME
INTERACTION AND DIALOGUE GOING. I THINK PAUL, HOW

Day of Learning transcript

ABOUT IF WE START WITH ME HANDING YOU THIS, BUT I WILL TRY TO PULL ONE OF THESE MICROPHONES DOWN HERE SO WE CAN PASS THIS AROUND TO THE AUDIENCE AND WE'LL USE THAT UP THERE. WE'LL USE THAT FOR YOU, SO WHY DON'T YOU START.

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101

DR. LIGHT: I ALWAYS FEEL LIKE SINGING. HOW ARE YOU DOING? I'M FEELING MIGHTY EXPOSED UP HERE.

MR. RENZ: THE INTENT OF THIS IS TO FACILITATE DIALOGUE, SO LET'S JUST ASK IF THERE ARE QUESTIONS THAT YOU WOULD LIKE TO BUILD ON FROM THE DISCUSSIONS WE HAD PREVIOUSLY. AS I HAD, WE HAVE SOME OF THE QUESTIONS WE DIDN'T COVER FROM THE MORNING, BUT LET'S TAILOR THIS TO YOUR INTERESTS. MARK, WE'LL START WITH YOU.

THE SPEAKER: PAUL, THIS MORNING YOU GAVE SOME OF THE CHARACTERISTICS OF A HIGH-PERFORMANCE ORGANIZATION. COULD YOU TAKE AT A STAB AT DEFINING WHAT HIGH PERFORMANCE MEANS?

DR. LIGHT: WE ASKED IN OUR SURVEYS THE FOLLOWING BATTERY, AND YOU CAN ANSWER THESE QUESTIONS YOURSELF AS I PRESENT THEM. CAN AN ORGANIZATION ACHIEVE ITS PROGRAMMATIC GOALS AND NOT BE EFFECTIVELY MANAGED? YES OR NO. SECOND QUESTION IS CAN AN ORGANIZATION BE EFFECTIVELY MANAGED AND NOT ACHIEVE ITS PROGRAMMATIC GOALS? WHAT WE'VE FOUND IN THE RESEARCH WAS THAT EXECUTIVE DIRECTORS WERE FAR MORE LIKE BY TO

Day of Learning transcript
SAY THAT YOU CANNOT ACHIEVE YOUR PROGRAMMATIC IMPACTS
WITHOUT BEING EFFECTIVELY MANAGED ON THE GRANT MAKER'S
PART. AND OF COURSE THAT MAKES SOME SENSE BECAUSE WHEN
YOU THINK ABOUT GRANT MAKERS AND PEOPLE PROVIDING

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102

TECHNICAL ASSISTANCE, I MEAN IT IS TRUE THAT YOU CAN
ACHIEVE PROGRAMMATIC IMPACTS AND NOT BE EFFECTIVELY
MANAGED. TO ME THE DEFINITION OF HIGH PERFORMING IS
THAT YOU HAVE SUSTAINED A LEVEL OF MISSION IMPACT THAT
IS, IN FACT, SUSTAINABLE. YOU ARE MEASURING WHAT YOU
DO. I MEAN YOU CAN TALK ABOUT IT IN TERMS OF THE
SERIES OF PROCESS MEASURES AND SORT OF WHAT DOES THE
ORGANIZATION LOOK LIKE, BUT ULTIMATELY IT IS MORE THAN
BEING WELL MANAGED. IT IS WELL MANAGED TOWARD MISSION
IMPACT. SO IT IS A COMBINATION OF THE TWO. IT IS NOT
JUST ABOUT BEING -- RUNNING YOURSELF WELL AND HAVING
GOOD SYSTEMS. IT IS ALSO TOWARD WHAT END. SO YOU HAVE
TO HAVE A MISSION COMPONENT. IS THAT HELPFUL? NOT
SPECIFIC ENOUGH. YOU ARE LIKE I PUT YOU TO SLEEP IN
THAT TRANCE AND I CAN DO --

THE SPEAKER: IT IS PARTICULARLY TIMELY
BECAUSE OF THE INCREASING FOCUS OF FOUNDATIONS IN THIS
COMMUNITY AND I THINK ACROSS THE COUNTRY IN
IDENTIFYING, QUOTE, UNQUOTE, HIGH-PERFORMANCE
ORGANIZATIONS AND DIRECTING THEIR FUNDING DOLLARS
TOWARDS SUCH ORGANIZATIONS WITHOUT HAVING A COMMON
FRAMEWORK FOR DEFINING WHAT THAT MEANS.

DR. LIGHT: IT IS ALSO APPROPRIATE IN THE
Page 97

Day of Learning transcript

SENSE OF THE OUTCOMES MEASUREMENT MOVEMENT. I NOW KNOW ABOUT 15 DIFFERENT DIALECTS IN OUTCOMES MEASUREMENT.

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103

DO YOU KNOW WHAT I'M SAYING? IT IS BECAUSE IN ORDER TO RECEIVE GRANTS AND WORK WITH GRANTS AND SO FORTH, IF YOU ARE TAKING GRANTS FROM THE UNITED WAY, FOR EXAMPLE, YOU MAY BE IN A UNITED WAY AREA THAT'S ADOPTED UNITED WAY'S PROGRAM ON OUTCOMES MEASUREMENT. IF YOU ARE RECEIVING GRANTS FROM FOUNDATION X OR FOUNDATION Y OR WHATEVER YOU MAY BE USING A DIFFERENT DEFINITION OF OUTCOMES. ARE YOU TALKING ABOUT NEAR-TERM OUTCOMES, ARE YOU TALKING ABOUT OUTPUTS, ARE YOU TALKING ABOUT LONG-TERM OUTCOMES? SO ON. THE PHILANTHROPY MODEL PICKING A HIGH-PERFORMANCE ORGANIZATION AND INVESTING HEAVILY IN IT CARRIES INHERENT RISKS ABOUT WHETHER THAT ORGANIZATION CAN REALLY WITHSTAND THE KIND OF SCALING UP, KIND OF EXPANSION THAT THE VENTURE PHILANTHROPY HAVE IN MIND. IT IS KIND OF A PHILANTHROPIC DARWINISM. WE'RE GOING TO INVEST HEAVILY IN IT, WE'RE GOING TO DO INSTITUTION BUILDING. THE HEART OF VENTURE PHILANTHROPY IS, QUOTE, APPROPRIATE. I WORRY ABOUT THE NOTION THAT THE VENTURE PHILANTHROPISTS ARE STRONG TO PICK THE WINNERS. IT IS ONE EXAMPLE TO SAY I HAVE GOT A SCHOOL OVER HERE THAT IS TAKING CARE OF IMPERILED YOUNG ADULTS AND I'M GOING TO EXPAND IT TO 30 DIFFERENT SITES AROUND THE CITY. NOW, THAT, YOU KNOW, REQUIRES AN ASSESSMENT NOT JUST WHAT THE ORGANIZATION IS DOING

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INJECTION OF DOLLARS, AND SOMETIMES THE MODEL THAT AN ORGANIZATION IS USING FOR IMPACT CANNOT BE EXPANDED. THAT YOU CANNOT INFUSE THE ORGANIZATION AS IT GROWS WITH ENOUGH MISSION CONTENT TO HAVE AN IMPACT.

LET ME GIVE YOU AN EXAMPLE FROM THIS MORNING, THE CHANCE FOR NEW VISION SCHOOLS WAS USING PUBLIC HEALTH NURSES WHO WERE GOING OUT UNDER STATE GRANTS TO DO SOME BRAIN INJURY CHANCE TO GROW KIND OF A CURRICULA. BUT THE MORE OF THOSE HEALTH PROFESSIONALS THEY HIRED THE LESS ABLE THEY WERE TO DRIVE THEIR MISSION DOWN TO THE BOTTOM OF THE ORGANIZATION. THE WHOLE PURPOSE OF THE ORGANIZATION, THE WHOLE IMPACT OF THE ORGANIZATION WAS BASED ON HAVING THE WORK FORCE BELIEVE IN THE POSSIBILITY. AND THE MORE YOU ADDED TO THE ORGANIZATION, THE LESS ABLE YOU WERE TO DRIVE THE MISSION DOWN AND GET THE FRONTLINE WORK FORCE TO COMMIT TO IT. DO YOU SEE WHAT I MEAN? OF THE 25 ORGANIZATIONS WE LOOKED AT IN DEPTH, I WOULD ARGUE TO YOU THAT THEY ARE ALL HIGH PERFORMING. THE REAL ISSUE IS IT SUSTAINABLE HIGH PERFORMANCE? IS IT EXPANDABLE HIGH PERFORMANCE? I'M NOT SURE THAT I AGREE WITH THE GENERAL NOTION THAT WE NEED TO FIND A SERIES OF ORGANIZATIONS AROUND THE COUNTRY AND THEN SCALE THEM UP. ONE OF THE THINGS WE FOUND FROM OUR RESEARCH ON WORK FORCE IS THAT THE OLDER AND LARGER THE

ORGANIZATION IS IN THE NONPROFIT SECTOR, THE MORE IT RESEMBLES OLD LARGE ORGANIZATIONS EVERYWHERE. OKAY? IF YOU LOOK AT THE REPORT THAT WE ISSUED AND PUBLISHED WITH NEW ENGLAND'S THIRD QUARTER, THERE IS A TABLE ATTACHED WHICH SHOWS ATTITUDES OF YOUNG SMALL PROFITS VERSUS THE ATTITUDES OF WORKERS IN OLD, LARGE NONPROFITS AND WE ASKED QUESTIONS LIKE, ARE YOUR COLLEAGUES HELPFUL? ARE THEY COMMITTED TO MISSION? DO YOU FEEL LIKE YOU ARE GIVEN THE CHANCE TO DO THE THINGS YOU DO BEST? HOW LONG ARE YOU GOING TO STAY? DO YOU HAVE AUTHORITY TO DO ROUTINE TASKS ON YOUR OWN? SO FORTH AND SO ON. YOU LOOK DOWN THIS LIST AND YOU SEE THAT OLD, LARGE NONPROFITS WITH HEAVILY DEVELOPED INFRASTRUCTURE, HIERARCHIAL INFRASTRUCTURE TEND TO LOOK A LOT LIKE GOVERNMENT AGENCY AND PRIVATE SECTOR. BERT IS NOT HERE, I DON'T THINK.

