

## CORE COMPETENCY 1

# THE RESULTS BUCKET

***We focus on results.*** We are not activity-driven; we are results-driven. We measure what we value, so we celebrate both the writing and the achieving of team-blessed standards of performance for every staff member, board member and volunteer. We also abandon dead horses and sacred cows.

### Strategic Balls in the Results Bucket

- 1 MANAGE for results.
- 2 FOCUS on outside results, not inside results.
- 3 PRIORITIZE results with S.M.A.R.T. standards of performance.
- 4 MEASURE your results.
- 5 SLOUGH OFF yesterday.

Whether you lead a for-profit company or you're the senior pastor of a church or you're a manager in a nonprofit organization, you must focus on results. If your water cooler conversations, board reports, donor letters, monthly updates and luncheon speech to the Rotary Club feature activities and anecdotes but not results, you're headed for disaster. If your sales people exceed their monthly goals for sales appointments but make no actual sales, that's not a sustainable business model. If your VP of development regularly golfs with the top donor prospects in town but never makes "the ask" and never brings back a check, what's the point? You must set performance goals that focus on results—not on activity.

In his 839-page book *Management: Tasks, Responsibilities, Practices*, Peter Drucker writes that the work of the manager involves five basic areas. Managers (1) set objectives, (2) organize, (3) motivate and communicate,

(4) measure results, and (5) develop people (including themselves).<sup>1</sup> These functions, when done well, equal stellar results.



## Ball #1: MANAGE for Results

*Allocate resources to opportunities—not problems.*

Peter Drucker saw the need for a simple yet rigorous tool that would help nonprofit and church leaders maximize their unique and important missions. So he created an assessment tool that is now titled *The Drucker Foundation Self-Assessment Tool*.<sup>2</sup>

They're known to many simply as the "Drucker questions." Used as levers to pry open and elevate your best thinking, the five questions will help you, your team members, your board and your boss find out where God is working—and how best to join up with Him.

When you can succinctly answer these critical questions, you'll have a ready-made 20-minute talk for any community group, new staff member orientation session, a volunteer briefing, or a one-on-one fundraising presentation. Most importantly, team-generated answers to these questions will enable your church, your business or your nonprofit organization to stay focused on God's calling for you. You'll also enjoy your work more, confident that you're on the right track—God's track.

There are always key people in your organization that have not been brought up to speed: new team members, newly promoted managers, key volunteers and board members. You certainly have a short list of dependable vendors and conscientious consultants who could serve you more effectively if you brought them inside the circle. Schedule a day with your team or plan an off-site retreat and explore together these important questions that will help you manage for results.

The only way you can effectively manage for results is by answering the five Drucker questions. Question 4, "What are our results?" will force you to ask hard questions and to evaluate whether or not your

work and activities are aligned with your mission (Question 1). Questions 2 and 3 focus on the customer (see the Customer Bucket in the following chapter).

When you truly know your customer, you'll see new vistas of opportunity as your customers increasingly trust you. But if you instead focus on your problems (the kind we'll try to solve in the Operations Bucket, for example), you may solve pesky problems that are *barriers* to results but not *carriers* to results.

It takes a village of buckets and balls to lead and manage an enterprise. We're starting with the Results Bucket because it is absolutely foundational to the whole enchilada (that's a management term). But you must understand how the other 19 buckets and the dozens and dozens of other balls in those buckets complement and complete this critical focus.

For example, let's say that your team is committed to mastering the core competencies in the Results Bucket. You're passionate about results, so you take out Ball #1 (Manage for Results) and implement it with Ball #3 (Prioritize Results).

Yet one team member, Tripp, has endless questions, while another manager, Alison, was wounded by an abusive manager at her last job. She hates goal setting and writing standards of performance. In the past, doing so resulted in failure for her. How can you build up the core competencies in the Results Bucket when you are met with such resistance?

In order to forge ahead, both Tripp and you need to be competent with Balls #1 and #2 in the People Bucket. This means knowing the four social styles. Tripp's social style is "Analytical," so you can serve him with an abundance of information to affirm his style and to get his buy-in.

Alison's reluctance to set goals can likely be solved by Ball #2 (Mentor Your Team Members with Niche Books) in the Book Bucket.

