Doing Well at Doing Good: Do You Have a Strategy?

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## Doing Good: Numerous Examples

### Within the Congregation
- Employment opportunities
- Employment counseling
- Grief support
- Divorce support
- Financial management, support and counseling
- Family daycare and child programming
- Improving health and welfare
  - On site physicians
  - Immunization drives
  - HIV/AIDS counseling
  - Sexual violence counseling
- Support of military families

### To Needy Communities
- Poverty reduction
- Donation drives for clothing, necessities
- Food banks
- Homeless shelters
- Disaster relief
  - Home building
  - Supplies
  - Monetary contributions
  - Volunteer teams
- Health Care Delivery
  - Build and operate health clinics (community and global)
  - Addiction support / recovery
  - HIV/AIDS prevention/treatment
  - Pregnancy support
- Environmental programs
Doing Well at Doing Good

• In serving the community or the needy, charity, philanthropy, and giving are the wrong mindset

The Right Mindset

• Delivering social services

• Meeting the needs of a “customer”

• That achieve high value
Doing Good: Do You Have a Strategy?

• Defining Appropriate Goals

• Where to Serve
  – What services to provide

• How to Serve
  – A clear strategy for each service area

• Creating Alignment
Doing Good
Defining Appropriate Goals

• Good intentions are **not enough**
• The act of charity is **not enough**

• The obligation of a social enterprise is to **create social value**

\[
\text{Social Value} = \frac{\text{Social Benefits}}{\text{Resources Expended}}
\]

• Society depends on us to use our time, relationships and financial contributions to **do the most possible good**
  – Taking a tax deduction makes society a **partner**

• Social benefit must be **defined** and **measured** if social value is to be created
Strategy For Doing Good

WHERE TO SERVE

What services should we provide to our community and to other needy communities?

HOW TO SERVE

How can we create the greatest social value in delivering each service?
Choosing Where to Serve

• There are many worthy causes

• There are many unmet human needs

• No congregation can address all these needs, even if it wanted to

• Where can we add the most value?

\[
\text{Social Value} = \frac{\text{Social Benefits}}{\text{Resources Expended}}
\]
Choosing Where to Serve
Strategic Principles – 1

External
• What are the most pressing needs of our own community?
• What are the pressing problems in other communities in need?
• What other organizations and institutions are available to meet those needs? Are they effective?

Internal
• What capabilities and resources do we have as a congregation/organization?
• Where can we add value beyond good intentions?
  – Where can we do more than give money or unskilled labor?
• Which services excite the greatest passion and commitment in our congregation?
Choosing Where to Serve
Strategic Principles – 2

Choices

• What limited set of services should we focus on to provide as a congregation?
  – What combination of services would be synergistic?

• Which excellent organizations should we contract with or support rather than providing services ourselves?

• Where could we scale up over time, or partner with other congregations?

• Most non-profits (and corporations engaged in community activities) try to do too many things, achieve limited impact, and do not use their resources for the highest and best use
Choosing Where to Serve

Words of Caution

• Lack of focus

• Pet projects

• Agenda creep

• Underutilizing volunteer capabilities

• “Not invented here”

• Imitating versus differentiating
Strategy For Doing Good

WHERE TO SERVE

What services should we provide to our community and to other needy communities?

HOW TO SERVE

How can we create the greatest social value in delivering each service?
Setting Strategy
Flawed Concepts

• Strategy as **aspiration**
  – “Our strategy is to serve one thousand families…”
  – “…create 250 jobs…”

• Strategy as **action**
  – “Our strategy is to build a new building…”
  – “…give $100,000 in family support…”

• Strategy as **vision / mission**
  – “Our strategy is to serve our community…”
  – “…demonstrate our charity…”

Strategy is about an overall approach to creating the maximum **social** value for the target recipients/customers.
Strategy Principles
1. Defining Clear Goals

• Setting goals for a social service requires **specifying** and **weighing** the social benefits to be achieved.

