

# The 5 Most Important Questions

Systems Thinking for Organizational Performance

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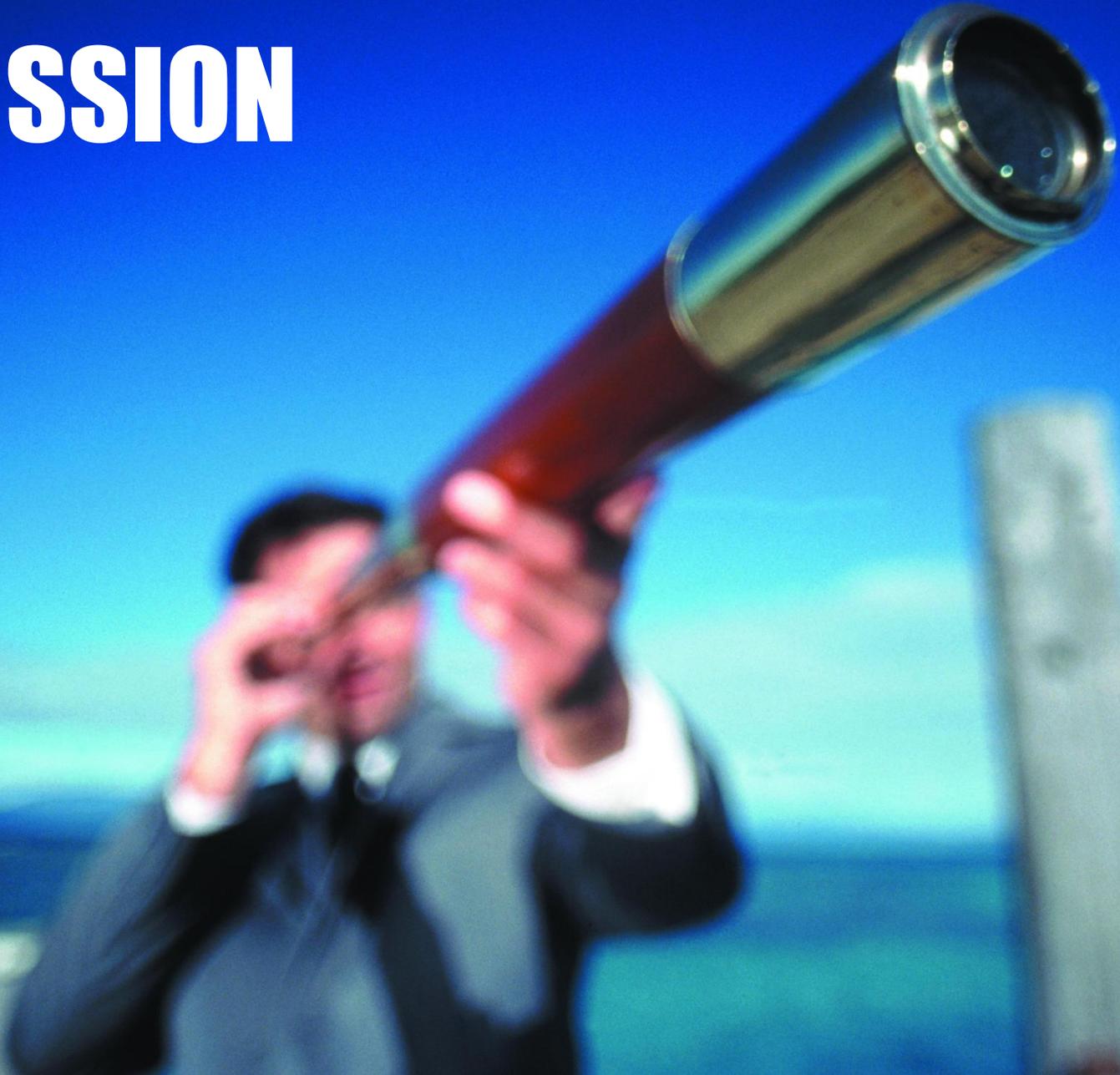
- 1. What is our mission?**
- 2. Who is our customer?**
- 3. What does the customer value?**
- 4. What are our results?**
- 5. What is our plan?**

# **The 5 Questions**

The Five Most Important Questions You Will Ever Ask About Your Organization

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**MISSION**



# Opportunity + Commitment + Competence

- Why does the organization exist?
- What is our purpose?
- Why do we do what we do?
- What do we want to be remembered for?