### The Five Most Important Questions Every Organization Must Ask

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

Ask her to read chapter 3 in Bobb Biehl's paradigm-shattering book *Stop Setting Goals If You Would Rather Solve Problems*.<sup>3</sup> Because Alison is a *learner* (see the Team Bucket), she'll likely read the entire book in her thirst for knowledge and will then mentor others.



## Ball #2:

### FOCUS on Outside Results, Not Inside Results

*Results and resources exist on the outside.*

John Wood was Microsoft's director of business development for the Greater China region before he founded Room to Read in 2000.<sup>4</sup> The nonprofit organization's mission is to provide underprivileged children with an opportunity to gain the lifelong gift of education. Room to Read works in Cambodia, India, Laos, Nepal, South Africa, Sri Lanka and Vietnam.

In his book *Leaving Microsoft to Change the World: An Entrepreneur's Odyssey to Educate the World's Children*, Wood reflects on his quest to build the "Microsoft of Nonprofits." He writes about Steve Ballmer, Microsoft's CEO:

Steve lives, eats, breathes, and sleeps results, results, results. Like a dog with a chew toy, he is manically focused and not willing to let anything distract him from performance. It was a lesson I kept top of mind as I began building Room to Read and sought to differentiate us from the thousands of other nonprofit organizations out there.<sup>5</sup>

Ballmer mentored John Wood well. Wood also lives, eats, breathes and *emails* results! Below his standard email signature (name, phone, and so on), Wood includes a jam-packed paragraph of results. It's a brilliant idea! My good friend Larry Entwistle forwarded an email to me that Wood had sent him in March 2007. The results speak for themselves:

**We're all about results!** We have opened 287 schools, established over 3,600 bi-lingual libraries and 110 new computer and language rooms. We've put more than 2.8 million books in the hands of eager young readers, and are funding long-term scholarships for 2,336 girls. Over 1,200,000 children now have access to enhanced educational infrastructure. Together, we are changing the world through the gift of education.<sup>6</sup>

Notice that John Wood's results blurb is not about fundraising or hiring more staff or recruiting volunteers. It's about results—*outside results*.

#### Where Are Your Priorities?

In 1986, Bob Buford and Fred Smith at Leadership Network<sup>7</sup> invited me to a week-long summit with Peter Drucker in Estes Park, Colorado. Drucker held court all day with about 30 Christian leaders. I'll never forget his insights on outside results versus inside results.

If a hospital, he said, focuses on keeping the nurses happy (inside results) but neglects the care of patients (outside results), the patients will all die and the hospital will go out of business. He acknowledged that it is good to keep the nurses happy. But when an organization focuses predominantly on inside results (administration, maintenance, policies and procedures) rather than on outside results (mission, customer, sales, donors, recipients), it is on the path to failure.

It's an easy trap. Of the three arenas—Cause, Community and Corporation—the Corporation side (budget, operations, systems, meetings) will take every ounce of emotional and physical energy you can muster. The Community side (people, team, *hoopla!*, donors, volunteers) will eventually whine and complain if it's not adequately fed. Rarely will external forces—your Cause—push you to invest time. It takes sheer discipline every single day to focus on outside results. But you can do it! Remember Drucker: "Results are obtained by exploiting opportunities, not by solving problems."<sup>8</sup>

Take the self-assessment below to see where your energy is focused.


<b>WHERE ARE YOUR PRIORITIES?</b> Where are you investing your time and resources? 		
<b>Five Signs You Might Be Focused More on Inside Results Than on Outside Results!</b>		
<b>What do you talk about and focus on in these activities?</b>	<b>Inside Results</b>	<b>Outside Results</b>
1) Staff meetings		
2) Newsletters, donor letters, brochures and publications		
3) Elevator speech (What is your 60-second answer to "What does your organization do and how's it going?")		
4) Budget and financial reports		
5) Celebrations		

Figure 1.1



### Ball #3:

#### PRIORITIZE Results with S.M.A.R.T. Standards of Performance

*Create clear goals and a rigorous accountability system  
with celebration mileposts.*

Imagine a world where your team members leave work on time every day. Imagine their day's work in sync with your organization's mission, with your Big Holy Audacious Goal, with your annual objectives. Imagine if in response to "How was work today, dear?" Annette beams to her husband and gushes, "Fantastic! We are 25 percent ahead of our team goals on Vision 2020! I'm a month ahead of my top-three standards of performance. Guess what? Paul suggested I take Friday off so I can join you at the surfing competition."

