

## **Community Foundation Case Study:**

Waves of Change Partnership (WOCP) worked with a leading Community Foundation in California to evaluate and reengineer all major work processes to enhance efficiencies throughout the organization. Upon completion of working with internal teams for each of the major processes and conducting an intensive organizational diagnosis, the following findings and recommendations were made to the organization.

As a result the organization was redesigned and made significant increases in its philanthropic efforts to the local community. It is now one of the leading Community Foundations in the Country.

## **Findings and Recommendations:**

This section of the manual contains the main findings and recommendations. We have categorized the data in a logical format that allows THE FOUNDATION to use it easily. In addition, some items listed are more easily implemented than others. These items we refer to as “low hanging fruit” for the organization to act upon. Other items are considerably more complicated and probably lengthy in nature. Those items in which we consider to be the low hanging fruit, we have identified by a double asterisk (\*\*) at the beginning of the item.

The categories for this section are:

- A. Findings: What is working well at THE FOUNDATION
- B. Findings: Processes within THE FOUNDATION
- C. Findings: Organization at THE FOUNDATION
- D. Findings: Leadership at THE FOUNDATION
- E. Findings: Not for Publication
- F. Findings: Gaps
- G. Recommendations for Improvement

### ***A. Findings: What is working well at The Foundation...***

Following are specific items that are working well at THE FOUNDATION. These items were apparent through our interviews, the process mapping, and through anecdotal conversations. Many of these items impact the processes that we have looked at and the overall operation of the organization. Others impact the culture of the organization and how people do their work. Each item is important unto itself. However taken together, they make THE FOUNDATION a good place to work and provide a great opportunity to increase the organization’s efficiencies and potential to grow.

## Organization:

1. It was evident that the management and staff of THE FOUNDATION came into this audit process with very good attitudes. People truly saw this effort as an opportunity for themselves and the organization. This is rather unique. Often people within organizations are threatened by what might be recommended, or discovered, or by potential changes as a result of the interviews and the process mapping.
2. The Leadership Team at THE FOUNDATION did a good job of identifying the real business processes. This was particularly notable, as no processes were previously documented, at least not to the detail that came about through the mapping process.
3. It was clear that individuals in the foundation are very professional and know their business. However, we must point out that too much of the knowledge is Tacit knowledge that is insulated from the rest of the organization. The challenge will be to move this individual tacit knowledge to a more explicit knowledge which more of the organization shares. Such shared knowledge will greatly impact the efficiency of the organization and allow the organization to move quickly and fluidly in the face of threats and under pressure.
4. Specifically we noted that Development and Program are striving to work together better. Later in this section we will discuss these two processes in some detail. We would like to note that some individuals are experiencing difficulty in letting go of previous tasks and ways of doing work and that this seems to be a pattern in the organization.
5. It is important to note that the Change Management Process seems to be working quite well within the organization. By the examples presented in our mapping sessions and by the mapped process itself, it was evident that significant changes have occurred within the Foundation, and others are in the midst of taking place now. As is the case in any organization, problems will arise, people will wonder why, and not every detail contained within the change will be dealt with. It is our conclusion however, that for not adopting a set model of change, the process works quite well.
6. We also would like to commend the Administration Process as being quite sound for the limited resources available to it. We will make recommendations regarding this process. However we noted that the process has been working quite well due to the diligence and dedication of the Administrative staff.

## Culture:

It would appear that the culture of THE FOUNDATION is in the midst of a transition from a family, close-knit culture to one of a larger, growing organization with the need for more structure. There is tension around this as is the case in most, if not all, growing organizations. However, people seem to be actively involved in furthering the efforts of THE FOUNDATION and support the Vision and Mission of the organization.