## **What is our mission?**

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# Opportunity + Commitment + Competence

- must be short and focused – it fits on a T-shirt
- is clear and easy to understand
- does not say “how,” only “what”
- inspires commitment
- is the responsibility of leadership
- inspires others to say “Yes. This is something **I** want to be remembered for.”
- reflects your organization’s opportunity, commitment, and competence

## **The Mission...**

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# Opportunity + Commitment + Competence

- changing demographics
- changing community conditions
- cultural or social trends
- economic trends (changes in funding)
- politics, legislation, and regulations
- media and communications
- new models, methods, and technologies
- the competition

## **What are the Emerging Trends**

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# Opportunity + Commitment + Competence

- to address compelling issues or conditions?
- to fill a gap in our area of service?
- to be a leader and set a new standard of performance?
- to meet the interests of partners and funders?
  
- Which of all of these is most promising for us? Why?

## **What are our opportunities**

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**CUSTOMERS**

- Whose life is changed through our work?
- “There can be only **one**” primary customer
- Customers **value** what you offer, **wants** what you offer, and **feels** it is important to them personally
- Effectiveness requires FOCUS, and that means *one* response to this question
- The answer is a description that allows you to qualify some people and *disqualify* others
- Your answer affects everything else you do – *everything!*
- You don’t want to casually please everyone, but deeply please your primary customer.

# Who is our customer?

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- Who must be satisfied for us to achieve results?
- Supporting customers include volunteers, members, partners, funders, referral sources, employees, and others who must be satisfied.
- They are people who can say **no**.
- The primary customer is not the *only* customer, but do not be tempted to think you have more than one primary customer – effective organizations keep their focus.

# Who are our supporting customers?

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- Customers are not static – they change and you must change with them
- Will they change in number (greater or fewer) change?
- How will their demographics (age, race, etc.) change?
- How will their needs, wants, and aspirations change?
  
- What are the implications of these changes?

# **How will our customers change?**

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- Are there potential new customers to serve in order to further the mission?
- If yes, how do we start serving them?
- Are there existing customers we should stop serving because we have satisfied a need, they can be better served elsewhere, or we are not producing results?

**Are we serving the right customers?**

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**VALUE**



- What do we already KNOW?
- What are their needs?
- What do they want?
- What are their aspirations?
- ONLY the customer can answer this question
- Rule 1: There are no irrational customers
- Resistance to what the customer values because it doesn't fit your rules is bureaucracy

# **What does the customer value?**

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- What do we need to know to serve our customers better?
- What do we NOT know that we SHOULD know?
- What is the perspective of your service from the customer's point of view?
- What does the primary customer value?
- What do the supporting customers value?
- Accept their answers as objective fact
- Hint: customers value an organization that seeks their feedback, can solve their problems, and satisfy their needs

**What knowledge do we need  
to gain from our customers?**

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- Now that you know what questions to ask, how will you seek the answers?
- Focus groups?
- Surveys?
- Feedback forms?
- Interviews?

**How will we gather information?**



**RESULTS**

- Results are only measured OUTSIDE the organization
- Results equal changed lives and changed conditions in people's behavior, circumstance, health, hopes, and their competence and capacity
- Need alone does not justify continuing. Nor does tradition. You must match your mission, your concentration, and your results.

# **What are our results?**

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- What have we achieved that contributed to changed lives?
- Design your plans so such that results can be measured
- How do our partners and beneficiaries experience our work?
- What are our qualitative and quantitative goals?
- It is not how hard you try or how much you care, but what is remembered, how you have been able to improve lives

# **How do we define results?**

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- What qualitative and quantitative measures do we need?
- How do we measure achievement for each result?
- How do we measure progress for each result?