ONE OF THE CHALLENGES IN ORGANIZATIONAL LIFE IS TO KEEP THE ORGANIZATION YOUNG AND SMALL WHILE IT GROWS BIG AND OLD. DO YOU KNOW WHAT I MEAN? I WORRY THAT THE NOTION OF SCALING UP WITHOUT AN UNDERSTANDING OF THE CONSEQUENCES OF SCALING UP CAN LEAD YOU DOWN A PATH WHERE YOU ARE JUST NOT REALLY DOING ANYTHING BUT ADDING TO THE BUREAUCRACY OF THE NONPROFIT SECTOR. THE SMALL INNOVATIVE NONPROFIT, WE'VE GOT SOME PRETTY BIG, OLD, CUMBERSOME ORGANIZATIONS IN THIS SECTOR. THEY HAVE TO

BE REFRESHED. THAT'S A CONSTANT CHALLENGE. OKAY?

MR. SEGEMBARTH: MY NAME IS JEFF SEGEMBARTH. WE ARE A FUNDER. WE GIVE IT TO 225 ORGANIZATIONS IN OUR NETWORK. WE DO CAPACITY BUILDING. AND ONE ELEMENT OF IT IS THE ON-SITE REVIEW ABOUT EVERY TWO YEARS. LET ME TELL YOU A TYPICAL ORGANIZATION ON NETWORK, NOT A HIGH PERFORMER, I'M NOT GOING TO GIVE A NAME BUT THEY ARE DOING THINGS IN THEIR MISSION, THEY ARE SHOWING ACTIVITY. THE BOARD, WE FIND ABOUT 40% OF THE CASES BOARD OVERSIGHT IS WEAK, NOT REAL STRONG, FINANCIAL MANAGEMENT, MAYBE THEY ARE GETTING TO IT 60, 90 DAYS LATE REPORTS. THEY ARE NOT USING THEM FOR DECISION MAKING. THE CITY IS OKAY WITH WHAT THEY ARE DOING. IT IS SORT OF PUTZING ALONG AND THERE ARE SIX OR EIGHT AREAS WHERE WE COULD BE ADDING THE CAPACITY. WHERE DO YOU BEGIN?

DR. LIGHT: I'M THINKING OF WHAT MY TRACK RECORD WAS AT PEW AS A GRANT MAKER. ABOUT 20% OF MY GRANTS WERE WOWS, REALLY MADE A DIFFERENCE AND ABOUT 60% WERE OKAY AND ABOUT 20% WERE BOW-WOWS, AS I WOULD CALL THEM.

THE FIRST THING YOU SHOULD DO IS CONFRONT THE ORGANIZATION WITH WHAT YOU HAVE FOUND, HAVE A CANDID CONVERSATION, LAY DOWN YOUR ASSESSMENT, AND YOU KNOW YOU HAVE TO DECIDE WHETHER YOU ARE WILLING TO DO THE

Day of Learning transcript

ULTIMATE. CAN YOU FIND SOMEBODY TO TAKE OVER THAT BUSINESS OR THAT ACTIVITY AMONG THE ORGANIZATIONS THAT ARE DOING WELL? WE'RE GETTING BACK HERE TO THIS PICKING WINNERS. I MEAN LET'S SAY YOU HAVE TEN ORGANIZATIONS THAT YOU ARE WORKING WITH OF WHICH FOUR ARE SORT OF MEDIOCRE AND YOUR ASSESSMENT IS WHAT, THAT THEY CAN'T GET BETTER OR THAT YOU ARE LOOKING FOR THE LEVER POINT? WHICH IS IT?

THE SPEAKER: WE'VE GOT TO ASSUME THAT SHE HAVE SOME MOTIVATION TO IMPROVE BUT THEY MAY NOT EXACTLY KNOW WHERE TO BEGIN.

DR. LIGHT: THIS IS NOT GOING TO SOUND POPULAR, BUT I BELIEVE IN STRONG INCENTIVES FOR PERFORMANCE. AND SURVIVAL IS ABOUT THE STRONGEST INCENTIVE FOR PERFORMANCE IN ORGANIZATIONAL LIFE. YOU HAVE GOT TO BE WILLING TO SAY TO THAT ORGANIZATION, I MEAN IN TERMS OF WHERE YOU BEGIN, WE CAN GO IN AND DO AN ASSESSMENT. WE CAN SAY THIS SEEMS TO BE. IF IT'S 60 OR 90 DAYS, START WITH THE BASICS. FIRST YOU WALK, THEN YOU RUN. SO I MEAN YOU ALWAYS START WITH THE FINANCIAL SYSTEM. I HAVE GOT TO GET THAT UP AND RUNNING BECAUSE I CANNOT MAKE ANY INVESTMENT IN THE ORGANIZATION'S DEVELOPMENT IF I CAN'T TELL WHERE THE MONEY IS GOING AND WHAT'S BEING SPENT. SO YOU HAVE GOT TO START -- I MEAN YOU HAVE GOT SORT OF A BASIC

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Day of Learning transcript
INFRASTRUCTURE ISSUES RIGHT THERE THAT YOU HAVE TO DEAL WITH, THEN YOU CAN MOVE ON TO ISSUES OF BOARD DEVELOPMENT. WHAT BOARD WANTS TO BE SUPERVISING AN ORGANIZATION WHERE THEY CAN'T TELL WHAT'S BEING SPENT? ARE YOU REALLY GOING TO INVEST YOUR ENERGY IN AN ORGANIZATION WHERE YOU ARE EXPOSED TO THE LIABILITIES OF BEING A BOARD MEMBER BUT YOU GET NO INFORMATION OF VALUE, SO FORTH AND SO ON? AT THE END OF THE DAY YOU HAVE TO MAKE THIS DECISION AS TO WHETHER THIS ORGANIZATION IS, IN FACT, SAVEABLE, WHETHER YOU HAVE AN ALTERNATIVE TO IT. DO YOU HAVE SOMEBODY WHO WOULD BE WILLING TO TAKE OVER AND DO THAT GOOD WORK? IT IS A BIG, BIG DECISION. AND I HAVE Poured A LOT OF ENERGY INTO OF SMI GRANTEES WHEN I WAS AT PEW TRYING TO GET THEM UP TO SPEED BECAUSE THE ORGANIZATION WAS JUST SO GOOD, I MEAN THE COMMITMENT WAS SO GOOD, BUT I COULD NOT GET THEIR BOARD INVOLVED. I COULD NOT GET THE ORGANIZATION TO ADMIT IT HAD A PROBLEM. AND AT THE END OF THE DAY, YOU KNOW, SOME OF THE GRANTS I MADE TO THOSE KINDS OF ORGANIZATIONS WERE JUST WASTED. IS THAT HELPFUL AT ALL? I MEAN START WITH THE KIND OF THE CORE VALUE OF HONESTY, YOU KNOW. AND THEN MOVE OFF FROM THERE TOWARD RIGOR, SO THAT MIGHT BE MIGHT ADVICE TO YOU.

THE SPEAKER: I WANT TO FOLLOW-UP. HOW

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109

DOES THAT GO WITH WHAT YOU SAID EARLIER ABOUT THE GRANTORS AND THE PEOPLE RECEIVING GRANTS? IF THE
Page 103

Day of Learning transcript

NONPROFIT SECTOR, WE SHOULD BE MAKING THE DECISIONS AND NOT NECESSARILY BEING DRIVEN BY THE GRANTORS, HOW WILL THAT WORK WITH WHAT YOU WERE JUST TALKING ABOUT? BECAUSE YOU ARE SAYING THE GRANTOR IS NOW MAKING THE DECISION WHETHER TO SAVE THIS NONPROFIT OR IF THEY ARE NOT SALVAGEABLE, THEN THEY NEED TO BE CUT LOOSE, IS THERE SOME OTHER WAY WE CAN DO THAT LIKE BRING IN OTHERS TO SHORE THEM UP OR WORK WITH OTHER NONPROFITS?

DR. LIGHT: THE ANSWER TO BOTH QUESTIONS IS -- THE SECOND QUESTION IS YES, YOU CAN WORK WITH OTHERS IF YOU CAN BUILD AN INFRASTRUCTURE OF KIND COMMITMENT TO SELF-REGULATION AND SELF-GROWTH. I DO BELIEVE IN THE KINDS OF STANDARDS OF EXCELLENCE THAT I SEE POPPING UP. I DON'T AGREE WITH SOME OF THE STANDARDS, BUT I DO AGREE WITH THE NOTION OF SETTING A BAR HIGH AND SAYING MAYBE YOUR PROBLEM IS YOU NEED TO START OUT AND SAY, HERE IS WHAT WE EXPECT OF ALL OF OUR ORGANIZATIONS. THESE ARE THE DE MINIMIS REQUIREMENTS AND WE WANT TO BUILD TOWARD ASPIRATION. I DON'T THINK THE GRANTEE GETS TO SAY AND THE FUNDER CAN ABROGATE HIS OR HER RESPONSIBILITY IF THEY HAVE GOOD IDEA ON WHAT MIGHT BE A GOOD INVESTMENT. I DON'T BELIEVE FUNDERS SHOULD SAY YOU ARE THE NONPROFIT, YOU GO AND DO WHAT YOU THINK IS

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110

RIGHT. MANY NONPROFITS MAY BE AT A STAGE OF DEVELOPMENT WHERE THEY ARE LOOKING FOR GUIDANCE. WHAT SHOULD I DO IF I'M A YOUNG, THREE-YEAR-OLD NONPROFIT?

Day of Learning transcript

I HAVE A RELATIVELY WEAK BOARD. MY FINANCIAL SYSTEMS ARE A LITTLE UNDERDEVELOPED. WHERE SHOULD I BEGIN? WELL, THE ANSWER TO THAT QUESTION TO ME IS GET YOUR INFRASTRUCTURE IN ORDER AND THEN START BUILDING AND PUSHING YOUR BOARD FORWARD. DO YOU KNOW WHAT I MEAN?

THE SPEAKER: ABSOLUTELY. THIS IS FASCINATING TO ME BECAUSE THEN WOULD THEN YOU COULD COME BACK TO THE GRANTOR AND ASK FOR CAPACITY BUILDING FUNDS, AND EVEN THOUGH THE GRANTOR NOW SEES YOU AS A POTENTIAL WITH NEEDING TO GROW AND NEEDING SOME GUIDANCE, BUT YOU DON'T HAVE THE MONEY. YOU ARE BEING PAID FOR PROGRAMS THAT YOU ARE REALLY NOT ABLE TO SUSTAIN WELL BECAUSE YOU ARE NOT GROWING APPROPRIATELY. YOU NEED SOME FUNDING. SO IT ALMOST SEEMS LIKE SOMETIMES THERE'S AN ADVERSARIAL RELATIONSHIP BETWEEN GRANTOR AND AGENCY WHERE IF WE COULD BE IN MORE OF A PARTNERSHIP OR THE PERSON THAT'S RECEIVING MANY GRANTS, THE FUNDER COULD SAY I SEE THIS, THIS AND THIS AND MAYBE YOU SHOULD BE IN CONTACT AND MAYBE WE CAN PAY FOR ALL OF YOU TO DO THIS. IT ALMOST SEEMS LIKE THERE'S SOME WAY WE COULD COME UP WITH WORKING MORE TOGETHER.