1. There appears to be a healthy working relationship between The Director and the leadership team. There is an issue of The Director viewing the organization somewhat differently than most others in the organization do. However, it is evident that there has been good growth (particularly over the past year to year and a half) in the ability of The Director and other members to have direct, professional conversations.
2. A very strong work ethic exists among people at THE FOUNDATION. This was not only evident to us by the willingness of people to spend extra time in their day assisting with the process maps, but also by the lengthy hours that many work on an as needed basis or on a regular basis. A caution goes along with this behavior, as individuals can become burned out by the long hours of work, particularly if this happens on a regular basis. What makes this issue particularly difficult is the inability of the person(s) themselves and/or the organization to recognize when burnout is happening until it is too late.
3. Progress seems to have been made in the areas of openness and honest communication, particularly since the Strategic Planning interviews took place. The interviews made people aware of the need to enhance these areas, and their efforts have brought about positive changes for the organization. Numerous people (often times unsolicited) provided evidence of this transition.
4. Organization members have a good amount of flexibility and they appreciate it. They don't take it for granted, but truly seem to understand how special such flexibility is within a professional organization.
5. Organizational members place a high value on relationships within the organization. They showed this in their conversations, in the way they treated each other and spoke of one another, and in their willingness to help or assist others when needed. What makes this organization somewhat unique is that this value extends beyond the internal organization and outward to its constituents, stakeholders and partners. People like being associated with THE FOUNDATION. We found this to be true with the people internal to the organization and by those customers and suppliers that we had an opportunity to meet with.

6. Initiative is evident within the organization as a cultural norm. People step up to the plate when needed and in doing so this provides the flexibility the organization has needed thus far to carry it to its present state. We commend the individuals and the organization as a whole for this norm, which we believe, will help to move the organization forward. We also believe that the combination of initiative and flexibility combined with an enhanced organizational structure and refined processes will exponentially increase the ability of THE FOUNDATION to grow and serve its mission and vision.

### ***B. Findings: Processes within The Foundation:***

Following are some of the more systemic items WOCP was able to pull from our work on mapping the respective processes. Although in this section we do speak somewhat to individual processes, most of the comments are meant to impact the larger system. Additional findings and recommendations concerning the specific processes can be found within Section IV Process Maps for each process.

We would caution the leadership at THE FOUNDATION to take into account both the individual findings and recommendations, and these overall process findings and recommendations. The caution primarily lies in the tendency that many people have to react to the individual processes thereby sub-optimize the overall organization.

1. It was evident to WOCP that many if not most of the processes within THE FOUNDATION have too few touch points (those points that touch other processes) between or amongst other processes. There is a natural occurrence of touch points that exists in most cases, but little additional effort has been put forth to truly work in a cross-functional manner. This is not unusual in an organization that is small and where the people are very busy. However, the absence of more touch points actually sub-optimizes the ability of the organization to work more efficiently and make quick changes. Although it would seem that additional time would be needed to increase the touch points within the organization, it can in fact decrease the overall work and as stated, increase the efficiencies within the organization.
2. Related to the previous item, most of the processes continue to utilize a silo approach to their work. This seems to be especially true between Program and Development. The irony here is that efforts are being made by individuals within each of these departments to extend the thinking and bridge the work of these two processes. A silo approach usually is because of the mindset of individuals in organizations. Until the mindset changes, the way people go about their work does not change. We believe the current situation simply shows how much further the two departments need to go in their efforts to work together and think and act in a cross-functional manner.

3. In many instances the organization operates in too much of a “one-person dependent mode.” Examples of this as it relates to the processes are particularly evident in Administration and in Finance. In Administration XXXX is ultimately responsible for far too many processes and is the key touch point for these processes. The same appears to be true with XXX in Finance. This can be dangerous for an organization if the individual holding all the information should for one reason or another leave the organization. It is obvious that this is also a knowledge management issue.
4. Another finding that seems to contradict the point above, but in reality exists is that some of the processes appear not to have an owner. Examples of this would be The Program – where there are specialists within a category or function, Event Planning – where tasks simply seem to be divided up, and Initiatives – where there are two process owners. This is not necessarily a bad thing because it displays the ability of people within the organization to work together. However, in some instances it can be confusing not to have a point person or team responsible for a process.
5. There is a lack of standardized processes, which leads to a lack of consistency in how things get done. This can be seen in the lack of an orientation process for initiatives, and the lack of documentation of any processes prior to this effort.
6. A question that we would raise to the organization concerns the priorities that were placed on certain processes. For instance it appears that Program spends a great deal of time on grants for a relatively little return/dollars, while little time is spent on Initiatives for a relatively good return on dollars. The question then becomes, “Is this a place where time and dollars should be a focus?”
7. Marketing within THE FOUNDATION appears to be a process that no one really owns, yet everyone owns. We know that XXX is the process owner, however, in reality other people take the lead, and often times do not keep XXX in the loop about Marketing. There does not seem to be a coherent, concerted marketing approach throughout the organization. Although we were able to document a process, it is evident that this process was mostly for the work that XXX performs in assistance to others.
8. A point that was very evident from the mapping process was that in most cases the need for The Director (and sometimes the Leadership team) to review numerous processes slows these processes significantly.
9. A concern we have is that both Marketing and Development view each other as suppliers – not customers. This can be a problem for the organization because it affects how information flows between processes and how the organization services customers.