# **How do we measure results?**

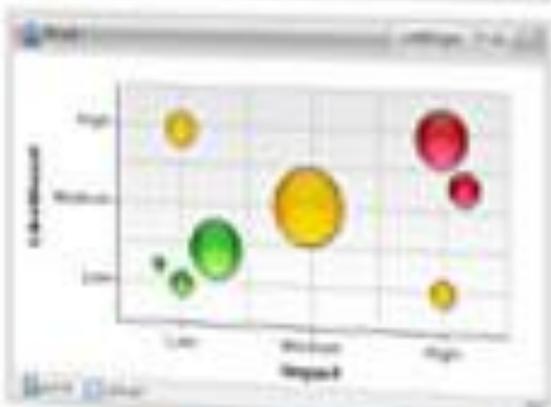
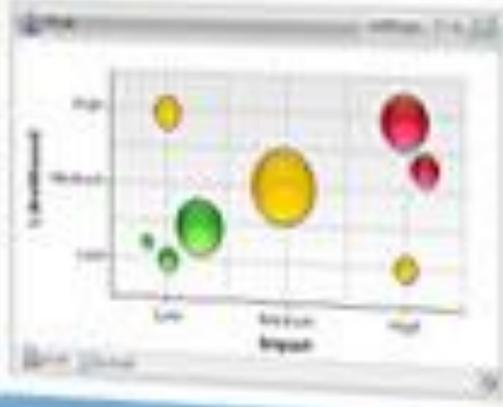
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- How do we *concentrate* our efforts?
- List your strong programs and identify if they can produce greater results (growth)
- List your weak programs and how it could be improved
- Choose which programs to abandon
- Where can we innovate?
- Do the same analysis for internal systems and support programs (e.g., HR, fundraising, marketing, etc.)

# **How can we improve our performance?**

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# PLAN



- What is our vision of the future?
- Mission and goals are the responsibility of the board
- The mission requires action today and aims for tomorrow
  
- **Listen** to what the customer values
- **Aim** to satisfy their changing needs and aspirations
- **Act** toward your goals and objectives
- Measure **results** in terms of changed lives

# What is our plan?

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- What are the 3 – 5 aims for the future?
- If you have more than five goals, you have none
- Goals clarify where you will concentrate resources for results
- Goals flow from mission
- Goals aim the organization where it must go
- Goals build on strength, address opportunity, and outline your desire future
- Don't avoid defining goals because it might be controversial
- You may compromise on implementation, not goals

# What are our goals?

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- Objectives are specific and measurable levels of achievement
- The board makes the mission and goals while the objectives are determined by the CEO
- The board must not act at the level of tactical planning or interfere with management's ability to be flexible in how those goals are achieved
- The more specific, the more likely to be productive

# **What are our objectives?**

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- Are the mission and goals approved by the board?
- What is our plan?
- Planning is not masterminding the future
- Planning is not a substitute for facts, judgment, or leadership
- Planning is a responsibility – not a technique
- Leadership requires judgment, discipline, caring, fortitude, and integrity

**What is our plan to achieve results?**

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- ***Abandonment***
  - First decision: whether to abandon what doesn't work
  - If you weren't doing it today, would you start tomorrow?
- ***Concentration***
  - Build on success, strengthen what works
  - Can we meet an even higher standard?
- ***Innovation***
  - Look for tomorrow's success
  - What are the opportunities, new conditions, emerging issues?
- ***Risk taking***
  - Decisions are a commitment to action
  - The inability to make decisions is a risk avoidance issue
- ***Analysis***
  - Recognize when you do not know, when you are not yet sure whether to abandon, concentrate, innovate, or take risk – then analyze

# What is our plan?

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- The mission, vision, and goals are the boards responsibility
- The objectives, steps, budgets are managements responsibility
- Action steps are developed by the people who will carry them out
- Everyone with a role should have input
- This may be slow but, when complete, everyone understands it
- Never try to reach different customers with the same message

**How will we communicate our mission, plan, and results?**

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**Good intentions don't move mountains; bulldozers do.**