DR. LIGHT: THAT WAS SORT OF AT THE HEART

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111

AND SOUL OF THE VENTURE PHILANTHROPY MOVEMENT WAS THE MOTION THAT YOU NEEDED TO INVEST HEAVILY IN AN ORGANIZATION IN THE FIELD THAT YOU WANTED TO WORK AND DEVELOP THAT ORGANIZATION'S CAPACITY. MY CONCERN ABOUT THAT PARTICULAR APPROACH IS WITH THE SCALING UP ISSUE

Day of Learning transcript

AND THE SUSTAINABILITY OF EXPANSION. IT IS TRUE THAT LET'S JUST SWITCH COMPLETELY TO ANOTHER SECTOR AND TALK ABOUT SUPPLY CHAIN AND IMAGINE YOURSELF AS THE PURCHASER OF A CERTAIN TYPE OF SUPPLY TO BUILD A COMMUNITY. IT IS NOT AT ALL ANALOGOUS TO BUILDING AN AUTOMOBILE. BUT LET'S JUST IMAGINE FOR A MOMENT THAT YOU ARE THE FUNDER AND YOU ARE BUILDING A PRODUCT CALLED A DEVELOPED COMMUNITY, AND THAT YOU NEED A SERIES OF RELIABLE VENDORS WHO WILL SUPPLY YOU THE ESSENCE OF THE PRODUCT YOU ARE PROPOSING. THAT REQUIRES AN INVESTMENT BY THE PRODUCER IN THE ABILITY OF THE VENDORS TO DO THEIR JOBS AND THE BUSINESS SECTOR, LEADING EDGE OF THE BUSINESS SECTOR IS WITH DEEP AND LONG-LASTING RELATIONSHIPS WITH SUPPLIERS AND HEAVY INVESTMENTS IN THEIR ABILITY TO DO THE JOB WELL AND THE DESIGN OF PROGRAMMATIC ACTIVITIES THAT ARE DOABLE. IT IS NOT A COMPETITIVE PROCESS WHERE YOU ARE BIDDING EVERY YEAR AND YOU ARE HOLDING THE SWORD DAMOCLES ABOVE THEIR HEAD EVERY YEAR. THIS IS A LONG RELATIONSHIP FOR A MULTIPLE OF YEARS. WE'LL LET THE

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112

BEST GET THE COLLAR. I THINK THAT TO GET TO YOUR CORE POINT, I THINK THE DIALOGUE BETWEEN FUNDERS AND GRANTEES RIGHT NOW IS REMARKABLY INAUTHENTIC, AND WE NEED A GOOD DOSE OF HONESTY HERE. THAT'S WHY I WOULD SAY GET THAT ORGANIZATION IN YOUR OFFICE AND REALLY TALK TO THEM ABOUT WHAT THEY NEED AND THEN YOU DECIDE

Day of Learning transcript
WHETHER YOU CAN DO IT OR WHETHER YOU CAN FIND SOMEBODY
ELSE TO DO THAT JOB. I'M NOT SAYING THAT THE GRANTEE
GETS TO MAKE THE CALL BECAUSE THE GRANTEE MAY NOT KNOW.

THE SPEAKER: I AGREE WITH YOU.

DR. LIGHT: BUT, YOU KNOW, PART OF THIS IS
ABOUT CONVINCING FUNDERS THAT CAPACITY BUILDING AND
SORT OF STRENGTHENING INSTITUTIONS IS REALLY A RATHER
WISE INVESTMENT. OTHERWISE THREE YEARS FROM NOW, YOU
CAN TAKE AN ORGANIZATION THAT IS THREE YEARS OLD AND
SORT OF VERY HUNGRY AND ACTIVE AND ENERGETIC AND YOU
CAN HAND THEM THE WORK AND THREE YEARS FROM NOW YOU
HAVE GOT NOTHING THERE BECAUSE THEY JUST KIND OF GRIND
THEMSELVES DOWN. YOU SEE THAT ALL THE TIME. I STARTED
MY WORK IN THIS FIELD LOOKING AT INNOVATION THAT --
INNOVATIVE PROGRAMS THAT HAVE WON AWARDS. BALDRIDGE
AWARDS, OR DRUKER AWARDS AND WE WOULD LIKE THREE OR
FOUR FIVE YEARS AFTER THEY RECEIVED THE AWARD AND SEE
IF THE PROGRAM WAS STILL THERE. THAT'S AN INTERESTING
EXERCISE. OSBORN AND GABLER ON THEIR WAY TO REWRITING

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113

GOVERNMENT AND WHEN WE WENT BACK TO LOOK AT THOSE
PROGRAMS THREE YEARS AFTER THE HARD COVER BOOK WAS
PUBLISHED AND ABOUT THE TIME THE SOFT COVER CAME OUT,
ABOUT ONE-THIRD OF THE 37 REALLY HAD NEVER EXISTED AT
ALL. THEY HAD JUST BE SNOWED. YOU BLOW THROUGH TOWN
FOR ONE DAY. I BELIEVE EVERYTHING YOU SAY ABOUT WHAT'S
GOOD IN KANSAS CITY IF I'M JUST COMING THROUGH TOWN,
YOU TELL ME WHAT'S GOOD OUT THERE AND THEN I WRITE

Day of Learning transcript

ABOUT IT. IT MIGHT NOT BE GOOD AT ALL SO ABOUT ONE-THIRD NEVER EXISTED, ONE-THIRD WERE DEAD AND ONE-THIRD WERE STILL DOING JUST FINE. NOW, I EVENTUALLY BECAME THE CORONER IN MINNESOTA AND I WOULD CALL UP ORGANIZATIONS AND SAY, I WOULD LIKE TO DO A SITE VISIT AND YOU HAVE MA AND PA ON THE OTHER END OF THE LINE AND PEOPLE SAYING, DO YOU KNOW SOMETHING WE DON'T KNOW? ARE WE ABOUT TO BE PUT OUT OF OUR MISERY?

AND YOU KNOW, THERE IS A BIG ISSUE HERE ABOUT BETTING ON WINNERS THAT ARE NOT SUSTAINABLE. A LOT OF HORSES LOOK GOOD THE FIRST TIME OUT IN THEIR FIRST RUN. REALLY WHAT IS THEIR CONFIRMATION? WHAT DO THEY LOOK LIKE? I GOT REALLY TIRED OF LOOKING AT DEAD INNOVATION. IT IS NOT A PRETTY SIGHT, BITTERNESS, UNHAPPINESS, TEARS AROUND, HAVING BROUGHT SOMETHING VIBRANT INTO BEING ONLY TO SEE IT FAIL FOR LACK OF RESOURCES, INFRASTRUCTURE WASN'T GOOD, BECAUSE THE

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114

GOVERNOR CHANGED AND THE NEW GOVERNOR HATES EVERYTHING RELATED TO THE OLD GOVERNOR, THAT KIND OF STUFF. SO I STARTED LOOKING AT SUCCESS AND HOW DO YOU CREATE A CULTURE IN WHICH YOU CAN SUSTAIN INNOVATIVE ACTIVITY OR JUST ORDINARY EXCELLENCE? AND YOU START -- I MEAN I CAN GO INTO AN ORGANIZATION AND GET A FEEL FOR THAT ORGANIZATION PRETTY QUICKLY AS TO WHETHER OR NOT YOU HAVE GOT SOMETHING THAT'S WORKING AND COOKING OR WHETHER THIS THING IS REALLY, AS YOU SAY, PUTZING ALONG

Day of Learning transcript
AND NOT DOING MUCH BETTER. I CAN GET A SENSE OF THAT
PRETTY QUICKLY WITH CONVERSATIONS WITH THE BOARD AND
STAFF AND ALSO LOOKING AT THEIR FINANCIALS AND PROBING
HERE AND THERE TO SEE WHAT'S REALLY GOING ON. THERE IS
NOT MORE DISSPIRITING THAN TO GO INTO AN ORGANIZATION
THAT HAS LOST ITS SENSE. IT JUST SMELLS BAD AND
THERE'S NO ENERGY THERE AND YOU CAN FEEL THAT, AND YOU
HAVE TO DECIDE WHEN YOU ARE MAKING GRANTS AND WHEN YOU
ARE TAKING THEM, YOU KNOW, HOW DOES THIS CONTRIBUTE TO
THE ENERGY OF THE ORGANIZATION?

MS. WINNER: I'M ROBIN WINNER AND I'M
EXECUTIVE DIRECTOR OF SYNERGY SERVICES. AND I HOPE I
CAN PHRASE THIS QUESTION IN A WAY THAT HAS A POSITIVE
SOUND TO IT. I THINK ONE OF THE CHALLENGES AND THE
FRUSTRATIONS IS THAT ONCE YOU HAVE CONQUERED THE CORE
EXCELLENCE AND YOU HAVE DEVELOPED OUTCOMES AND MEASURES

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115

THAT YOU ARE PRODUCING THINGS WELL, THE QUESTION STILL
COMES BACK, HOW ARE YOU GOING TO SUSTAIN THAT WORK? SO
MUCH OF THAT IS A MARKETING TOOL AS TO HOW DO WE CONVEY
TO THE FUNDERS THAT THEY WANT TO CONTINUE TO INVEST IN
THAT EFFORT? THAT DISCUSSION NEEDS TO BE FROM AN EQUAL
POWER PLACE. YET IN REALITY EVEN IF YOU ARE DOING
EVERYTHING RIGHT, THE POWER PLAY IS YOU CAN'T SUSTAIN
IT WITHOUT, OFTEN WITHOUT THE FUNDS THAT ARE NEEDED.
SO HOW DO YOU BUILD AN EVEN PLAYING FIELD TO HAVE THAT
DISCUSSION SO THAT IT IS REALLY A DISCUSSION AND NOT A
BEGGING?

Day of Learning transcript

DR. LIGHT: I MEAN IT IS ALWAYS GOING TO BE AN UNEQUAL RELATIONSHIP BECAUSE THE FUNDER HAS THE DOLLAR. FUNDERS ARE UNCOMFORTABLE WITH THE RESPONSIBILITY THAT COMES WITH THAT OR ACCEPTING THE POWER THAT COMES WITH THAT. SAYING YEAH, I'M MAKING A BIG DECISION HERE. WHAT IS MY RESPONSIBILITY TO THE ORGANIZATION? I THINK THERE'S A FAIR AMOUNT OF -- I MEAN PART OF THE ANSWER, I GUESS TO YOUR QUESTION, IS TO ACCEPT THE REALITY THAT THERE IS AN UNEVEN PLAYING FIELD AND LOOK FOR THE CREATION OF FORMS IN WHICH YOU CAN HAVE GOOD, SOLID, OFF-THE-RECORD CONVERSATIONS ABOUT HOW YOU BEHAVE AND HOW THEY BEHAVE. IN OTHER WORDS, AN EDUCATIONAL CONVERSATION ABOUT THE SECTOR AS A WHOLE. WHAT DO WE NEED FOR KANSAS CITY AS A WHOLE?

