

JULY/AUGUST 2006

4

California Society of Association Executives
CaISAE
The Executive

A PUBLICATION OF THE CALIFORNIA SOCIETY OF ASSOCIATION EXECUTIVES

CaISAE
Annual
Conference
2006
in Review

THEME:
Association
Tune-up

Association Tune-Up ...
or Association
Overhaul?

A Board Development
Plan

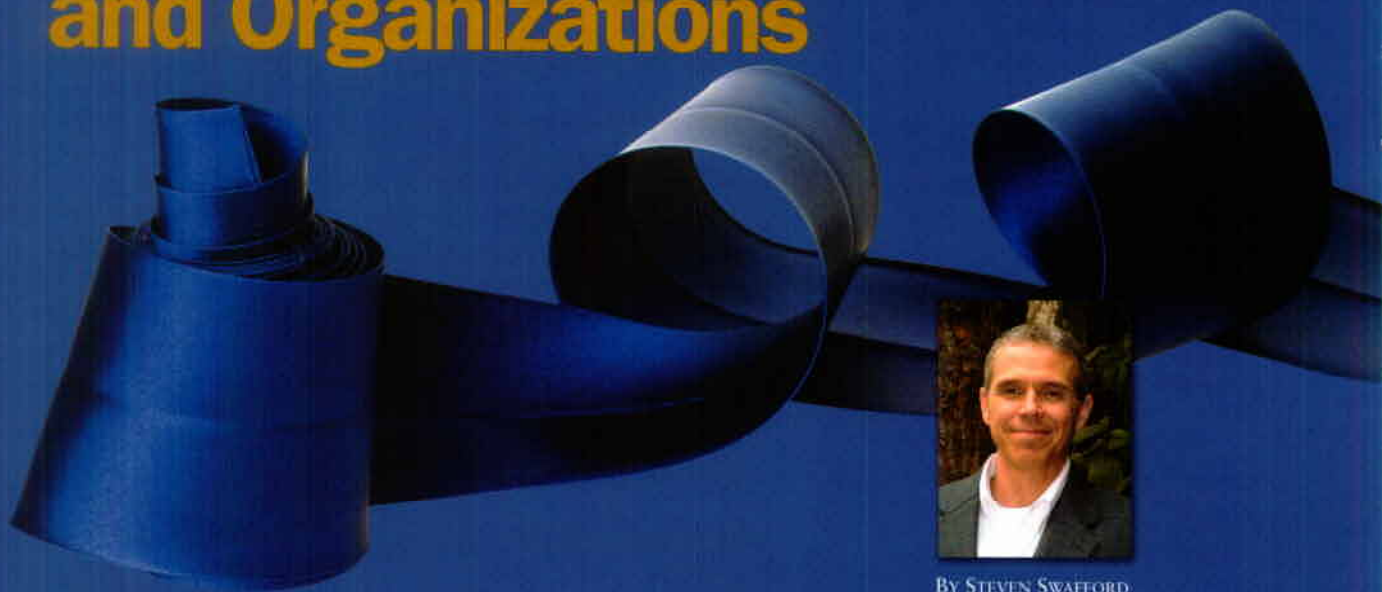
Blue Ribbon
Strategies that
Create Great
Associations and
Organizations

Checklist for a
Legal Tune-Up



Blue Ribbon Strategies that Create Great Associations and Organizations

IMAGE © ISTOCKPHOTO.COM/DILGA VASHKOVA



BY STEVEN SWAFFORD

Mom has a dog-eared red and white recipe box filled with favorite recipes she has collected over the years. These savory selections have been taste-tested by the toughest possible critics – family reunions, church potlucks, and neighborhood socials. Each recipe has different ingredients, time preparation, and degrees of expertise to produce a product of optimum gastronomical pleasure.

Some of these recipes have been recognized as blue-ribbon winners at the Pratt County Fair in Kansas. Those bakers of cookies, cakes, pies and breads who are daring enough to enter each summer's stiff competition have their masterpieces evaluated at this annual event. Each July, women and men; girls and boys; aunts and uncles; grandmas and grandpas compete for the coveted blue ribbons in their selected cooking category.

These blue-ribbon winners have been recognized as "great" by the seasoned judging panel. With only a select number of blue ribbons awarded,

there are far more entries recognized as "good" for their performance with red ribbons and even more with white ribbons for their "OK" efforts.

There is an instinctive desire in most organizations, and individuals, to question how well they may be performing. Sometimes the benchmark is competitiveness; others might evaluate their success on revenue or program effectiveness. Either way, most individuals and organizations want to be recognized with that "blue ribbon" from our own "county fair" of peers for being great.

In the New York Times best-selling book "Good to Great," Jim Collins highlights key characteristics of the difference between "red" ribbon and "blue" ribbon organizations. Collins' calls them "good" and "great" companies – red are the good and the blue are the great. Collins' extensive research on high performing organizations is the result of six years of analysis at Stanford University for his earlier book "Built to Last" and five years with 21 research associates

documenting and writing "Good to Great."