10. It was apparent that the organization cannot continue to keep doing development in the same way in the face of the growth and potential growth for THE FOUNDATION.
11. Issues exist around the organization's methodology for decision-making including the centralized budgeting. It would seem that the current methodology (i.e., many decisions have to go through The Director and/or the leadership team) significantly slows the process. This became evident to WOCP even in our communication with the organization and the difficulty of getting messages out to the organization prior to our visit.
12. An older paradigm of a strategic planning process is being followed with long-range planning taking place every three to five years. This can significantly slow down the organization to changes that occur in the marketplace or community.

### ***C. Findings: The Organization at The Foundation***

Some of our findings related to the Organization as a whole

- There was an overall lack of Measurements and/or Metrics throughout the organization. In fact we were very surprised by the lack of needs assessment and follow-up (evaluation) in most instances. We see these issues as related aspects of a measurement strategy. Their absence indicates a lack of a common approach to measuring performance.
- Another issue that became apparent through our conversations with people at THE FOUNDATION was that often problems are identified that need to be resolved in the organization and the organization seems to be in a state of paralysis. Sometimes this seems to be due to the decision making process, and other times the reason is not readily apparent.
- There seems to be good autonomy for people within their functional units/departments. However, there seems to be tension within the organization related to the cross-departmental boundaries and the lack of ability to move between and amongst different departments for information without going through a hierarchy within the departments.

#### ***D. Findings: Leadership at The Foundation***

Surprisingly there were not too many issues concerning Leadership within the organization. We say “surprisingly” because most often there are many more issues that arise surrounding leadership when we interview people in organizations. Most of the issues that are listed below have been mentioned in other areas of this report, so there should be no real surprises. This should not, however diminish the importance of these issues to members of the organization or the impact they have on how the organization functions.

- It appears that too many of the decisions may be going through The Director and the Leadership team. There is an espoused theory of empowerment in the organization, but in fact current reality seems to remain quite hierarchical. It seems that two things (at least) are in play impacting this; the first, is that people profess the need to be empowered and have more control in the workplace, but then are reluctant to act on it, even when the opportunity presents itself. Secondly, it would seem that a transition has been under way for some 18 months or so relating to the dynamic surrounding The Director and the Leadership team and the issue of decision-making. We believe that this issue is currently evolving and the actual formula for how decisions need to be made to provide input and the greatest efficiencies is not yet settled.
- Many pointed toward the need for Leadership and Management Development throughout the organization. We could have listed this piece under a recommendation, but at this point it seems to be somewhat of a shortfall for the organization.

#### ***E. Findings: NOT PUBLISHABLE***

#### ***F. Findings: Gaps***

- Presently there is no good channel for Program stories to get to Marketing. We understand that a process has been devised, but is not being utilized.
- The organization needs to establish a truly shared vision. There appears to be some negative tension surrounding this lack of shared vision that needs to be turned into more of a creative tension. Presently part of the Vision that is held by The Director (and possibly some others) and remains confusing to some surrounds creating “community philanthropy.” The term and its definition seem to be confusing for some, and thus there is a lack of a shared vision around this.