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116

SPEAKING AS A FUNDER, WE'RE NOT ALL BAD, YOU KNOW. SOME OF US TAKE OUR RESPONSIBILITIES PRETTY SERIOUSLY. JANINE, I THINK, IS A GOOD EXAMPLE. I SUSPECT -- I WOULD GIVE THE BENEFIT OF THE DOUBT TO THE FUNDER. THERE ARE SOME ARROGANT FUNDERS OUT THERE WHO ARE IMPOSSIBLE AND THERE ARE SOME GRANTEES FEEL THAT WAY. GRANTEES DEVELOP MONOPOLIES. YOU CAN'T GO TO ANYBODY ELSE BUT THE 501 (C) (3) THAT HAS THIS PARTICULAR TERRITORY. THERE ARE MONOPOLIES ON THAT SIDE OF THE EQUATION. WHO ARE YOU GOING TO GO TO TO DO X IN MINNEAPOLIS? I CAN NAME A HALF DOZEN AREAS WHERE THERE'S ONLY ONE C) (3) THAT REALLY HAS THE CAPACITY TO

Day of Learning transcript
DO WITH WHAT YOU WANT TO DO IN CHILDREN AND YOUTH OR
ARTS OR WHATEVER. YOU HAVE NO CHOICE. THOSE ARE BLUE
CHIPS. WE'RE UNDER A LOT OF PRESSURE AS FUNDERS TO
SATISFY OUR BOARDS. THEY ARE LOOKING FOR BLUE CHIPS.
THEY FEEL UNCOMFORTABLE MAKING INVESTMENTS IN UNKNOWN
ORGANIZATIONS. AND TO A CERTAIN EXTENT WE HAVE
CULTIVATED A CULTURE OF THE NEW AND THE DESIRE FOR THE
NEW AMONG OUR BOARDS, AND WE HAVEN'T DONE OUR JOBS AS
GRANT MAKERS ON EDUCATING OUR BOARDS, BUT THERE'S A
LITTLE BIT. I MEAN PART OF THE UNEVENNESS OF THE
PLAYING FIELD IS THE OPPOSITE DIRECTION. I THINK YOU
CAN FIND SOME COMMON GROUND WITH FUNDERS. IF YOU WANT
TO DO SOMETHING IN A CERTAIN AREA IN THIS TOWN, HOW

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117

MANY -- AND YOU DID AN RFP HOW MANY ORGANIZATIONS COULD
RESPOND? DO YOU KNOW WHAT I MEAN?

THE SPEAKER: I TOTALLY AGREE. I THINK
MOST OF THE FUNDERS ARE VERY POSITIVE. THE DILEMMA IS
I THINK WHEN YOU TALKED ABOUT NONPROFIT VERSUS PROFIT,
THE MOTIVATION OF THE PROFIT IS PROFIT. THE MOTIVATION
OF THE NONPROFIT ARENA IS ENOUGH MONEY TO DO THE
MISSION THAT WE HAVE. BUT IT STILL ENDS UP BEING ABOUT
PROFIT, ABOUT MONEY. SO THE CONVERSATION GETS
DISTORTED IN TERMS OF WHERE THE EXPERTISE LIES. WE'RE
CAPTIVE TO THE MONEY SO WE'RE THERE FOR -- WE'RE
CAPTIVE TO THE EXPERTISE.

DR. LIGHT: THEY ARE TOO. THE FUNDERS ARE
TOO. THE WAY I TALK TO FUNDERS ABOUT THIS WHERE THEY

Day of Learning transcript

ARE IN THIS ROOM AND ELSEWHERE, I SAY LOOK, YOU DON'T WANT TO BE FUNDING JUST THE 501 (C) (3)S THAT HAVEN'T BEEN ABLE TO GET OUT FROM UNDER YOUR THUMB. THERE ARE A LOT OF C) (3)S THAT ARE INVOLVED IN ALTERNATIVE REVENUE AND ARE GOING TO FEE FOR SERVICE OR THEY ARE DOT COMING THEMSELVES. THERE WAS A LOT OF THAT IN THE EARLY 2000S, LATE '90S, THE FUNDER HAS TO FIND ORGANIZATIONS THAT CAN DELIVER. IF THEY DON'T WORK WITH YOU, YOU ARE JUST LEFT WITH A SERIES, SORT OF, WHAT IS IT, A RACE TO THE BOTTOM. IF THE FUNDERS DON'T WORK WITH YOU ON ISSUES OF WORK FORCE DEVELOPMENT AND

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118

RECRUITMENT, YOU KNOW WE'RE GOING TO BE LEFT WITH A NONPROFIT SECTOR WHERE YOU ARE GOING TO BE MAKING INVESTMENTS AND THEY ARE ALL GOING TO BE PUTZES, THERE ARE SOME SERIOUS ISSUES FACING THE SECTOR. IF YOU ARE NOT TALKING ABOUT WHERE IT IS NOT ABOUT THE MONEY, WE'RE TALKING ABOUT THE WORK AND FUTURE, I WILL TELL YOU THE MOST POWERFUL WAY OF FRAMING THIS CONVERSATION IS TO TALK ABOUT WHAT KANSAS CITY IS GOING TO LOOK LIKE 20 YEARS FROM NOW, WHAT ARE DEMOGRAPHIC PUSHES ON WORK FORCE ON WHAT THE CITY AND COMMUNITY ARE GOING TO LOOK LIKE, BRING IT BACK TO THE PRESENT AND TALK ABOUT WHAT KIND OF SECTOR YOU NEED TO GET THERE, WHAT KIND OF ORGANIZATIONS YOU NEED, WHAT THEY ARE LOOK TO LOOK LIKE, DO WE NEED STRATEGIC ALLIANCES HERE, THERE AND SO FORTH. THAT'S ONE WAY TO GET IT OUT OF THE

Day of Learning transcript
CONVERSATIONS. I'VE BEEN TALKING WITH PHILANTHROPIC ORGANIZATIONS IN A CITY CERTAIN THAT HAS A BETTER BASEBALL TEAM THAN THE CITY THAT I AM IN, ALTHOUGH THEY ARE REALLY NOT THAT MUCH BETTER. THEIR PHILANTHROPIC ORGANIZATIONS DON'T LIKE TO HAVE JOINT MEETINGS WITH THE GRANTEES BECAUSE THEY ARE ALWAYS HITTING ON THEM FOR MONEY. CAN WE HAVE A GENUINE OPPORTUNITY TO TALK? THAT MIGHT MEAN WE ALL SIT DOWN AND SAY WE'VE GOT TOO MANY NONPROFITS. WE NEED SOME MERGERS AND ACQUISITIONS. WE ALSO NEED TO MAKE SURE THAT

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119

INNOVATION CAN OCCUR WITH SOME SORT OF INNOVATION INVESTMENT FUNDS AND SO FORTH, AND WE'LL TAKE JOINT RESPONSIBILITY FOR IT. YOU HAVE JUST GOT TO WORK THAT ISSUE SO YOU GET IT OFF THE MIND BECAUSE IT IS A VERY, VERY DIFFICULT CIRCUMSTANCE TO BE IN ON BOTH SIDES.

THE SPEAKER: WOULD YOU STAY WITH THAT JUST FOR A MINUTE BECAUSE YOU TALKED THIS MORNING ABOUT THE TRAGEDY OF THE COMMONS AND YOU HAVE JUST ADOPTED A FRAME OF REFERENCE THAT LOOKS AT THE QUALITY OF LIFE OF THE WHOLE COMMUNITY. WHAT'S GOOD FOR KANSAS CITY? WE DON'T -- WE HAVE NOT HAD THE ABILITY TO BRING GOVERNMENT AND BUSINESS AND NONPROFITS TOGETHER TO ANY COMMON TABLE. WE'VE NOT HAD FUNDERS TALKING TO EACH OTHER. WE HAVE A DATA BASE OF INFORMATION DOWN AT OUR MID-AMERICA REGIONAL COUNCIL, BUT I'M NOT AWARE OF ANY FUNDERS OR NONPROFITS USING IT TO MAKE THEIR DECISIONS. MY QUESTION IS, ARE YOU AWARE OF ANY OTHER COMMUNITY IN

Page 113

Day of Learning transcript

THE UNITED STATES WHERE THERE IS ANY STRUCTURED PROCESS BY WHICH FUNDERS AND NONPROFITS LOOK TOGETHER AT COMMON DATA ABOUT QUALITY MEASURES IN THEIR COMMUNITY AND THEN MAKE FUNDING DECISIONS AROUND IT?

DR. LIGHT: YEAH. I AM. I'M TRYING TO THINK OF WHAT WOULD BE USEFUL HERE. YOU KNOW, I THINK MINNESOTA ASSOCIATION OF NONPROFITS IS DOING A VERY GOOD JOB CONVENING DIALOGUES ABOUT THIS AND HAS BEEN

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120

STRONG ADVOCATE IN THE FACE OF DAUNTING BUDGET PRESSURE AT THE STATE LEVEL OF MAINTAINING THE FUNDING BASE FOR THE NONPROFIT SECTOR. THEY ACTUALLY MOUNTED A CAMPAIGN LAST YEAR TO STOP GOVERNOR VENTURA FROM IMPOSING ACROSS-THE-BOARD 5% CUTS AND WERE SUCCESSFUL IN DOING SO. I TALK TO LOTS -- I GO TO LOTS OF COMMUNITIES WHERE THERE ARE STRONG ASSOCIATIONS OF NONPROFITS THAT, YOU KNOW, TRY TO GET THIS CONVERSATION GOING WITH THEIR COUNCIL ON FOUNDATIONS OR THEIR REGIONAL AREA GRANT MAKERS. YOU DON'T HAVE A RAG RIGHT NOW HERE IN KANSAS CITY, I DON'T THINK, AND I DON'T THINK YOU HAVE A MANAGEMENT SUPPORT ORGANIZATION THAT'S UP AND RUNNING. IN FACT, THE BACKBONE OF YOUR THIRD SECTOR INFRASTRUCTURE IS PRETTY WEAK, I'D SAY. NOW, THAT'S JUST ONE PERSON WHO HAS COME THROUGH TOWN A FEW TIMES. BUT ENOUGH TIMES TO NOTICE WHAT'S NOT HERE. YOU DON'T HAVE A STRONG STATE ASSOCIATION OF NONPROFITS, RIGHT? YOU HAVE GOT THIS BIFURCATION OF THE STATE BETWEEN

Day of Learning transcript
KANSAS CITY AND ST. LOUIS AND NOTHING IN BETWEEN EXCEPT
COLUMBIA AND THE GRAVE STONE. I LOVE COLUMBIA AND THE
TRUMAN SCHOOL. ONE OF THE THINGS HERE IS WHAT'S YOUR
BACKBONE? WHERE IS IT? I MEAN YOU HAVE GOT DAVID RENZ
AND HIS CENTER, AND YOU HAVE GOT SOME OTHER PEOPLE AT
THE UNIVERSITY. YOU HAVE GOT SOME BENEFACTORS WHO CARE
DEEPLY ABOUT THE COMMUNITY. YOU HAVE GOT PROBLEMS TO

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121

SOLVE AND MONEY IS COMING THROUGH. YOUR COMMUNITY
FOUNDATION HAS GONE FROM 100 MILLION TO 800 MILLION
OVER THE LAST FIVE YEARS. WHAT IS GOING ON THERE? IT
SOUNDS TO ME LIKE A GOOD RESOURCE.