According to Collins, there are four stages to the framework in building the foundations of a great organization. These are: Disciplined People; Disciplined Thought; Disciplined Action; and Building Greatness to Last. The first three are captured in "Good to Great" and the final stage, according to Collins, is from his earlier book "Built to Last." Each stage consists of two fundamental principles.

In the first stage, which focuses on Disciplined People, the two principles are: *Level 5 Leadership* and *First Who ... Then What*.

Level 5 Leadership – These are individuals who put the organization's interest above their own personal agenda. However, this does not mean that they sacrifice their mental or physical health for the organization. According to Collins, "A level 5 leader displays a paradoxical blend of personal humility and professional will." With this leadership style definition, you would more likely see a

more community minded individual such as Oprah Winfrey in this category rather than the higher strung Donald Trump.

First Who ... Then What – This is all about having the right people on your team and having them in the right position. Collins states, “Those who build great organizations make sure they have the right people on the bus, the wrong people off the bus, and the right people in the key seats before they figure where to drive the bus.” This approach can be in conflict with popular management theory of deciding where the organization needs or wants to go and then determining the resources to get there. Collins believes if you have the “right people on the bus” then you can take the organization wherever it needs to go to be blue-ribbon great.

Associations constantly grapple with finding the right person for the right responsibilities coupled with the challenge of competitive job market. Once the right people are “on your association’s bus” then determine if the existing “seats” need someone different in them to make the organization more efficient and effective.

After identifying and hiring disciplined people, the next step is focused on Disciplined Thought. The two principles of the second stage are: *Confront the Brutal Facts* and *Hedgehog Concept*.

Confront the Brutal Facts - the Stockdale Paradox – Gen. Stockdale was the highest ranking officer in the Hanoi Hilton during the Vietnam War and this principle is amplified by how Gen. Stockdale survived at the hands of his captors. Collins connects this principle with Gen. Stockdale’s story by stating that it is important to “retain unwavering faith that you can and will prevail in the end, regardless of the difficulties, and at the same time have the discipline to confront the most brutal facts of your current reality, whatever they might be.”

The Hedgehog Concept – This topic area is of particular interest to associations because it’s at the core of why they exist. Terminology for the three intersecting circles of the *Hedgehog*

Concept has recently been adapted because of Collins’ involvement with the association and foundation communities. The “what drives your economic engine?” has been expanded to include the phrase “or resource engine?” to embrace both the financial and intellectual resources of an organization. The remaining two intersecting circles are, “What you can be the best in the world at?” and, “What are you deeply passionate about?”

Collins primarily focuses on an organization’s three intersecting circles. However, if an association could engage employees with the same values the collective results could be amplified. This would mean connecting the association’s values, ethics, and resources to those important to the individual. An important question to ask yourself is “Do the individuals on your ‘association’s bus’ share the same values and passions of your industry?”

Stage three centers on Disciplined Action with the two principles being *Culture of Discipline* and *The Flywheel*.

Culture of Discipline – The culture of the organization and the culture in which people are hired will define the level of success an association can experience in this area. For an association to embrace a *Culture of Discipline*, Collins’ believes the organization must understand the difference between “jobs” and “responsibilities” – people don’t have jobs, they have responsibilities in this working environment.

The Flywheel – Collins states that “in building greatness, there is no single defining action, no grand program ... no miracle moment. Rather, the process resembles relentlessly pushing a giant heavy flywheel in one direction, turn upon turn, building momentum until a point of breakthrough and beyond.”

When someone starts working for an association, are they given a “Job Description” or “Description of Responsibilities” when they are hired? Most likely it’s the former. As a culture, we don’t fully appreciate the power in the words we type, say, and/or write. When was the last time the association evaluated the standard phrases and descriptions used on a daily basis?

What message is being sent that may have unintended consequences or actions?

The last stage comes from Collins’ earlier book “Built to Last” and the two principles are *Clock Building, Not Time Telling* and *Preserve the Core and Stimulate Progress*.

Clock Building, Not Time Telling – This is one of the key areas that have intrigued Collins with associations and their structure. He stresses the need to build an organization that can adapt through multiple generations of leaders instead of the dynamic leadership of one person. According to Collins, organizations should “build catalytic mechanisms to stimulate progress, rather than acting as a charismatic force of personality to drive progress.”

Preserve the Core and Stimulate Progress – This is another core area very familiar to associations which is grounded in understanding (and maintaining) the organization’s core values while also being flexible to opportunities in the marketplace. Collins’ emphasizes the importance of understanding the difference between “what we stand for” (which should never change) and “how we do things” (which should never stop changing). Collins firmly believes great companies have a purpose, a reason for being, that goes far beyond just making money. Is there not a better example of why associations are important to society?

This article only highlighted key elements from Collins’ “Good to Great” ... it is by no means an exhaustive visit to the rich depth of his research or resources available. For more resources on how to make your association “great” as well as to apply the free “Good to Great” diagnostic tool, visit www.jimcollins.com.

Steven Swafford, Balance Warrior, is a principle and co-founder of Leadership Outfitters, Inc. which is a leadership development and facilitation consortium with offices in Santa Monica, Washington, D.C., and Provincetown, Mass. Steve is also CalSAE’s past Membership Chair and can be reached at (310) 428-6795 or swafford@leadershipoutfitters.com.