Well, maybe Annette doesn't actually *gush*, but paint this picture for your team: Passion, clarity and confidence *are* possible. When you help your team focus on results, with clear goals and a rigorous accountability system, you'll be amazed at what can be accomplished.

Activity-based work is subjective because the goals—if any—are fuzzy. Results-based work, on the other hand, is objective because the goals are well defined. Work becomes fulfilling. When a clear target is on the wall, it energizes your team.

As a leader and manager, you have two options:

**Option #1.** Invest minimal time in goal-setting, live with fuzzy targets and use your superior motivational skills to pump up the sagging morale of your team. You'll actually save time this way because you'll never have to waste time celebrating success.

**Option #2.** Invest time with your team in goal-setting. You've learned that every day invested up front on clear targets will eliminate days of expensive wrong turns, one-way streets and blind alleys—so your team is focused on clear goals that align with the mission. Your monthly celebrations

and your spontaneous affirmation moments (see the *Hoopla!* Bucket) keep your team's spirits high.

So what are S.M.A.R.T. standards of performance (SOPs) and how do you build in an accountability process? S.M.A.R.T. SOPs are *specific, measurable, achievable, realistic* and *time-related*. Remember this acronym:

**S**pecific. The performance standard should clearly specify what results you want to achieve.

**M**easurable. It must describe, in quantifiable terms, the exact finish line (e.g., 300 widgets, 500 new donors, 25 trained volunteers).

**A**chievable. The performance standard must be attainable. No pie in the sky stuff here!

**R**ealistic. It must also be rooted in reality and aligned with the resources you have allocated to the goal. Does the whole team agree that it's realistic?

**T**ime-related. The SOP must have a specific date when the results will be achieved (e.g., December 31).

Every leader, every manager, every direct report—virtually every team member—must write 5 to 10 annual standards of performance. The SOPs must (1) meet the S.M.A.R.T. criteria, (2) be reviewed and approved by peers, direct reports and each person's boss or board, and (3) be part of a regular accountability/reporting process (usually monthly).

Many teams start with a two-day annual retreat and focus first on the mission, the Big Holy Audacious Goal, the G.N.O.M.E. Chart (more on these in the Strategy Bucket) and then—based on the coming budget year—discuss each team member's vital role in helping to accomplish the corporate goals for the year. Each person then submits 5 to 10 personal draft SOPs for group discussion.



Other teams use a consultant or a facilitator to keep the retreat process on track and to breathe new life into what could become a routine or stale annual exercise.

As SOPs are aligned with the emerging annual budget, your SOPs may go through several drafts. Ultimately, when every team member's SOPs are approved for the next fiscal year, it will be time to celebrate!



#### **Ball #4:** **MEASURE Your Results**

*Track your progress with leading indicators.*

#### **Faith-based SOPs**

Proverb 16:9 says, “In his heart a man plans his course, but the Lord determines his steps” (NIV). If you are a Christ-follower, you know that the results of your work are up to God. But don't fall into the pseudo-faith trap that puts all the responsibility on the Lord. He expects us to think, pray, plan and work hard. The third verse of the same chapter says, “Commit to the Lord whatever you do, and your plans will succeed.” Is your business, your church, your nonprofit about you or about Him? The Bible says that it's about Him—and we know that His plans will succeed.

Okay, you now know about three core competencies in the Results Bucket. Balls #1, #2 and #3 are critical to the Bucket, but if you don't know what you don't know about Ball #4, it's a bit like golfing 18 holes on a pristine California ocean-view course with new Callaway clubs . . . and no scorecard.

Most people want to be held accountable for their progress. They want to know how they are doing. Effective companies and organizations use a variety of accountability tools for tracking progress.

Start with a one-page Leading Indicators tracking form (see Fig. 1.2). This report—and a consistent monthly accountability team meeting—will revolutionize your work! (Some teams use other report names, such as Monthly Metrics, Dashboard Report or Goal Tracking, for example.) I encourage teams to review the Leading Indicators report once a month. It should be a regular report on the standard agenda for your monthly team meeting.