THE SPEAKER: THEY WEREN'T HERE TODAY.

THE SPEAKER: THEY ARE NOT ONLY NOT HERE
TODAY, BUT THEIR PHILOSOPHY HAS CHANGED IN -- YOU KEPT
SAYING OVER AND OVER AGAIN THAT WE SHOULD BE STEWARDING
A NOT-FOR-PROFIT INTO THE RIGHT DIRECTION, THEY WILL
NOT DO THAT. THEY ARE TO PROTECT THE FUNDS OF THE
DONOR-ADVISED FUNDS. THAT IS THEIR MISSION. AND I WAS
TOLD THAT THIS WEEK.

DR. LIGHT: LET ME TELL YOU SOMETHING ABOUT
-- YOU CAN QUOTE ME CHAPTER AND VERSE ON THAT.
COMMUNITY FOUNDATIONS THAT ARE DOING DONOR-DIRECTED
FUNDS AND CALLING IT DONOR-ADVISED FUNDS ARE PART OF
THIS DEBATE IN WASHINGTON RIGHT NOW. PART OF THE
DEBATE IN WASHINGTON RIGHT NOW. IF A COMMUNITY
FOUNDATION OR DONOR-ADVISED FUND HOLDER IS NOT ADDING
VALUE, THERE IS A SERIOUS PROBLEM THERE THAT I THINK

Day of Learning transcript

CONGRESS IS GOING TO GET INTO. I MEAN THERE'S LOTS OF CONVERSATION IN WASHINGTON RIGHT NOW ABOUT DONOR-DIRECTED FUNDS THAT ARE DISGUISED AS DONOR-ADVISED FUNDS. I HAPPY TO THINK THAT LARRY JACOB AND IN MY TALKING WITH HIM, YOU KNOW, HE'S THE VP,

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122

EXECUTIVE VP. HE SEEMS OPEN TO A CONVERSATION. I THINK THAT YOU -- I THINK YOU HAVE GOT SOME ISSUES TO DEAL WITH HERE WHERE YOU HAVE GOT TO BUILD A FORUM OR SOMEPLACE WHERE YOU CAN HAVE AN HONEST CONVERSATION AND TRY TO WORK THIS THROUGH. AND I THINK IN KANSAS CITY AS OPPOSED TO, LET'S SAY, ST. LOUIS WHERE YOU HAVE METROPOLITAN ASSOCIATION OF PHILANTHROPY AND YOU HAVE SOME INFRASTRUCTURE THERE, YOU NEED SOME INFRASTRUCTURE HERE TO START WITH. THERE IS SOME INFRASTRUCTURE. I DON'T WANT TO BASICALLY SAY THERE'S NOTHING. BUT YOU START TALKING WITH FOLKS AND YOU ARE REALLY, I CAN FEEL THE HEAT.

THE SPEAKER: THAT'S WHO I TALKED TO ON TUESDAY.

DR. LIGHT: I CAN FEEL THE HEAT.

THE SPEAKER: ONLY BECAUSE IT CHANGED, THE PHILOSOPHY DRAMATICALLY CHANGED. ONE DAY IT WAS ONE WAY AND THE OTHER WAY IT WAS THE OTHER WAY, AND NO ONE EVER ANNOUNCED THAT TO THOSE OF US WHO WILL WORKING WITH THEM ON PROJECTS. THEY LEFT US HIGH AND DRY.

MR. RENZ: PAUL, WE ACTUALLY HAVE HELD

Day of Learning transcript
FORUMS WHERE THE COMMUNITY FOUNDATION HAS TOLD THE
COMMUNITY MORE OR LESS WHAT YOU HAVE JUST HEARD. THERE
ARE SPECIFIC AREAS WHERE THEY WILL DO GRANT MAKING WITH
THE UNRESTRICTED MONEY WE HAVE BUT THEY ARE

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123

CONSTRAINED, WHICH THEY FOUNDED, WE ACTUALLY HAVE HAD A
NUMBER OF INITIATIVES WHERE NONPROFITS AND FUNDERS HAVE
GOTTEN TOGETHER TO DETERMINE WHAT KANSAS CITY NEEDS BUT
IT IS LIKE YOUR THEATRE, WE HAVE FIVE STRATEGIC PLANS
FOR THE COMMUNITY, EACH WITH ITS OWN LITTLE POCKET OF
FUNDERS BUYING IN ITS OWN CONSTITUENCY OF NONPROFIT
OPERATING ORGANIZATIONS AND IT ENDS UP FRAGMENTING IN
OTHER WAYS, BUT THE COMMUNITY FOUNDATION HAS BEEN VERY
DIRECT IN SAYING BASICALLY WE ARE A DONOR-DRIVEN
ORGANIZATION. OUR CUSTOMER IS THE DONOR, NOT THE
AGENCY.

DR. LIGHT: WELL, AND I'M SAYING THAT THAT
IS NOT A SUSTAINABLE POSITION FOR THE LONG HAUL FOR
COMMUNITY FOUNDATIONS. NOT BECAUSE I HAVE ANY
DISRESPECT FOR THE COMMUNITY FOUNDATIONS. IT IS JUST
THERE IS A REGULATORY STEAM ENGINE, AND I'M LOOKING AT
LINDA HERE COMING AND IT'S GOING TO TAKE ON THE
COMMUNITY AND DONOR-ADVISED FUND. THERE WILL BE
REGULATION ON THAT FOR SURE. BUT LOOK, I MEAN WHAT YOU
HAVE TO STRUGGLE WITH IS HOW TO ADVANCE THE
CONVERSATION PAST THIS CONFLICT. I AM NOT A CONFLICT
NEGOTIATION GUY, CONFLICT OF VERSE. I TOOK EMOTIONAL
INTELLIGENCE TEST AND I HAVE VERY LITTLE, AND ALTHOUGH
Page 117

Day of Learning transcript

I SCORED VERY HIGH ON HUMILIATING MYSELF. SO I DON'T KNOW WHAT YOU DO HERE.

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124

BUT I MEAN IF YOU ARE AT LOGGERHEADS ON THESE ISSUES, YOU HAVE GOT TO FIGURE OUT A WAY TO GET A BREAKTHROUGH. AND I DON'T KNOW WHAT IT WOULD BE. BUT YOU HAVE GOT A LOT OF TRANSITIONING HAPPENING HERE WITH THE KAUFFMAN FOUNDATION AND YOUR COMMUNITY FOUNDATION AND SO FORTH, AND THESE ARE BIG ISSUES TO TALK ABOUT. AND I'M SENSING THAT YOU ARE ALL LOOKING FOR SOME HELP EVEN TO KNOW WHAT'S HAPPENING. THERE ARE SOME UNCERTAINTIES OUT THERE BECAUSE THERE ARE TRANSITIONS UNDER WAY. I FEEL FOR YOU, AND I THINK IT IS GOOD TO HEAR THAT YOU ARE DOING SOME FORUMS HERE. BUT I THINK YOU HAVE GOT SOME WORK TO DO IN TERMS OF DEVELOPING SOME INFRASTRUCTURE.

THE SPEAKER: I'M PRETTY CLOSE TO SOME OF THESE REPORT PEOPLE IN THE COMMUNITY, AND I KNOW OF ONE SITUATION WHERE IT IS A PROMINENT ORGANIZATION THAT'S BEEN IN EXISTENCE FOR A VERY LONG TIME AND THE PEOPLE IN THAT ORGANIZATION HASN'T GOTTEN ANY MONEY, SAY, FOR SEVEN MONTHS. THE HEAD OF THE DEPARTMENT GOT STATE MONEY WHICH, OF COURSE, THEY HAVE TO DIVIDE BETWEEN THE DIFFERENT MISSOURI STATES. KANSAS CITY IS THE LARGEST PERCENTAGE OF THE INDIGENT PEOPLE AND THAT CHAPTER, SO TO SPEAK, HAS NOT GOTTEN ANY MONEY FOR THE ENTIRE YEAR. HERE WE ARE IN THE MONTH -- WELL, I THINK FOR SIX OR

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125

MONTHS AND HERE POOR PEOPLE CAN'T GET MONEY -- THESE ARE SICKLE CELL, IF YOU WANT TO KNOW. THEY CAN'T GET MONEY TO GIVE TO THE PARENT TO KEEP LIGHTS ON, TO KEEP GAS ON, TO BUY FOOD. THE STATE ISN'T GIVING THEM ANY MONEY. THEY AREN'T REALLY PREVALENT AS FAR AS FUNDING IS CONCERNED. WHERE DO THEY GO? I HAD ONE REPUBLICAN DOCTOR TELL ME THAT THEY DON'T THINK THAT WE SHOULD GIVE ANY MONEY TO WELFARE. AND I SAID, WHY? HE SAYS, LET'S LET YOUR RICH ORGANIZATIONS TAKE CARE OF IT. THERE ARE SO MANY WONDERFUL, RICH ORGANIZATIONS IN KANSAS CITY, BUT THEY ARE NOT FEEDING THESE CHILDREN AND NEITHER IS THE STATE. NOW WHAT DO WE DO?

