

Reality-Based Decision-Making: How Capacity Builders Add Value in Tough Times

By David La Piana

La Piana
CONSULTING

5900 Hollis Street, Suite N

Emeryville, CA 94608

www.lapiana.org

info@lapiana.org

Introduction

In tough times, more than ever, the real value of nonprofit sector capacity builders becomes clear. It is not merely the expertise we bring to a particular set of problems, or the outsider perspective that often enables us to see issues more clearly than organizational leaders themselves do. Nor is it solely the trusting relationships we build that allow clients to make use of our expertise and perspective. Particularly when an organization is in extremis, when falling revenues and growing client demands are stressing the always delicate balance between available funding and real needs, when the nonprofit leader is looking at gathering storm clouds and knows he or she needs to do something – it is in the organization's darkest hour that our role in the sector becomes most vital.

In tough times people tend to react emotionally and are more likely to avoid hard decisions.

As capacity builders, we are there to help, not to control; to advise, not to dictate. It is their organization, not ours. Our engagement will end and we will move on, while it is their community, their cause, their work, that will endure. We must remember that we are not the judge, the jury, the prosecutor, or the defense lawyer. We are only a witness. We tell the truth about what we see in the client's organization. The capacity builder's most precious value lies in the combination of expertise, credibility, and independence, as expressed in a trusting client relationship, where he or she can be honest, yet remain compassionate.

What gets in the way of our ability to add value in difficult circumstances? Often it is the very difficulty of the situation itself. When the client is in trouble, we want to be supportive; to offer reassurance. It is human nature to care about our clients as people, but we must recognize that we are engaged to help the organization ask the tough questions and develop and implement solutions, not simply to provide emotional support, however much it may be needed. And while the two are not incompatible, we can never let the pull of the latter deter us from the responsibilities of the former.

Reality-Based Decision-Making

Reality-Based Decision-Making (Figure 1) describes a path capacity builders can take to help their clients in tough times. We chose this name because in tough times people tend to react emotionally and are more likely to avoid hard decisions, to ignore inconvenient facts, and to base their actions on unrealistic projections. The resulting decisions can convert a bad situation into a crisis. Decision-making in tough times must take into consideration the human, the

financial, and the organizational realities at hand. Using Reality-Based Decision-Making, capacity builders can help clients move beyond emotional responses to embrace data-driven yet culturally sound solutions. Here is how it works:

Listen. Your work is based on a credible, trusting relationship with your client, represented by the organization's leadership. You must be compassionate but honest, tactful but clear, pulling no punches. Above all you must communicate that you are on your client's side, both his or hers personally and the organization's as a whole. The process often begins, of necessity, with their venting about the frustrations of the situation, the disappointments of the job, and perhaps even a feeling of being let down by colleagues, the board, and/or funders. Let these feelings find expression, because they are real, they are honest, and it is necessary to do so in order to move forward. Your empathy and good listening skills are paramount at this stage.

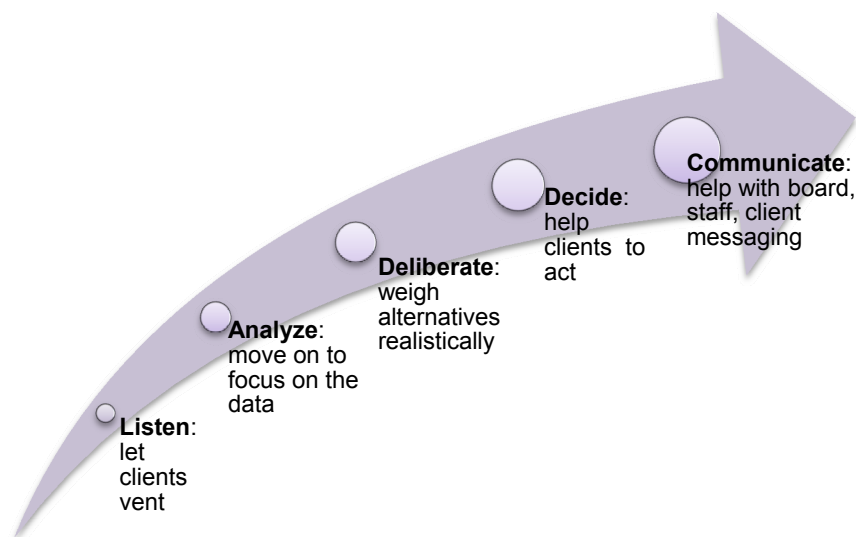
Analyze. Venting is only productive up to a point. Help your clients to move beyond it, having expressed themselves in a healthy way. Sometimes it is necessary to set a limit on the first phase of the process – “We can express our frustrations with this situation until 10AM then we will need to move on to developing a response.” The best antidote to emotionally-based decision-making is good data. So, help your clients to identify, organize, and consider the facts: e.g., falling revenues and predicted trend lines; rising deficits; increasing client demand. Whatever the facts are, help your client by doing a careful analysis and presenting them for consideration. This is where your analytical skills and objectivity are most needed.

