Leaders in the nonprofit sector are creating new models to meet the increasing needs of those they serve amid constraints of money, time and talent. It's a radical departure from business as usual.

How have these leaders succeeded in creating sustained positive change? What are the critical success factors in leading radical change? How did they get the timing of change right? In answering these questions, this paper offers insights and best practices drawn from a discussion by a panel of nonprofit CEOs organized by Accenture and the Independent Sector recently to help nonprofit leaders continue to advance the sector.

1. Think big

In the face of increased demand for results, only a strong leader can steer the organization on a changed course. Bold leadership requires conviction based on a clear vision, the ability to take major calculated risks and the capacity to make the personal investment to drive transformation. Along the way, the leader makes the right calls while also ensuring that all stakeholders are aligned to the new goals.

Successful nonprofit CEOs can analyze trends, see beyond the current realities and set the direction for change. CEOs like John R. Seffrin, of the American Cancer Society, for example, envisioned larger goals for the organization such as saving 1,000 lives per day in the United States, building on the more than 400 lives each day they were already saving from cancer. Using data and relying on his own experience helped Seffrin radically change the way his organization thought about work, getting everyone enthused about creating a bigger impact on society.

2. Make tough decisions

Radical change may require a leader to make trade-offs between competing priorities. Take the case of City Harvest, a nonprofit that changed its business model to meet the goal of doubling the amount of food distributed through its programs. This radical move meant making tough decisions all along as the nonprofit streamlined its programs and the supply chain, according to Jilly Stephens, executive director, City Harvest. As the organization prepared for and executed this extraordinary growth, a data-driven approach to decision-making was implemented at all levels of the organization.

The timing of the change is also important, as Michael Smith of the Social Innovation Fund, found out. Smith’s experience taught him that the seeds of radical change need to be planted even as early as when stepping into a leadership role. And it was equally important to seize the moment for change. The successful leader is one who both prepares for and can quickly recognize the window of opportunity.
3. Rethink the model

A radical transformation involves a careful assessment of all elements of the organization’s structure, talent, and model in the context of the new vision or goals. Nonprofit leaders need to be willing to shift things around and change organizational structures. For example, City Harvest took a deliberate approach to culture change and developed a plan to move to the desired culture. It focused on staffing, moving the right people into the right positions, and setting a clear performance management system. Indeed, effective leaders understand the importance of focusing on impact and holding their people accountable to achieving goals.

Establishing accountability also means setting clear objectives for the Board. Additionally, nonprofit CEOs need to be willing to change the Board composition or structure to ensure the right amount of support for a transformed organization. That is just what the American Cancer Society leadership did—cut the size of their Board with its prestigious members to half.

It is also important to know when to partner for a radical change in direction and when to go it alone. When taking on big challenges, leaders reach out to cross-industry partners with shared values for support to create a movement that can lead to major positive change. Alternatively, if speed to results is a priority, leaders have the conviction to go it alone.

4. Create and communicate a strong vision

Any disruptive change needs to be communicated in a way that aligns all constituents and staff to the new direction. Creating a compelling story for transformation helps to get a faster buy-in from stakeholders. Such a story is predicated on a strong vision that the leader must build to set new goals. Additionally, stripping the vision down to simple messages is an effective way to engage a variety of stakeholders—from donors to peer organizations—amidst competing causes.

When communicating the compelling story, both internally and externally, nonprofit CEOs need to have a flexible style to counter the inevitable pockets of resistance to change. John R. Seffrin of the American Cancer Society, for example, disrupted his own style of functioning, learned to communicate in new ways, and appointed “change champions” in a two-way communication approach that included receiving feedback from the staff. Such flexibility signals the CEO’s intent to internalize insights from an engaged staff, paving the way for innovation and improvement.

Conclusion

Nonprofit CEOs who have succeeded in transforming their organizations for sustained positive change are clear about the trade-offs involved and are flexible enough to adapt their own style of functioning to new realities. Their vision helps them stay on course, even when that involves transforming organizational structures. They operate with a well-balanced mix of experience and data. Crucially, they also understand when to seek partnerships within their organizations or externally on their journey of change.

Nonprofit leaders have shown that despite enormous challenges in the current environment of diminishing funds, nonprofit CEOs still have the opportunities to individually or collectively create positive impact in the way the world lives and works.

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