DR. LIGHT: WELL, I THINK WE STARTED THIS MORNING WITH AN AWARENESS THAT THIS IS AN EXTRAORDINARY MOMENT IN NONPROFIT TIME IN TERMS OF FUNDING BASE, PUBLIC SCRUTINY, DEMAND. I'VE NEVER SEEN ANYTHING LIKE IT. I CAN'T FIND ANY EXAMPLES OF IT DATING BACK AS FAR AS I CAN LOOK HISTORICALLY IN TERMS OF THE MODERN POST DEPRESSION COMMITMENT THAT WE'VE HAD TO HELPING THE LESS FORTUNATE. BUT HOW DO WE CONVERT THIS? I MEAN WHAT DO YOU DO WITH AN ORGANIZATION THAT -- ARE YOU SAYING THEY HAVE NOT GOTTEN PAID BUT THEY LEGITIMATELY CAN CLAIM PAYMENT? WHAT HAS THEIR BOARD DONE IN TERMS OF A LINE OF CREDIT TO SUSTAIN THEM DURING THESE LEAN TIMES? I MEAN I DON'T KNOW. I WOULD HAVE TO TAKE A

LOOK AT THE ORGANIZATION ITSELF. BUT WHAT YOU ALL HAVE TO DO, I THINK, IS WHAT BETSY WAS SAYING THIS MORNING. HOW DO YOU TURN YOUR EYE TOWARDS THE FUTURE AND START IMAGINING SOME DEVICES FOR THINKING ABOUT THIS IS A MOMENT OF CHALLENGE, HOW DOES THE NONPROFIT SECTOR RESPOND? IS THERE POSSIBLE FOR STRATEGIC ALLIANCE THAT YOU CAN MAKE? IN MANY CITIES IT IS THE RICH THAT GET RICHER. IN TERMS OF NEW YORK CITY WHEN WE LOOK AT HIGH-PERFORMING NONPROFITS, YOU DON'T LEARN ANYTHING FROM THE METROPOLITAN MUSEUM OF ART. WHAT YOU CAN LEARN IS YOU CAN BE HIGH PERFORMING IF YOU HAVE GOT BEAUCOUP BUCKS AND LOTS OF ART. THAT'S OFTEN THE CASE. YOU HAVE GOT TO WORK THESE PROBLEMS, I THINK, AS MORE OF A COMMUNITY OF ORGANIZATIONS AND SEE WHAT YOU ARE DOING. I DON'T KNOW ANYTHING ABOUT THE ORGANIZATION YOU ARE TALKING ABOUT IN TERMS OF WHAT THE ORGANIZATION'S STRENGTHS OR WEAKNESSES ARE, SO I CAN'T DIAGNOSE IT FOR YOU IN TERMS OF WHAT YOU MIGHT DO.

I CAN JUST SAY THIS IS A VERY DIFFICULT TIME. WE'VE GOT A CHOICE IN FRONT OF US ABOUT WHETHER WE TREAT THIS AS A MOMENT OF OPPORTUNITY TO DO SOME VERY HARD WORK OR HUNKER DOWN AND TRY TO GET THROUGH IT. THE ORGANIZATIONS THAT YOU HAVE COME TO ADMIRE OVER THE YEARS DURING PERIODS LIKE THIS TEND TO PHASE INTO THIS OUTSIDE WORLD AND HARNESS THIS PRESSURE TO FOCUS THEIR

ATTENTION AND MOVE FORWARD. BUT IT IS EASY FOR ME TO SPOUT THAT WISDOM. IT IS NOT VERY EASY FOR ME TO GIVE YOU A SPECIFIC ANSWER TO YOUR QUESTION HERE.

MR. JOHNSON: HAROLD JOHNSON, COMMERCE BANK. QUESTION I HAD. WE MEET WITH A LOT OF ORGANIZATIONS THAT IN LIGHT OF ECONOMIC TIMES HAVE TAKEN THE STANCE OF BRINGING ON DEVELOPMENT OFFICER, SOMEBODY IN THESE TIMES AND THEN ALSO THERE ARE ORGANIZATIONS THAT ARE IN THE MIDST OF CAPITAL CAMPAIGNS AND A FEW YEARS AGO THEY NEEDED THREE OR FIVE-YEAR CAMPAIGN WAS IN A DIFFERENT PLACE AND NOW THEY ARE IN THE MIDST OF THIS SAME. WHAT ADVICE DO YOU GIVE WITH REGARDS TO FUND RAISING, CAPITAL CAMPAIGNS, SHOULD THEY STOP? SHOULD THEY CHANGE THEIR PLAN AND SHOULD THEY BRING A DEVELOPMENT OFFICER NOW IN LIGHT OF THE ECONOMIC CONDITIONS THAT WE FACE RIGHT NOW?

DR. LIGHT: I THINK IT IS A GREAT TIME TO PRESS ON. WHAT IS THE ALTERNATIVE? NOW, YOU HAVE GOT TO THINK ABOUT WHETHER YOU ARE DEALING WITH THE ZERO SUM GAME HERE. IS THERE A FIXED AMOUNT OF INCOME THAT YOUR ORGANIZATIONS CAN RAISE IN THIS AREA OR CAN WE MAXIMIZE OR INCREASE THE POTENTIAL YIELD? CAN WE GET THE KANSAS CITY CORPORATE COMMUNITY TO ADOPT A 5% RULE OR 2% RULE OR CREATE SORT OF A GIVING CLUB OR A GIVING ATTITUDE? WHEN AN ORGANIZATION COMES TO ME RIGHT NOW

Day of Learning transcript

AND SAYS, YOU KNOW, WE'RE THINKING ABOUT HIRING A DEVELOPMENT OFFICER AND THAT'S OUR PATH OUT OF TROUBLE. MY ANSWER IS OKAY. THAT'S A GOOD IDEA. WHAT ARE YOU GOING TO RAISE MONEY FOR? IS IT THAT YOU JUST WANT TO INCREASE YOUR NUMBER OF COLD CONTACTS OR IS IT THAT YOU WANT TO MAXIMIZE YOUR FUND-RAISING LETTERS AND APPEALS? HOW IS THAT PERSON INTEGRAL TO THE ACCOMPLISHMENT OF YOUR STRATEGIC GOAL AS AN ORGANIZATION? I CAN SEE CIRCUMSTANCES UNDER WHICH HIRING A DEVELOPMENT OFFICER WOULD BE AN ACT OF DESPERATION AND WOULD NOT BE THE RIGHT NEXT MOVE. I CAN SEE OTHER SITUATIONS WHERE IT MAKES PERFECT SENSE AS PART OF A NATURAL PROGRESSION IN THE GROWTH AND MOVEMENT TOWARDS RESILIENCY. IF I WAS IN A CAPITAL CAMPAIGN, I WOULD KEEP KICKING DOWN DOORS. THERE IS MONEY OUT THERE. WE'RE TALKING ABOUT EITHER STEADY STATE OR MAYBE A LOSS OF ONE OR 2% IN REAL DOLLARS THIS YEAR. I MEAN THAT IS NOT A CATASTROPHE. IT IS NOT A GOOD SITUATION. IF YOU HAVE GOT YOUR SCIENCE CENTER AND YOUR ARTS CENTER AND YOUR UNIVERSITY AND YOUR DIFFERENT ORGANIZATIONS ALL IN CAPITAL CAMPAIGNS AT THE SAME MINUTE, YOU HAVE GOT A PROBLEM. YOU KNOW WHO IS GOING TO GET THE MONEY? IT IS WHOEVER IS THE BIG ORGANIZATION IN TOWN THAT'S TRYING TO RAISE. I'VE SEEN THAT HAPPEN IN COMMUNITIES. IF YOU ARE IN A CAPITAL CAMPAIGN RIGHT NOW IN THIS ECONOMY, I WILL TELL

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Day of Learning transcript

YOU SOMETHING, JUST KEEP ON GOING. I MEAN IT IS NO TIME TO FOLD THE TENT, I THINK, AND IT IS TIME, I'M LOOKING AT YOU AGAIN FOR VERY HARD CONVERSATIONS ABOUT WHETHER THIS IS A GOOD OPPORTUNITY TO DO SOME STRATEGIC ALLIANCES, WHETHER WE HAVE SOME OPPORTUNITIES HERE TO REDUCE SOME DUPLICATION PERHAPS OR HELP SOME NONPROFITS FIND THEIR WAY, YOU KNOW, INTO A DIFFERENT STATUS. I THINK THAT'S PART OF A MOMENT LIKE THIS. IT IS NOT ALWAYS A BAD OUTCOME. I DON'T KNOW WHETHER YOU HAVE TOO MANY NONPROFITS OR TOO FEW HERE IN KANSAS CITY. I'M HEARING ABOUT ONE THAT ISN'T GETTING ITS MONEY. BUT THESE MOMENTS ARE OPPORTUNITIES FOR US TO FOCUS OR ATTENTION. I DON'T KNOW. JANINE HAS A RESPONSE.

MS. LEE: I HAVE A COUPLE OF THOUGHTS ABOUT THIS CONVERSATION. IT SEEMS TO ME THAT WE WANT KANSAS CITY'S NONPROFIT SECTOR TO BE GREAT. WE WANT TO MOVE, IF YOU WILL, FROM BEING GOOD TO BEING GREAT. IN ORDER FOR US TO DO THAT, IT JUST SEEMS TO ME BASED ON THINGS THAT I'VE HEARD IN HERE, WHICH ARE INTERESTING PARALLELS TO KIND OF SOMETIMES MISUNDERSTANDINGS OR LACK OF UNDERSTANDING THAT I HEAR AT TIMES IN THE FUNDERS FORUM FROM SOME OF MY COLLEAGUES. IT IS IMPORTANT, SOMETIMES, THAT SOME OF US ARE THERE. FOR EXAMPLE, BETH OR MYSELF OR OTHERS THAT CAN HELP CLEAR UP SOME OF THESE MISUNDERSTANDINGS FOR SOME OF THE

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130

COLLEAGUES THAT MAY NOT HAVE QUITE THE RIGHT PERSPECTIVE ON A NONPROFIT OR A SERIES OF THEM. BUT IT

Page 123

Day of Learning transcript

SEEMS TO ME HERE I'VE ALREADY HEARD SOME THINGS THAT JUST AS AN EXAMPLE, LARRY, YOU WERE SAYING EARLIER WITH THE MID-AMERICA REGIONAL COUNCIL, THAT YOU DIDN'T KNOW OF ANY NONPROFITS OR FUNDERS THAT WERE USING THE PROGRESS REPORTS THAT THEY DID WHEN, IN FACT, WE NOT ONLY FUNDED IT, WE INITIATED IT THROUGH THE KAUFFMAN FOUNDATION WORKING WITH FRANK HINGE, THE ECONOMIST THERE AT MARC. I REALLY FEEL LIKE WE NEED A PLACE WHERE WE CAN CONTINUE THIS DIALOGUE SO WE CAN COME TO RESOLUTION AND FIGURE OUT TOGETHER HOW TO CLEAR UP SOME OF THESE THINGS AND ALSO HOW TO MOVE FORWARD. WHAT I WOULD LIKE TO OFFER IS IF WE COULD IDENTIFY AN INTERMEDIARY SUCH AS MIDWEST CENTER OR GREATER KANSAS CITY COUNCIL ON PHILANTHROPY OR ANY INTERMEDIARY THAT WOULD BE WILLING TO KIND OF LEAD THIS CONTINUED DISCUSSION, I WOULD BE HAPPY TO HELP SUPPORT IT AND HOST IT EVEN AT THE KAUFFMAN FOUNDATION OR WHEREVER YOU WOULD LIKE IN ORDER TO CONTINUE THIS BECAUSE WE DON'T HAVE A PLACE, IT SEEMS, IN KANSAS CITY, WHERE WE CAN CONTINUE THIS KIND OF DIALOGUE.