Deliberate. Once the data are assembled, help your clients break down the decision-making process into clear and manageable steps. Encourage them to form a small team or task force composed of key staff and perhaps a board member or two. This group should be charged with reviewing the data and developing the set of criteria to be used in evaluating options. Clear decision-making criteria will minimize the danger of decisions based on emotion or fear and avoid delays in execution. You should also work with this group to engage other board members, staff, and constituents (as appropriate). These conversations should focus on getting agreement on the decision-making criteria and then on generating feasible alternatives. Help your clients flesh out these alternatives so that the consequences are as clear as is possible. Both your expertise and facilitation skills are of great value in this stage of the work.

Decide. Once alternatives have been developed, it is time to act. Help your clients make the hard decisions. Beginning with the facts and using the agreed upon criteria, begin to assess each option. Even with the consultation and

deliberation in the previous step, they may still back away from making a decision because the consequences – lost jobs, reduced services – are abhorrent to them. Circle back to address the emotions involved, review the facts and the alternatives, then push for decisions. Point out the consequences of inaction. Your ability to create a sense of urgency and to guide your client to action is critical.

Figure 1:
Reality-Based Decision-Making



Communicate. Once decisions are made, help your client to inform everyone affected, in the clearest and most productive ways possible. If they were reluctant to make hard decisions, they may also be less than forthcoming in their communications about those decisions. Help them to avoid that trap. This is the time to mobilize the task force formed earlier. Although sharing the decision – especially with those directly affected – will fall to the organization’s leadership, this small team can help with rumor control and ensure that those beyond the organization understand how and why a tough decision was made. Help them craft a clear message that acknowledges the difficulty of the decision – and the painful consequences – but the necessity of swift and considered action to the organization’s ability to continue to advance its mission. If the decision was based on the criteria agreed upon early in the process, they may be able to avoid some of the “second guessing.” How the decision was made should be clear. There is still a need to provide an opportunity for those affected to be heard. Layoffs and program cuts have the most dramatic impact on the individuals directly involved, of course, but also affect those who will remain to

carry on the work of the organization. Those staff may need time to reflect and discuss how they will move forward as a changed organization. Your empathy, facilitative skills, and the credibility you have built throughout the process will be of great value here.

Many capacity building engagements end at the point of decision. But difficult decisions may be very hard to implement, for a variety of reasons, and an un-executed decision is the same as no decision at all. Decisions must equal action. Discuss this upfront and, resources permitting, stay with your client through implementation.

*Capacity builders
can help clients
move beyond
emotional responses
to embrace data-
driven yet culturally
sound solutions.*

Capacity Builder Red Flags

In order to be helpful to our clients we must first manage ourselves. There are three elements to this task. First, we must bring our best selves to tough situations. This means we must be prepared, understand our client's environment, come full of questions and ideas, and not allow our own stress, either related to worries in our own lives or from concern over our client's predicament, to cloud our judgment. Second, despite the dire circumstances our client may be in, we must remain both hopeful and compassionate. Finally, we must manage stress-induced conflicts that will break out at the client's organization, not join in with or add to them; we must keep our own sanity through it all. If we fail in these key self-management tasks we will not be helpful, and we may in fact make the situation worse.

Here are some common red flags whose appearance will offer a warning that you are losing your objectivity and the necessary perspective to be helpful:

1. You try to save the organization yourself. You determine that current management is not up to the task of making the right decisions or is not appropriately leading the staff. These may be accurate perceptions, but cannot lead to you stepping into a managerial persona and trying to directly implement changes.
2. You confuse your worries with your client's. You are concerned because your own business is slow, or your spouse/partner just got laid off, and you allow those personal concerns to affect your perception of the client's situation – or worse, you seek emotional support for your worries from your client.

3. You experience your client's panic. The level of anxiety in your client's organization is reaching epic proportions – "we must do something, now!" If you start to join that chorus, you cease to be of use. A steady hand and composed demeanor can help calm the entire organization.
4. You start to work pro bono. You were engaged for a set fee, but now the client cannot pay so you start to work for free. It is one thing to engage with a client on a pro bono basis and quite another to allow a client to fail in its obligations to you under an existing contract. The term for the latter is co-dependency.

Conclusion

Capacity builders are in many ways the unsung heroes of the nonprofit sector. They provide critical help to the people who are changing the world, but from a distance, unseen and often unappreciated. During tough times, when tough decisions are needed, the role of the capacity builder becomes even more critical. It is our job to help nonprofit leaders make good decisions about hard issues, and to walk with them as they cross uncharted territory. A combination of proven skills, personal credibility, and a solid relationship with our clients is key to our success. Reality-Based Decision-Making can help.

About La Piana Consulting

Founded in 1998, La Piana Consulting is a national firm dedicated to strengthening nonprofits and foundations. Our mission is to improve management practices throughout the nonprofit sector for greater social impact. La Piana Consulting can help your organization become more effective through enhanced strategy, leadership, and collaboration. For more information, visit <http://www.lapiana.org> or call 510-601-9056.