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On the Frontlines

Worst Practices of a Social Entrepreneur

You can learn more from your mistakes than from your successes

By Paul Schmitz

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Worst Practices of a Social Entrepreneur

You learn more from your mistakes than from your successes by Paul Schmitz

As president and CEO of Public Allies, a national leadership development organization headquartered in Milwaukee, I've learned a lot from the best practices of other social entrepreneurs. But I've learned even more from our "worst practices" – what we suck at, how we've screwed up, and what we've done to get better.

Every time I present my list of worst practices at conferences and meetings, nonprofit leaders approach me with their own secret shortcomings, saying that they have no one with whom to discuss them. Yet it turns out that our shortcomings usually aren't so secret. My staff was not shocked when I showed them the list of things I suck at, which include being punctual, thinking through processes, completing administrative paperwork, and dealing with interpersonal conflict.

As painful as it may be, though, when we own up to our weaknesses and strengths, others can better complement our

leadership. Once in a management team meeting, for example, a VP asked me about my process for planning an upcoming board meeting. As was my habit, I created one on the spot. But my process of creating a process frustrated the team. The VP said, "Why can't you just say, 'I don't know, what do you think?' and let us help you create a process?" I thanked her for "driving into my blind spot and honking" – a phrase I've come to use when someone steps in to make up for my faults. Now when I am asked for process, I more likely say: "I don't do process. Please suggest one," instead of inventing one on the fly.

After 14 years on the job, I have wrestled with this and other worst practices, which are classic foibles not just of social entrepreneurs, but of all leaders. Here is a sampling:

Fake it until you make it. Early in my career, I attended a community-building retreat with staff and participants in our leadership program. As a 25-year-old social entrepreneur with no management experience, I was still in that "fake it until you make it" period. I thought I was doing a pretty

good job until the facilitator pulled me aside to diagnose the problem with our community – me.

Apparently, my perfectionist, micromanaging, seat-of-the-pants management style was creating a culture of fear and dishonesty. I asked the facilitator how he figured me out, and he told me my shortcomings were obvious to everyone. Although I was shocked and a bit wounded by my unveiling, I was also relieved to stop pretending. Fortunately, the facilitator donated his services for many weeks, meeting with my team to help us directly address our interpersonal challenges, understand and value each other's work and leadership styles, and learn how to communicate more honestly and openly with each other. We became a stronger team.

Twelve years and a few dozen team-building retreats later, I still don't hide my shortcomings very well, nor do I try to. Instead, I have learned that when I accept feedback, ask for help, and commit to improvement, things are better than when I don't own my stuff. Admitting my shortcomings also sets a tone for others on my team to reveal their vulnerabilities and allows us to build a more effective team.

Strive to be liked, rather than respected. Leaders like to be liked. We need people to follow us, and we don't want to disappoint or upset them. Social entrepreneurs in particular face skeptics, naysayers, and even opponents on our road to making social impact. And so we like our internal space – our office and staff – to be nice.

But being nice can hurt. I developed a bad habit of avoiding tough decisions like budget cuts or staff dismissals because I did not want to hurt people's feelings. Rather than



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preparing people for bad news, I withheld information, hoping to protect them while I found the heroic fix. When I couldn't find the fix, I apologetically "suggested" a decision that no one liked or respected.

In one case, an employee was not a good fit for our organization. But rather than tell him, I stopped giving him projects. My friendly manner did not mask my passive-aggressive actions, and he eventually resigned, disgruntled. By trying to be nice and not making the hard choice, I actually hurt him more.

A few years ago, a strategy consultant sat in on our management team meetings and helped us build our decision-making muscles. We learned that although not everyone may have liked our decisions, we were more respected, created less conflict, and respected ourselves more when we made tough decisions and steadfastly stood by them.

Give freedom first, and then build fences. From the beginning, our organization's culture prized local leadership and local innovation. Believing ourselves to be very progressive, we limited structures, rules, and requirements. For instance, our supervisors didn't manage. They coached. We ended up with a network of local chapters that created distinct mission statements, operated alternative programs, opted out of evaluation processes, and even offered employees different benefits.

But in the end, we were a single 501(c)(3). The clash between our centralized structure and our decentralized culture grew worse. For example, one local site signed a lease to move into a larger, more expensive office. When we disagreed with the move because of the expense and liability, the local site passionately

argued that we were defying their local autonomy and acting contrary to our own philosophy. Conflicts between sites only grew as we sought to standardize our mission, program requirements, evaluation systems, and operating policies.

To reconcile this clash of culture and structure, we eventually formed a team of local directors and national staff that created a new operating agreement with explicit standards of accountability. We realized the hard way what I heard from a Fortune 500 CEO: "By building fences up front – clear goals, expectations, and decision boundaries – you allow people the freedom to innovate because they know their limits and are accountable. It is a lot easier to open a gate when people's performance and innovation earns them that right than to build fences around people who've had free rein."

Say "yes" to everything. For many years, we believed that strategy meant, among other things, experimenting with mission-related programs. Our strategy was an open door with few parameters for evaluating new ideas or innovations, which meant we said "yes" too often. Before long, we had an unwieldy network with sites operating new programs with inconsistent activities of varying quality, which compromised our signature program.

In time, it became clear that we needed to hone our strategy. We assembled a team, conducted focus groups, and hired a management consultant to help us create a theory of change – a statement of the problem that we are trying to solve, activities that address the problem, and our desired intermediate and long-term outcomes. Our theory of change helped us understand that instead of

operating multiple programs, we should grow our signature program, support alumni of our signature program, and disseminate our practices through a new consulting arm. This newfound focus helped us expand without confusing our brand or compromising quality. It also taught us that a good strategy helps an organization say "no" more than "yes."

The Best Policy

As social entrepreneurs, we often fear that exposing our weaknesses will hurt our funding. Indeed, many funders communicate – often between the lines – that our mistakes and failures will end their support. This encourages dishonesty.

Nonprofits and those who support them benefit much more from honest discussions of challenges. Organizations that share their worst practices can benefit by inspiring public confidence, encouraging learning and innovation, and building greater trust among leaders and organizations. Sharing worst practices can also prevent us from reinventing bad wheels.

In *Good to Great*, Jim Collins writes about leaders with both personal humility and organizational ambition. Embracing one's worst practices is a great way to begin expressing that humility. And weaknesses are not all bad, because often they are related to our strengths. People may struggle with my lack of organization, but they still appreciate my inventiveness, passion, and drive. And I may struggle with someone's type A personality and lack of creativity, but I still appreciate her timeliness and attention to quality. All our glasses are half empty and half full – none of us can be fully defined by our fullness or our emptiness. □