THE SPEAKER: I THINK THAT WAS JUST A WONDERFULLY GENEROUS OFFER, BUT PART OF MY VIEW OF THE MACROCOSM AND THE FUNDERS IN KANSAS CITY IS WE'RE

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131

EXTREMELY DIVERSE AND HAVE VERY DIVERGENT VIEWS, AND WE PROBABLY NEED TO GET OUR ACTS TOGETHER WITHIN OUR OWN SUB SECTORS IN ORDER TO BE ABLE TO COME AND HAVE

Day of Learning transcript
EFFECTIVE DIALOGUE. BUT ON A MICROCOSM LEVEL I'M VERY INTERESTED IN SOME OF THE THINGS YOU HAD TO SAY ABOUT HOW DO YOU GET DOWN THE PATHWAY?

IF I HEARD YOU CORRECTLY THERE WERE FOUR ELEMENTS THAT YOU MENTIONED. ONE HAD TO DO WITH THE QUALITY OF THE STAFF, BOARDS AND LEADERSHIP, ANOTHER ONE HAD TO DO WITH HUMAN CAPITAL BEING ESSENTIAL AND ANOTHER ONE HAD TO DO WITH LEADERSHIP DEVELOPMENT AND THEN THE LAST WAS PERSEVERE. IT SEEMS TO ME THAT THE THREE FUNDAMENTAL ITEMS THAT YOU TALKED ABOUT ARE PEOPLE. I'M WONDERING TAKING THE MICROSOFT COMMENT, IS IT JUST THE PEOPLE STUPID? I MEAN IS THAT WHERE WE ARE WITH FIX THE PEOPLE PART OF IT IS THE PRIORITY THAT YOU ARE PROMOTING IN ORDER TO MOVE DOWN THE PATHWAY? AM I MISSING SOMETHING OF WHAT YOUR MESSAGE WAS?

DR. LIGHT: I THINK THAT OUR ASSET RIGHT NOW IS, IN FACT, OUR PEOPLE. AND I THINK THAT PART OF THE ISSUE IS TO WORRY ABOUT MAINTAINING AND INCREASING THE IMPACT OF OUR PEOPLE. I THINK THE NONPROFIT WORK FORCE IS AN EXTRAORDINARY WORK FORCE AND THAT WE HAVE TO WORRY ABOUT PROPERLY RESOURCING IT. PART OF NURTURING HUMAN CAPITAL IS, IN FACT, IS TO GIVE OUR

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132

WORK FORCE THE CHANCE TO DO WHAT THEY CAME TO WORK TO DO. IT IS NOT TO BLAME THE PEOPLE. IT IS, SAY, HERE IS AN ASSET WE HAVE. IT IS A BETTER WORK FORCE THAN ANY WORK FORCE I'VE SEEN. WE'VE DONE A LOT OF STUDY ON THIS. BUT IT IS ALSO THE MOST STRESSED AND

Day of Learning transcript

UNDERRESOURCED OF ANY WORK FORCE WE'VE SEEN, THAT THE QUESTION THEREFOR BEING WHAT ARE WE DOING TO HUMAN CAPITAL, WHAT DOES IT MEAN TO BE IN THE NONPROFIT SECTOR? I THINK THAT IS MY MAIN MESSAGE. THERE'S A LOT MORE DETAIL COMING IN TERMS OF INTERVENTIONS AND SO FORTH. I LIKE TO START FROM THE PROPOSITION THAT EVERY NONPROFIT BEGINS ITS LIFE RIGHTLY ORIENTED AND WANTING TO MAKE A DIFFERENCE. THEN SOME MANAGE TO PROGRESS ALONG DEVELOPMENTAL SPIRAL TOWARDS RESILIENCE AND HIGH-SUSTAINABLE IMPACT AND OTHERS GET STUCK ALONG THE WAY. SOME GET STUCK AT THE ORGANIC STAGE, AT THE VERY BEGINNING. THEY ARE IN INFANCY ALL THEIR LIVES AS AN ORGANIZATION. THEY DON'T HAVE THE UNDERGIRDING SYSTEMS. THEY DON'T HAVE A CLARITY OF MISSION. THEY DON'T CONFRONT THEMSELVES WITH HARD QUESTIONS ABOUT WHY THEY EXIST, AND THEY ARE JUST STUCK THERE. WE EITHER HAVE TO ADVANCE THEM OR WE HAVE TO HELP THEM FIND A WAY OUT OF THIS DIFFICULTY OF BEING UNABLE TO MOVE. THERE'S ANOTHER GROUP OF NONPROFIT, I'D SAY A VERY HIGH PERCENTAGE THAT ARE WHAT I CALL THE ENTERPRISING STAGE

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133

OF ORGANIZATIONAL DEVELOPMENT. THEY ARE ALL ABOUT INNOVATION, ENTREPRENEURSHIP AND THEY ARE MOVING, TREAD MILLING AND THEY ARE GETTING A LOT OF MONEY COMING THROUGH THE DOOR AND THEIR BIGGEST CHALLENGE IS HOW TO FOCUS, HOW TO FIGURE OUT WHAT THEY ARE DOING, REMEMBER WHY THEY CAME INTO WORK AND MOVE ON TO A MORE RESILIENT

Day of Learning transcript
STAGE OF ORGANIZATION. WE CAN TALK ABOUT CAPACITY
BUILDING IN THOSE WAYS AND THAT'S WHERE OUR RESEARCH IS
GOING. I THINK FOR THE SECTOR, I MEAN AT THE CORE OF
THIS IS THAT THE FUNDERS AND THE NONPROFITS ARE IN THIS
TOGETHER. WE MAY SEE IN THIS ROOM BIG DISTINCTIONS
BETWEEN THE GRANTEE AND THE GRANTOR. BUT OUTSIDE OF
THIS ROOM WE HAVE NOT -- I MEAN WE'RE ALL IN THE SAME
BOAT TOGETHER. WHEN WE MAKE MEANING OF THE SECTOR,
WHEN WE TRY TO EXPLAIN OURSELVES, I DON'T KNOW HOW MANY
OF YOU HAVE TRIED TO EXPLAIN WHAT THE NONPROFIT SECTOR
IS TO A FRIEND OR A COLLEAGUE, IT IS A HARD CONCEPT FOR
PEOPLE TO GET. YOU MEAN YOU ARE NOT DOING THIS, YOU
MEAN YOU ARE NOT THIS, HE DON'T DO A GOOD JOB OF
EXPLAINING OURSELVES AS THE SECTOR. WHEN I TALK ABOUT
NONSECTOR I'M TALKING ABOUT FUNDERS WHO ARE OBLIGED BY
FEDERAL TAX LAW TO SPEND THEIR MONEY ON GIFTS TO 501
(C) (3) CHARITABLE, EDUCATIONAL, SO FORTH INSTITUTIONS.
THEY ARE IN IT WITH US. OUR DISSENT TO SORT OF A
MINIMAL QUALITY, IF YOU GO THAT DIRECTION, TAKES THEM

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134

DOWN WITH US. SO WE'RE IN THIS TOGETHER IN A WAY THAT
YOU HAVE TO TALK ABOUT IT AGGRESSIVELY. YOU CAN TALK
WITH SUB SECTORS AND SAY WHY DO WE HAVE THE YOUTH
SUBSECTOR? WHY DO WE HAVE THIS OR THAT? ULTIMATELY
YOU NEED TO BE ABLE TO EXPLAIN YOURSELVES TO STATE
ATTORNEY GENERAL AND GOVERNOR AS THEY LOOK FOR WAYS OF
CUTTING BUDGET. IN GEORGIA FOR TWO YEARS RUNNING NOW
THE STATE HAS CUT GRANTS TO NONPROFITS BY 5% AT THE END
Page 127

Day of Learning transcript

OF THE FISCAL YEAR. SO THE NONPROFITS HAVE HAD TO GIVE BACK MONEY TO THE STATE. YOU WANT TO TALK ABOUT NOT GETTING PAID, HOW ABOUT NOT GETTING PAID AND HAVING IT GIVE IT BACK, WHICH IS WHAT'S HAPPENING. SO I MEAN PART OF THAT IS BECAUSE IN GEORGIA AND ELSEWHERE AROUND THE COUNTRY WE HAVEN'T DONE A GOOD JOB OF EXPLAINING OURSELVES. WE KNOW WHAT IT'S ABOUT OR WE THINK WE KNOW, BUT WE DON'T HAVE A FACE TO THE PUBLIC THAT'S CLEAR. THAT'S WHY THE FAITH-BASED INITIATIVE IN WASHINGTON MOVES FORWARD BECAUSE THERE'S A SUBTLE, NOT TOO SUBTLE INDICTMENT IN THE FAITH-BASED INITIATIVE OF THE NONPROFIT SECTOR, ALL OF THESE SECULAR, THEY ARE JUST BUREAUCRATS PUSHING PAPER. THE REAL PEOPLE WHO BEING DO THE JOB WHO ARE FAITH-BASED ORGANIZATIONS THAT CAN NOW BE ELIGIBLE FOR FUNDING. YOU NEED TO SEE THE INDICTMENT OF THE SECTOR PRESENT IN THAT PARTICULAR VIEW. THAT IS KIND OF A DOWNER. I CAN TALK ABOUT THE

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135

FUTURE OF SOCIAL SECURITY, IF YOU WANT. I USED -- I ACTUALLY DID SOME WRITING ON SOCIAL SECURITY AND I USED TO ARGUE IF THE BABY BOOM ONLY KNEW HOW BAD IT WAS, HALF OF THE BABY BOOMERS WOULD CHOOSE TO EXIT LIFE EARLY SO THAT THE PROBLEM WOULD DISAPPEAR. I MEAN IT IS NOT A GOOD LOOK.

MR. RENZ: PAUL, LET'S GO WITH ONE MORE QUESTION AND THEN WE'LL NEED TO WRAP UP.

DR. LIGHT: TWO MORE QUESTIONS.