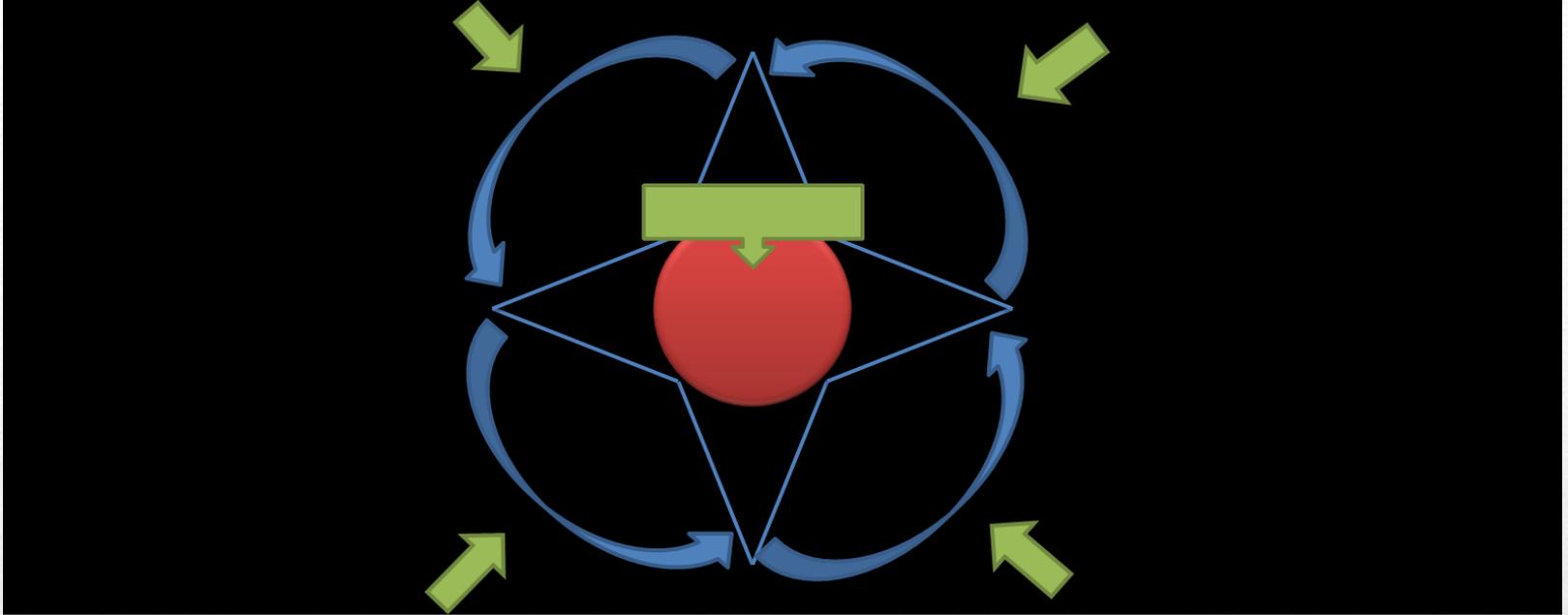
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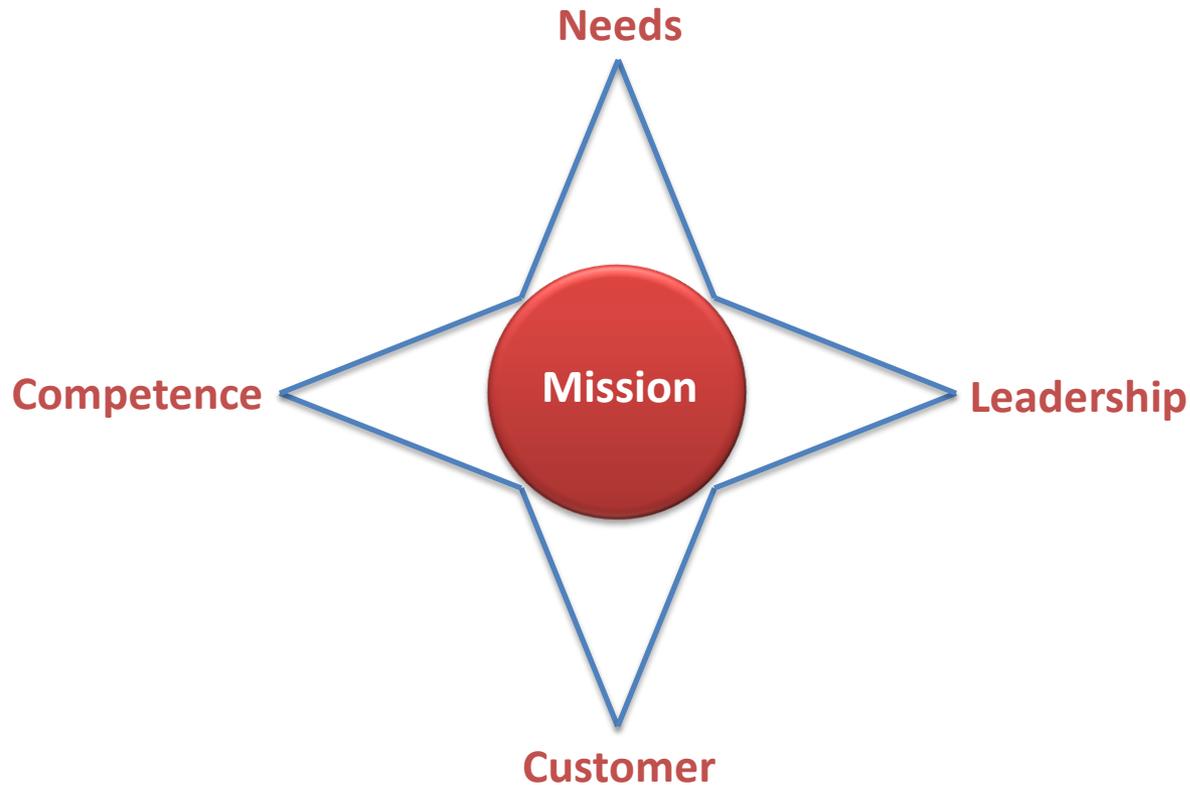