- Collection
- Visitation
- Education
- Visitor Experience
- Research / Scholarship

• For non-profits, goal definition and strategy are inextricably intertwined
Defining Social Value for Museums
Specifying Goals

**Collection**
- Comprehensiveness
- Rarity
- Sophistication
- Popular appeal
- Restoration

**Visitation**
- Number of visits
- Repeat visits
- Types of visitors
  - (sophistication, age, etc.)
  - Time spent per visit
  - Spending per visit

**Education**
- Whom to educate
  - Children
  - Enthusiasts
  - Educators
  - As many people as possible
- Means of education
  - Didactic
  - Experimental

**Research / Scholarship**
- Original vs. applied
- Scholarly vs. popular
- Conferences vs. publications

**Visitor Experience**
- Level of interactivity
- Amount and sophistication of information provided
- Extent of ancillary services

E.g.,
- Number of visits
- Repeat visits
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Strategy Principles
2. Choosing a Sustainable Solution Model
Addressing Inner City Poverty

Traditional Model

- Reduce Poverty
- Focus on Community Deficiencies
- Need: Social Services
- Geographic Space: Neighborhood
- Lead: Government

New Model

- Create Jobs, Income and Wealth
- Focus on Competitive Advantages
- Need: Business Investment
- Geographic Space: Region
- Lead: Private Sector
Inner City Newark’s Competitive Advantages

**Strategic location**
- Transportation hub with immediate access to 7 major highways, 14th largest airport in the world, a rail hub, and a location 20 minutes to midtown Manhattan
- Largest port on the East Coast and 3rd largest in the nation
- Largest higher education center in the state with formidable research base; over 50,000 students and faculty at 5 higher education institutions colleges populate the college town
- Flourishing cultural and arts; NJPAC is the 4th largest performing arts center in the nation
- Vibrant neighborhoods; Ironbound District home to the largest Portuguese population in the nation
- One of three state-designated Innovation Zones

**Underutilized workforce**
- Many residents are working but underemployed
- Hispanic population grew by 16%
- 42% speak languages other than English
- Over 8,760 job vacancies in 2005

**Inner City: Newark**

**Linkage to industrial/regional clusters**
- Proximity to regional transportation & logistics infrastructure and companies
- Attractive location for activities linked to leading clusters based in Manhattan due to proximity (e.g., financial services)

**Underserved local market**
- Over 6X the income density per square mile of the region ($115M vs $18M)
- Retail spending potential is 55% greater than the average inner city
- Growing student and downtown residential populations is expanding demand for amenities
- Diversity of citizens creates unique niches and business opportunities

# Sustainable Solution Models
## Health Care Delivery in Resource-Poor Settings

<table>
<thead>
<tr>
<th>Current Model</th>
<th>New Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>The product is treatment</td>
<td>The product is health</td>
</tr>
<tr>
<td>Volume of services (# tests, treatments)</td>
<td>Value of services (health outcomes per unit of cost)</td>
</tr>
<tr>
<td>Discrete interventions</td>
<td>Care cycles</td>
</tr>
<tr>
<td>Individual disease stages</td>
<td>Sets of prevalent co-occurrences - e.g., HIV and TB</td>
</tr>
<tr>
<td>Fragmentation of entities and programs</td>
<td>Integrated care delivery organizations</td>
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</tbody>
</table>
• Delivering any social service involves a system of activities
  – How should they be **configured** to deliver the most value?
  – **What role** should our organization play?
**HIV/AIDS Care Delivery Value Chain**

**INFORMING & ENGAGING**
- Prevention counseling on modes of transmission on risk factors
- Explaining diagnosis and implications
- Explaining course and prognosis of HIV

**MEASURING**
- HIV testing
- TB, STI screening
- Collecting baseline demographics

**ACCESSING**
- Meeting patients in high-risk settings
- Primary care clinics
- Testing centers

**PREVENTION & SCREENING**
- Connecting patient with primary care
- Identifying high-risk individuals
- Testing at-risk individuals
- Promoting appropriate risk reduction strategies
- Modifying behavioral risk factors
- Creating medical records

**DIAGNOSING & STAGING**
- Formal diagnosis, staging
- Determining method of transmission
- Identifying others at risk
- TB, STI screening
- Pregnancy testing, contraceptive counseling
- Creating treatment plans

**DELAYING PROGRESSION**
- Initiating therapies that can delay onset, including vitamins and food
- Treating co-morbidities that affect disease progression, especially TB
- Improving patient awareness of disease progression, prognosis, transmission
- Connecting patient with care team

**INITIATING ARV THERAPY**
- Initiating comprehensive ARV therapy, assessing drug readiness
- Preparing patient for disease progression, treatment side effects
- Managing secondary infections, associated illnesses

