

Synopsis of Keynote Presentation at 2008 Nonprofit Leadership Summit

Thomas J. Tierney introduced himself to the more than 300 New Hampshire nonprofit leaders, board members, business and government partners, foundation leaders and consultants with the explanation that as the former chief executive of Bain & Company, a for-profit national consulting firm, he was “basically a business guy that felt an enormous pull to serve the public good.”

In 2000 Tierney co-founded The Bridgespan Group, a nonprofit organization that provides strategy consulting and executive search services, that in December 2003 launched Bridgestar, an initiative focused on nonprofit careers and building strong leadership teams. The Bridgespan Group shares its insights and research on nonprofit leadership and management topics as part of its mission. Bridgespan has consulted with nonprofit organizations and foundations from across the nation.

According to Tierney, the research in the field points to the fact that, “We may well be experiencing the Industrial Revolution of the nonprofit sector.” The trends that Tierney said will significantly impact the sector in the ensuing years include the following:

- Philanthropy is a growth industry.
- More people are giving and they are giving more generously.
- There is a trend toward “giving while living.” People are shifting gears as they age to focus on social impact and giving of significant amounts of their fortune before they die.
- We are in a time of wealth and talent transfer that opens up the possibility for growth, innovation, and excellence.
- Volunteerism will reach new heights as there is a greater supply of people who want to serve. Community service is being wired into new generations through the schools.
- The number of large organizations is growing faster than the number of small organizations.
- And more large organizations are going to regional and national scale.

To succeed, Tierney noted that research indicated that nonprofit organizations will need to have strategy, capital, and talent. He urged nonprofit boards and executives to ask the following four critical questions if they wanted their organizations to thrive in the years ahead:

1. What results are we holding ourselves accountable for? Tierney noted that the answer to this question becomes an organization’s scorecard. He also remarked, that if you can’t answer this question there is too much ambiguity in your organization.
2. How will we achieve the results that we hold ourselves accountable for? The leadership strategy here is to strategically manage a process that supports stakeholders to agree and align.

3. What do these results really cost and how to fund them? This is not about inputs, it is about outputs. Invest in: Leadership, development, and technology.
4. How do we build the organization to deliver the result? It will be imperative to build an organization's infrastructure - its capacity to do the work.

Tierney provided these thoughts on board and executive leadership:

- Leadership must be determined, courageous, and dedicated.
- The Board Chair and the ED must be aligned for other results to happen. If they are not aligned—this must be wrestled out.
- Salaries are an investment—not a cost!
- Funders and government have a bias against overhead; this must be addressed as nonprofits need to have the appropriate overhead to achieve results, and board and staff leaders need to advocate for appropriate overhead.
- The amount of impact that a nonprofit delivers depends on the people in the organization- it is critical to invest in people.

Tierney ended his presentation and dialogue with the audience at the Summit by describing what he called the “who thing,” the importance of having the right people in the right jobs at the right time; the “do thing,” which is what leaders need to focus on; and the “you thing,” which is how important it is to take care of individual leaders.

1. The WHO thing

You must put people n the top of your priority list

Invest in your senior team. Balance fit and passion with competence. Recruiting and developing people is an art.

Get BETTER at leadership—or leave.

Beware of “satisfactory underperformance”

2. The DO thing

Success is a DO thing as well as a WHO thing

Leaders are always sending out cultural cues about how they do things. Everybody is watching you. Be courageous enough to confront the truth and think about the culture you are creating.

3. The YOU thing

Take care of yourself

Build on your strengths

Learn to say: No

Give yourself the time to renew and recover

Hold yourself accountable for your own development

Tierney told the leaders at the convening that he and colleagues Jeff Bradach, co-founder of Bridgespan, and Nan Stone, a Bridgespan partner, have just completed an article for the Harvard Business Review on the firm's learnings experience in the

nonprofit field and the lessons learned. This article will be released in the December issue.