Leading a Mission-Driven Organization

The Tools that Deliver the Best Return on Mission

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The Current Context

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INTRODUCTION

- Nonprofit organizations are in every since a business. They are designated as nonprofits because their business is not financial accumulation necessarily, but accumulation of their respective mission success.

- Therefore, a nonprofit must understand and accumulate the optimal potential of its mission outcome.
Return on investment (ROI) is performance measure used to evaluate the efficiency of investment. It compares the magnitude and timing of gains from investment directly to the magnitude and timing of investment costs. It is one of most commonly used approaches for evaluating the financial consequences of business investments, decisions, or actions.
Return on investment (ROM) is a performance measure used to evaluate the efficiency of mission outcomes. It compares the magnitude and timing of outcome gains from all resources including financial investment, time, and effort directly to the magnitude and timing of measurable impact. It is an important conceptual parallel to “ROI” for evaluating the mission consequences of financial contributions, goodwill, decisions, or actions.
TOOL 1

- Highly effective nonprofits cause its strategic leaders should focus on the consumer results to be achieved
  - For the Board

- Instead of focusing on activities the organization should be involved in
  - For the Staff

  Instead of engaging in programs and/or activities that don’t have a direct link to consumer results
TOOL 2

- Highly effective strategic leaders are about performance
  - For Boards
    - Instead of about posturing
  - For Staff
    - Instead of about robust pictures of thin results
TOOL 3

- Highly effective strategic leaders support knowledge-based decision-making
  - For Boards
    - Instead of about decision-making through political influence
  - For Staff
    - Instead of about decision-making that only has immediate and not strategic effects
TOOL 4

- Highly effective strategic leadership succession is about what skills do we need?
  - For Boards
    - Instead of succession being about, whom do we know?
  - For Staff
    - Instead of about the “key man” leader
TOOL 5

- Highly effective strategic leaders are about collaboration

- For Boards
  - Instead of command

- For Staff
  - Instead of about the “isolated purpose”
TOOL 6

- Highly effective strategic leaders are about teams
  - For Boards & Staff
    - instead of silos
Highly effective strategic leaders focus more on outcomes that result from all resources including time and effort, clearly stated outcomes and monitoring to increase leader effectiveness.

For Boards and Staff
- Instead of focus on how money is being spent alone
TOOL 8

- Highly effective strategic leaders try to deliver sustainability through strategic thinking, planning, and implementation of knowledge-based decision-making

- For Boards
  - Instead of being about maintenance

- For Staff
  - Instead of meeting need beyond mission and at the expense of mission
TOOL 9

- Highly effective strategic leaders focus on purpose, core values, and outcomes

- For Boards
  - Instead of being focused on requirements, activities, and hierarchical accountabilities

- For Staff
  - Through focus on activities, accountabilities, and compliance that drives mission outcomes
TOOL 10

- Highly effective strategic leaders focus on building high performance organizations that optimize the highest RETURN ON MISSION

- For Boards
  - Instead of being focused on programs

- For Staff
  - Through evidence of program effectiveness accountable in transformative results and significance as expressed in metrics
OPTIMAL “ROM”

- The distinction can be made between “good nonprofits” and “great nonprofits” by a characterization and fundamental understanding of:

  - The return on human development
  - The return of an organizational culture where leadership development is apparent at every level within the board and the staff
  - A culture that stimulates the greatest impact of the mission as a partner of others for collective impact
Thank You

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