**ONGOING DISEASE MANAGEMENT**
- Managing effects of associated illnesses
- Managing side effects
- Determining supporting nutritional modifications
- Preparing patient for end-of-life management
- Primary care, health maintenance

**MANAGEMENT OF CLINICAL DETERIORATION**
- Identifying clinical and laboratory deterioration
- Initiating second- and third-line drug therapies
- Managing acute illnesses and opportunistic infection through aggressive outpatient management or hospitalization
- Providing social support
- Access to hospice care

(Health outcomes per unit of cost)

Source: Global Health Delivery Project (http://www.isc.hbs.edu/soci-GHD.htm), Framework drawn from M.E. Porter and E.O. Teisberg, *Redefining Health Care*
Strategy Principles
4. Combining Operational Effectiveness and Strategy

- Assimilating, attaining, and extending **best practices**

Doing the **same thing** as well or better

- Creating a **unique** approach to serve a chosen set of customers

Creating **distinctive value**
Strategy Principles
5. Defining a Clear Value Proposition

What Customers?
• What types of “customers” should we serve?
• What channels should we use to reach these customers?

Which Needs?
• What specific varieties of service should we offer?

What Price?
• Should we charge for our services?
• How should we recover costs?
Translating Goals into a Value Proposition

**Museums**

**What Customers?**
- Adults vs. children
- Enthusiasts vs. Neophytes
- Visitors vs. locals
- Current vs. future generations

**What Price?**
- Free
- Membership
- Fee per admission

**Which Needs?**
- Appreciation
- Education
- Experience
- Participation

E.g.,

_Example:

- Free admission for students
- Reduced price for seniors_
Strategy Principles
6. Creating a Distinctive Value Chain

Whole Foods Markets

Value Proposition

- Natural, fresh, organic, and prepared foods and health items with excellent service at premium prices
- Educated, middle class and affluent customers who are passionate about food as a part of a healthy lifestyle

Distinctive Activities

- Well-lit, inviting supermarket store formats with appealing displays and extensive prepared foods sections
- Produce section as “theater”
- Each store carries local produce and has the authority to contract with the local farmers
- Information and education provided to shoppers along with products
- High touch in-store customer service via knowledgeable, flexible, highly motivated personnel
- Café-style seating areas with wireless internet for meetings and meals
- Egalitarian compensation structure
- Own seafood procurement and processing facilities to control quality (and price) from the boat to the counter
- Donates 5% of profits to non-profits
- Each store has “green projects,” directed by employees to improve environmental performance

How should the value chain be configured to deliver the value proposition?
Strategy Principles
7. Making Clear Tradeoffs

• To be excellent at delivering any services, organizations must choose what **not** to do

Neutrogena Soap (1990)

• Forgo cleaning, skin softening, and deodorizing features
• Choose higher costs through the configuration of:
  – packaging
  – manufacturing
  – detailing
  – medical advertising
  – skin research
• Give up the ability to reach customers via:
  – promotions
  – television
  – some distribution channels
Barriers to Strategy in Non-Profits

- **Unclear goals** that allow any program to fit, and make performance impossible to measure

- **Multiple** or **conflicting** goals/target populations
  - Lack of consensus on goals

- Services driven by **donor, staff, or CEO** passions and preferences, not value or effectiveness

- No attempt to **measure** performance

- Limited attention to the **costs** of providing services, and thus the **value**

- Inability to make **tradeoffs** – all things to all people

- Inability to **sunset** any program or activity

Severe risk of agenda / program proliferation
Creating Alignment

• An explicit strategy for where to serve and how to serve should determine the way to organize, staff and measure success
The Role of Leaders in Strategy

• Lead the **process of choosing** the organization’s strategy
  – Where to serve
  – How to serve
  – The choice of strategy **cannot** be entirely democratic

• Drive operational improvement while **pursuing a clear strategy**

• **Communicate** the strategy relentlessly to all constituencies

• Maintain **discipline** around the strategy, in the face of many distractions

• Measure **progress** against the strategy and **value delivered**

• Commitment to strategy is **tested every day**, especially in non-profit organizations
Summary

• Today, government **cannot** solve all of society’s problems, at home or abroad

• **We will** have to solve these problems ourselves

• Congregational leaders must see this as a **central part of their mission**

• Your role is to mobilize your organizations to **do good** beyond the walls of the church

• Doing well at doing good is challenging, and must be approached strategically

• Delivering value to society will require raising the bar on utilizing your resources well