# A PICTORIAL VIEW

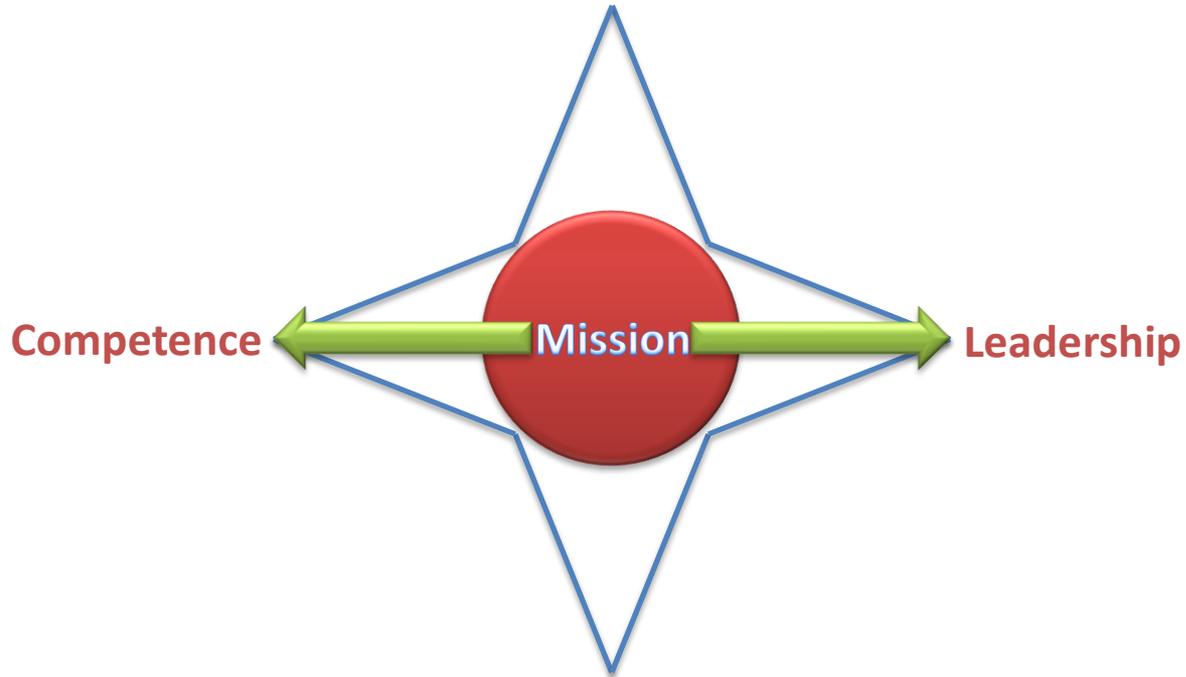
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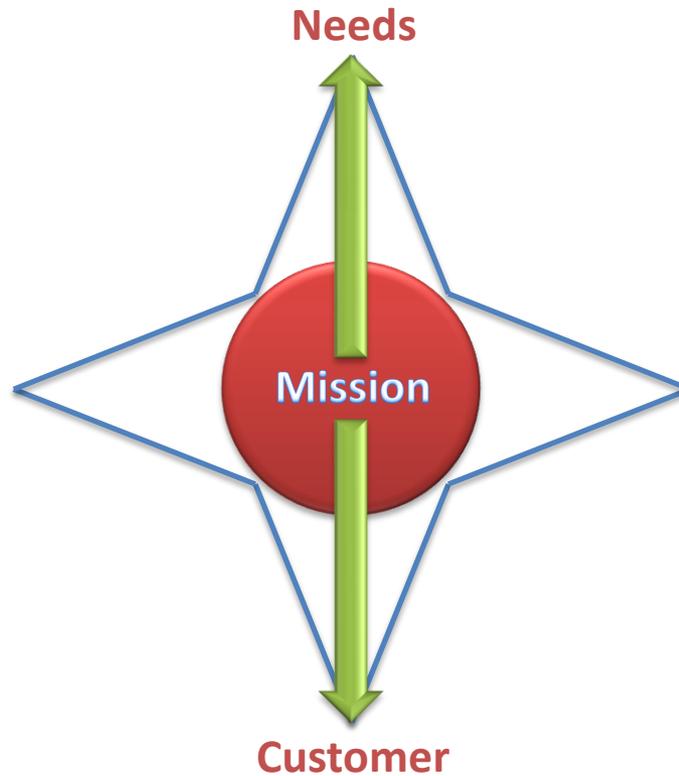
# Your Organization and Its Opportunity