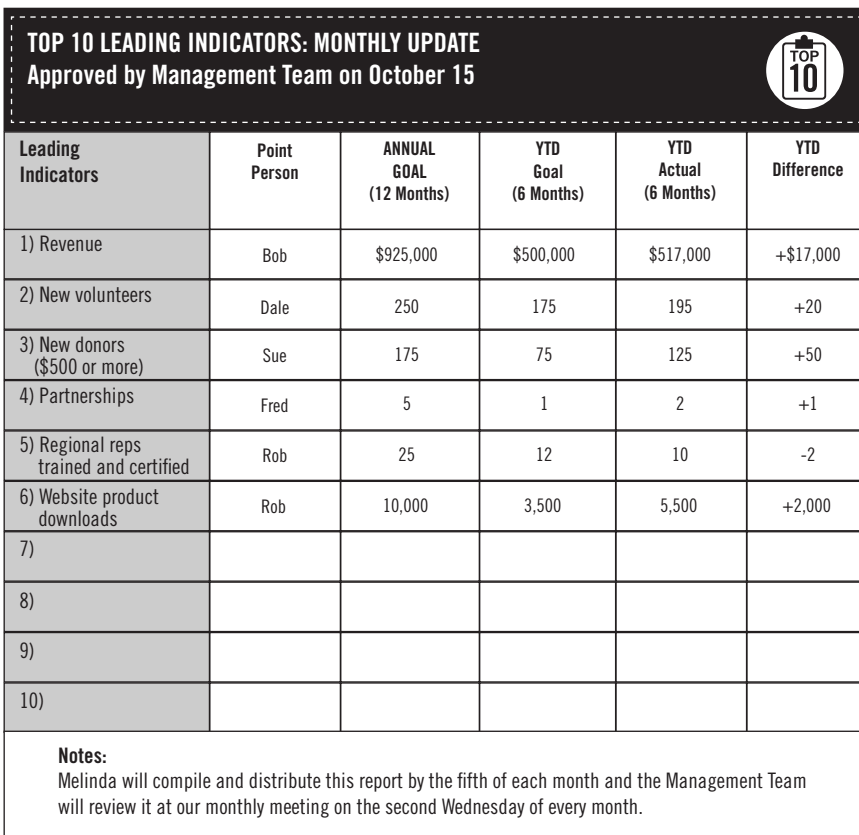


Figure 1.2

### Don't Obsess on Indicators

You measure what you value, but don't fall into the trap of obsessing about measurements. Invest adequate time toward tracking your weekly and monthly progress, but don't let the systems, the reports or the accountability meetings become your favorite activity. The results are not found inside the organization—they're outside (see Ball #2!).

If there were a management version of Mount Rushmore, who would you nominate to place alongside Peter Drucker and Ken Blanchard? Many managers would recommend Jim Collins, author of *Built to Last* and *Good to Great*. He offers savvy wisdom on this subject. Collins says that "all indicators are flawed." He writes, "It doesn't really matter whether you can quantify your results. What matters is that you

rigorously assemble evidence—quantitative or qualitative—to track your progress.”<sup>9</sup>

Collins understands that many organizations cannot readily quantify widgets sold per month. Many, such as the Cleveland Orchestra, operate much more on the soft side of results. In *Good to Great and the Social Sectors*, an easy-to-read 35-page monograph to accompany his bestselling book, Collins details how a nonprofit can rigorously assemble evidence to show that the organization is moving toward greatness.

As Christ-followers, we must remember that “greatness” is not the goal. Personally, our journey must be about becoming more like Christ, being apprentices to the Master. Organizationally, we must focus on results, not to be great but to be fruitful. Collins says that “the moment you think of yourself as great, your slide toward mediocrity will have already begun.”<sup>10</sup> Proverb 16:8 says, “Pride goes before destruction, a haughty spirit before a fall” (*NIV*).



## Ball #5:

### SLOUGH OFF Yesterday

*When the horse is dead, dismount!*

Someday you may end up with 25 standards of performance and a 10-page Leading Indicators report. There is something in the North American business mystique that causes us to add projects and product lines quickly—but we are reluctant to dump programs and the good people that run them. That spells trouble.