Day of Learning transcript

THE SPEAKER: YOU JUST ASKED A QUESTION TO TALK ABOUT EXPLAINING OURSELVES TO THE REST OF THE NATION CALLING OURSELVES NONPROFITS. THIS MORNING -- MY NAME IS LEANN SMITH, BY THE WAY. THIS MORNING YOU SAID WHAT DOES IT MEAN TO BE NONPROFIT LIKE? WHAT DO WE ASPIRE TO? DO YOU THINK IT IS POSSIBLE THAT THE FACT THAT WE CALL OURSELVES BY WHAT WE'RE NOT, NONPROFITS, LEADS TO SOME OF THIS LACK OF SELF-ESTEEM OR LOW SELF-ESTEEM, THE FACT THAT WE CAN'T EXPLAIN OURSELVES AND THE FACT THAT IN REALITY WE DO PROVIDE GREAT PROFIT TO THE COMMUNITY, WE DON'T PROVIDE A FINANCIAL PROFIT, WE'RE ALLOWING OURSELVES TO BE CALLED BY SOMETHING THAT THE IRS HAS MADE A DESIGNATION AROUND, COMING UP WITH A NEW NAME, WOULD THAT HELP?

DR. LIGHT: THAT'S A GREAT QUESTION.

THE SPEAKER: I'VE BEEN ASKING IT FOR

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136

YEARS.

DR. LIGHT: I GET THAT QUESTION A FAIR AMOUNT. I OFTEN THINK OF RUTH WESTHEIMER WHOSE AUTHORITY ON THE PROPER SEED BETWEEN COUPLES IS TO GIVE THINGS A NAME. WE CAN COME UP WITH LOTS OF GOOD NAMES LIKE INDEPENDENT SECTOR, THIRD SECTOR, SOCIAL BENEFIT ORGANIZATIONS, ALL SORTS OF THINGS. IF WE DON'T HAVE A CLEAR MESSAGE TO THE PUBLIC ABOUT WHAT IT IS WE'RE DOING, IT DOESN'T MATTER. I WOULD SAY THAT THE LAST TWO YEARS HAVE BEEN ESSENTIALLY INVOLVED A SLOW HARDENING OF PUBLIC OPINION ABOUT NONPROFITS. I THINK

Day of Learning transcript

WHEN WE ASK THE QUESTION TWO YEARS AGO HOW MUCH CONFIDENCE DO YOU HAVE IN CHARITABLE ORGANIZATIONS OR DO CHARITIES SPEND MONEY WISELY, A SUBSTANTIAL PERCENTAGE OF AMERICANS DID NOT KNOW WHAT WE WERE TALKING ABOUT WHEN WE ASKED THOSE QUESTIONS. THE SECTOR IS BEING DEFINED RIGHT NOW. IT IS NOT ABOUT THE NEGATIVE WORD NONPROFIT. IT IS ABOUT THE NEGATIVE PERFORMANCE. AND THE SECTOR HAS BEEN WITHOUT REBUTTAL IN SAYING NO, WAIT A SECOND, YOU HAVE GOT IT WRONG. THERE ARE SOME POORLY PERFORMING NONPROFITS HERE. WE ACKNOWLEDGE THAT. BUT HERE IS WHAT WE DO. WE DO NOT DO A GOOD JOB OF TELLING THE STORY OF WHATEVER WE CALL OURSELVES. IT DOESN'T MATTER WHETHER WE CHANGE OUR NAME IF WE DON'T ASSOCIATE IT WITH A POSITIVE MESSAGE

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137

ABOUT WHAT WE DO. WE CREATE SOCIAL BENEFITS. WE CREATE COMMUNITIES, YOU KNOW, THAT IN WHICH CREATIVITY AND WHATEVER CAN SURVIVE AND THRIVE. I KEEP SAYING TO PEOPLE WHAT IS YOUR MESSAGE ON BEHALF OF THE SECTOR? IF YOU HAD TO WRITE A BUMPER STICKER ABOUT THE SECTOR WHAT WOULD IT SAY? MOST OF THE NONPROFIT PEOPLE I TALK TO SAY I'M NONPROFIT AND DAMN PROUD OF IT. I'M LIKE OKAY, BUT WHAT IS OUR MESSAGE? WHAT IS THE WAY WE WANT THE AMERICAN PUBLIC TO THINK OF THE SECTOR? IT DOESN'T MATTER WHAT WE'RE CALLED IF WE DON'T HAVE A MESSAGE BACKING IT UP THAT SAYS HERE IS WHAT WE DO AND HERE IS HOW YOU KNOW WE DO WHAT WE DO. I THINK THE SECTOR

Day of Learning transcript
RIGHT NOW IS IN A MOMENT WHERE THERE'S STILL GREAT
POTENTIAL TO RESPOND TO THE CRITIQUE, BUT, YOU KNOW,
THERE ARE A SERIES OF WORDS LIKE WE ARE ACCOUNTABLE, WE
ARE RESPONSIVE, WE ARE COMMITTED. WE HAVE THE BEST
DAMN WORKERS IN AMERICA, WHATEVER, BUT YOU DON'T HAVE A
MESSAGE RIGHT NOW TO COMMUNICATE WITH WHATEVER NAME WE
CALL OURSELVES. I REALLY THINK YOU WANTED TO ASK A
QUICK QUESTION.

THE SPEAKER: IT IS SORT OF GEOGRAPHICAL
YOU ARE TRYING TO TELL PEOPLE WHO WE ARE. WHAT WOULD
BE THE MOST EFFECTIVE LIKE LOCALLY, STATEWIDE,
NATIONALLY? FOR EXAMPLE, 2.2 MILLION IN KANSAS, 5.5
MILLION IN MISSOURI. AT WHAT LEVEL DO WE NEED TO BE

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138

WORKING TOWARDS?

DR. LIGHT: NATIONAL ORGANIZATIONS LIKE
INDEPENDENCE SECTOR ARE RESPONSIBLE AT THAT LEVEL.
GIVEN WHAT WE'VE BEEN TALKING ABOUT TODAY, IT IS ABOUT
KANSAS CITY. ALL OF YOUR PASSION IS AROUND THIS
COMMUNITY. I MEAN THAT'S A REAL POSITIVE SIGN OUT OF
THIS DIALOGUE WITH YOU SINCE I'VE BEEN HERE AND IN THE
PAST. IT IS REALLY THERE'S A REAL PASSION ABOUT
HELPING KANSAS CITY. SO GO WITH YOUR STRENGTH, THAT'S
WHERE I WOULD START. YOU DON'T HAVE TO TAKE CARE OF
ST. LOUIS. ST. LOUIS WILL JUST BECOME AN INDEPENDENT
STATE AND BE CLEAVED OFF FROM MISSOURI. FIGURE ABOUT
WHAT IS ABOUT HERE, WHAT IS THE NONPROFIT COMMUNITY
ABOUT HERE IN KANSAS CITY. THAT WOULD BE A QUESTION.

Day of Learning transcript

WHAT MESSAGE WOULD YOU LIKE THE CITIZENS OF KANSAS CITY TO THINK WHEN THEY HEAR THE WORD NONPROFIT OR WHEN THEY READ A STORY ABOUT A NONPROFIT THAT IS IN TROUBLE? WHAT YOU WANT THEM TO SAY IS THIS MAY BE TRUE ABOUT THAT NONPROFIT BUT THE VAST MAJORITY ARE DOING THIS, THIS AND THIS. THAT'S A MESSAGING CAMPAIGN AND THAT'S AGAIN A COLLECTIVE GOOD. IT IS NOT AN INDIVIDUAL GOOD. IT IS A COLLECTIVE GOOD.

THE SPEAKER: CHARITABLE INVESTING IN ADDITION TO CHARITABLE GIVING?

DR. LIGHT: IT COULD BE. I MEAN I DON'T

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139

KNOW. I HAVEN'T HEARD IT YET, BUT I WILL THINK ABOUT IT. I WILL READ YOUR PAPER. I REALLY HAVE ENJOYED BEING HERE. IT IS NOT THE FIRST TIME I'VE BEEN TO KANSAS CITY. IT MOST CERTAINLY WILL NOT BE THE LAST TIME. AND I APPRECIATE YOUR COMMITMENT TO THE COMMUNITY. I MEAN THE PASSION THAT YOU FEEL AND THE UPSET THAT I SEE IS BECAUSE OF YOUR PASSION ABOUT WANT TO GO MAKE A DIFFERENCE IN THIS COMMUNITY. SO GOOD FOR YOU. AND I WISH YOU THE BEST OF LUCK, AND I'VE LEARNED A LOT. SO IT'S BEEN A LEARNING DAY FOR ME. I'VE LEARNED THAT I CAN ACTUALLY MAKE IT THROUGH A DAY LIKE THIS, WHICH IS A GOOD THING. THANK YOU VERY MUCH.

MR. RENZ: I WOULD LIKE TO ASK YOU TO TAKE NOTE OF TWO THINGS. ONE YOU PROBABLY HAVE ALREADY NOTICED BUT THE YELLOW PAGES ON YOUR TABLE HAVE A FEW

Day of Learning transcript
REFERENCES, SOME BOOKS, SOME ARTICLES AND SOME WEBSITE
CONNECTIONS TO THINGS THAT PAUL HAS BEEN MADE REFERENCE
TO. WE TRIED TO ANTICIPATE WHAT YOU WOULD SAY AND PUT
THEM ON THE SHEET. WE DID OKAY ON THAT.

THE OTHER THING WE REALLY ASK YOU TO DO IS IF
YOU HAVE NOT YET COMPLETED AN EVALUATION FORM OR IF YOU
ARE FROM CHICAGO, FILL OUT THREE OR FOUR, VOTE EARLY,
VOTE OFTEN. WE DO ASK THAT YOU FILL OUT THE EVALUATION
AND FEEDBACK FORMS SO THAT WE CAN GET A SENSE OF WHAT
DID WORK, WHAT DID NOT WORK, WHERE YOU SEE US GOING IN

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140

THE FUTURE TO KEEP THIS GROWING AND DEVELOPING AS A
COMMUNITY DIALOGUE. I WANT TO THANK YOU VERY MUCH FOR
BEING WITH US TODAY. PAUL, THANK YOU AGAIN VERY MUCH
FOR YOUR EXCELLENT WORK.

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C E R T I F I C A T E

I, DEBORAH L. REITHMEYER, DO HEREBY CERTIFY
THAT I APPEARED AT THE TIME AND PLACE FIRST
HEREINBEFORE SET FORTH; THAT I TOOK DOWN IN STENOGRAPHY
THE ENTIRE PROCEEDINGS HAD AT SAID TIME AND PLACE; AND
THAT THE FOREGOING PAGES CONSTITUTE A ROUGH DRAFT
TRANSCRIPT OF MY STENOGRAPHY NOTES.

REGISTERED PROFESSIONAL REPORTER

Day of Learning transcript