- There is a second issue around shared vision worth mentioning here regarding a participative and creative environment. We believe that most organizational members want to create this creative and empowered environment. However, the decision making process that is currently in place severely limits the opportunity for this to happen.

### **G. Recommendations for Improvement:**

This section contains the major recommendations for improvements within THE FOUNDATION as a result of our audit. Additional recommendations may be found in Section IV. The Process Maps. Most of the recommendations found in this section are considered bigger picture and systemic in their impact to the organization.

1. As it relates to XXX, we would encourage the THE FOUNDATION to seek immediate assistance and training to thoroughly learn the system and orient/train everyone in its use. We understand the dilemma facing the organization concerning the possibility of a new system coming on the market. However, our findings suggest that more money and time is presently being spent on reworking the system than would be spent on training everyone on the current XXX system. This would appear to be a systemic problem: Classic Technology and people use...High Tech – High Touch
2. XXX must be used to accurately track DAF grants and funds in real time.
3. XXX should be used as the primary Knowledge Management System for the THE FOUNDATION. This means however, that people must use the system rigorously and in a disciplined approach. In addition, people must be held accountable for using the system and updating it regularly.
4. The organization should strongly consider focusing on key business processes as a means of organizing and re-organizing the organizational structure. We see this as a means of delivering objectives, working cross-functionally, and optimizing the organization. At the very least we think that a matrixed organization should be developed with functional areas and key business processes. NOTE – It should be noted that by undertaking this effort many of the following recommendations would also be impacted or resolved. It is also important for the organization to note that in undertaking this kind of structure it is not giving up anything, but in fact increasing the efficiencies, the cross-functional work, and the ability to involve more people in the work across the entire organization. By definition it can be stated this way...

...departmental and functional structure is about Core Knowledge and expertise around a discipline, whereas..

...Process structure is about how core knowledge and expertise is delivered across the organization.

Both must be present for organizational excellence.

5. In this realm the organization might consider assigning process leaders that are not functional leaders.
6. Based on our mapping of processes we recommend the organization consider reengineering or redesigning both the Development business process and the Program business process. In doing so, this very possibly means taking some tasks away from Development and placing them into Program. We also recommend that the Finance & Accounting Process be improved and streamlined to remove non-value added activities and duplication efforts. For all business processes internal and external customer focused measures should be put in place and used to drive continuous improvement.
7. We would recommend that THE FOUNDATION develop a clear Marketing strategy and that the organization undertake it with rigor. It is also important that everyone be engaged in this process and that Marketing be viewed as a major business process within the Foundation rather than a secondary process.
8. The Grant Process within Program needs to be streamlined to free up time. Hand-offs between departments need to be clarified to avoid duplication of efforts and reduce work arounds.
9. MIS needs to be viewed as an integrated process throughout the organization.
10. \*\* The Administrative Process is actually consists of numerous processes under one umbrella. As the organization grows, it is evident that these processes will require their own process leaders assigned to them.
11. \*\* Strategic Planning needs to be reviewed annually to allow for changes in the community or the global environment. Although a 3 to 5 year plan should definitely be developed, we recommend that a serious review take place of the external and internal environments on an annual basis. This approach would assure THE FOUNDATION of staying on top of any changes that the organization might need to make to its strategic plan.
12. The Accounting Process needs to be standardized throughout the organization.

13. An on-going, formal needs assessment process needs to be developed and implemented. In addition, an evaluation process needs to be implemented for initiatives, programs, grants and customers.
14. \*\* We recommend that THE FOUNDATION expedite the internal communication process by involving people earlier in the process and by practicing over-communication of important undertakings using multiple communications vehicles more often.
15. There is a strong need for the Leadership team to think and act cross-functionally versus out of their respective functions. This would role model for the rest of the organization, and as these people are presently the process leaders it would instantly enhance the communication, the process touch-points, and the organizations ability to move quickly in the face of crisis or unexpected requests.
16. \*\* We would offer that THE FOUNDATION explore Kotter. J.P., 1996. *Leading Change* as a means of enhancing the Change Management process already adopted. Kotter has done leading edge work in this area and this book contains good insights and helpful tools.