# Commitment and Unity



# Concentration and Focus

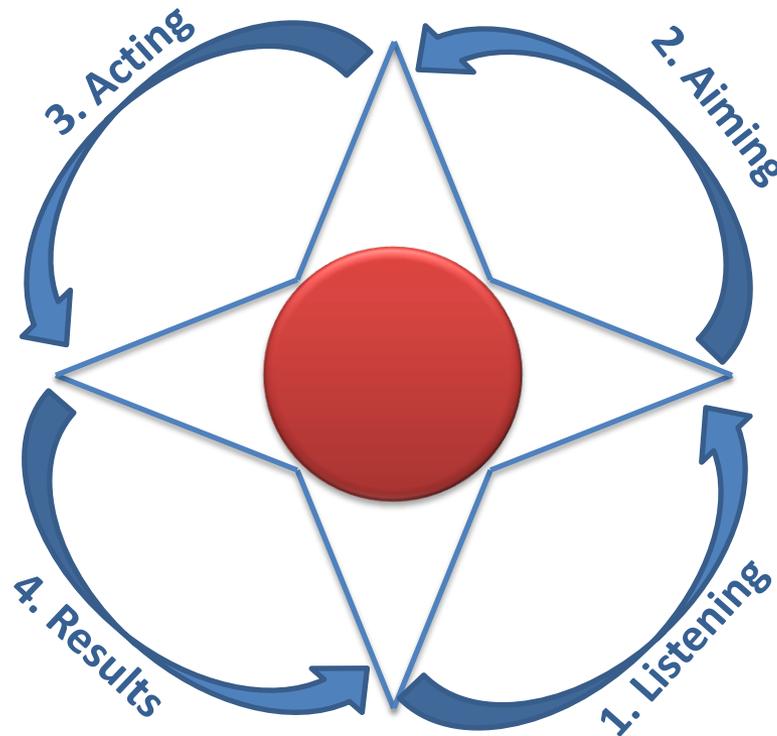


# Requirements of Leadership



# The Four Leadership Skills

When the time is right,  
take action toward  
satisfying those needs.