Effective leaders know when to hold and know when to fold. Eventually, you must deep-six your typewriter catalog and start selling computers. Sunday night services are out; neighborhood small groups are in. Drop the records, eight-tracks and cassettes and replace them with MP3s and digital players.

How many dead horses are you still riding, attempting to resuscitate not just a losing program or product, but a dead loser? When the horse is dead, dismount! You may be focusing on results, even outside

results, and measuring them religiously, but you may be missing the most important word in “focus on results”: *focus!*

George Duff, my good friend and management mentor, led his vice presidents in a “Slough Off Yesterday” exercise each year. George served

In your next interview, ask the job applicant about her top-three goals for the last 12 months and about her success at achieving them. If she is results-savvy, you’ll have her up and running in half the time it normally takes. If you hire a person who is inexperienced in goal-setting, however, you will invest dozens of hours to coalesce that person into your results-oriented culture.

as president of the Greater Seattle Chamber of Commerce for 27 years (and had 27 different board chairs!), and once a year, he closed the doors to the conference room. Behind closed doors, he asked each VP to hypothetically trim their own budgets and their staff members by 20 percent. “What must we abandon and what must we strengthen in each department?”

Then, one by one, his vice presidents reported on this emo-

tionally painful but critically important exercise. It was just a drill—a confidential one—but it helped reveal the winners and the losers.

Sooner or later, you will have to make hard choices about abandoning a program, product or service. “We can do this the hard way or we can do this the easy way,” says the knuckle-cracking tough guy in the movies, and it’s the same at work. The hard way is to ignore reality, pretend that there are no program/product life cycles and then blame it on your boss or board when you’re forced to drop a lagging program.

The easy way (actually, the *preferred* way—it is never easy) is to be intentional. Do the pruning drill and then plan for strategic abandonment—certainly not without thought and people care, but with God-honoring intentionality. Many times, this process also helps you gently eliminate sacred cows.

Jesus said in John 15:1-2, “I am the Real Vine and my Father is the Farmer. He cuts off every branch of me that doesn’t bear grapes. And every branch that is grape-bearing he prunes back so it will bear even more.” When you prune, it creates capacity to follow your dreams. When you add but never subtract, you cannot nimbly respond to new

opportunities. When you find out what God is doing, you can't join Him if you're on overload.

Look at the "Strategic Program Development Criteria" list in the Program Bucket for a helpful tool on evaluating your current programs. Before you launch a new program, product or service, review these tough questions. The easiest kind of program to abandon is one you never launched!

## The Results Bucket To-Do List

- ❑ *Order the participant guide and process guide for The Drucker Foundation Self-Assessment Tool.*
  
- ❑ *Read The Most Effective Organization in the U.S.: Leadership Secrets of The Salvation Army by Commissioner Robert A. Watson.<sup>11</sup> Drucker said, "The Salvation Army is by far the most effective organization in the U.S. No one even comes close to it with respect to clarity of mission, ability to innovate, measurable results, dedication, and putting money to maximum use."<sup>12</sup>*
  
- ❑ *Read "Ensuring Mission Impact: How to Move from Strategy to Results," by Matt Breitenberg and Art Caccese from the December 2003 issue of Christian Management Report, published by Christian Management Association.<sup>13</sup>*
  
- ❑ *With your key leaders, formulate a Leading Indicators tracking form and begin using it immediately to keep your team accountable.*
  
- ❑ *Bless your team members by helping them write and achieve 5 to 10 annual standards of performance (SOPs). Then they will have an answer to the daily question, "How was your day at work?"*
  
- ❑ *George Duff always concluded the "Slough Off Yesterday" exercise with a probing question to his vice presidents: "Which people on*

your team do you rely on so significantly that—if they were to leave—you would be in a jam? Do those people know how valued they are? *Be sure to tell them and affirm them in a special way this week.*” That’s a profound reminder to all of us. The right people focusing on the right results will experience extraordinary accomplishments. You’re the leader that can make this happen!

- ❑ *Introduce your church to the “Metrics Manual” in the appendix of William R. Hoyt’s book, *Effectiveness by the Numbers: Counting What Counts in the Church*.*

TO DO OR TO DELEGATE?				
Priority A, B, C	Point Person	Task	Deadline Date	Done Date