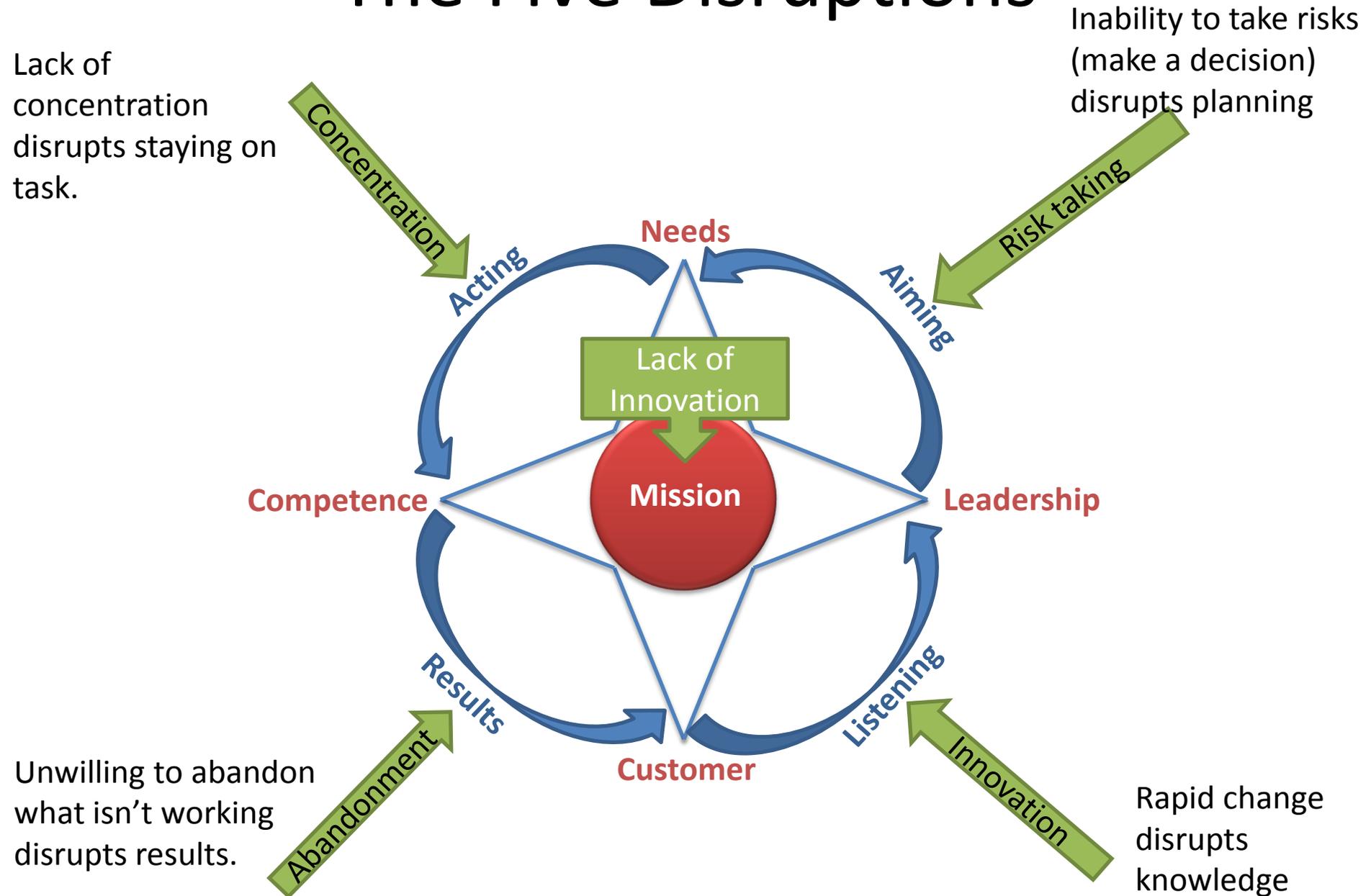


Planning: Since customer needs are always changing, leaders must ensure they are satisfying **current** needs, not yesterday's.

Measure: Results are always outside the organization in terms of a changed life.

Listen to the customer to understand what they value.

# The Five Disruptions



A large iceberg floats in the ocean, with a small ship visible on the surface. The iceberg's tip is above the water, while the vast majority of its mass is submerged. The sky is blue with some clouds.

**THE TIP OF THE ICEBERG**

# Resources

