There is nothing as practical as good theory.
Capacities & Forces

I/we
It/its

Leadership capacity
Management capacity
Adaptive capacity
Technical capacity

Poesis
Theoria
Praxis

Effectiveness
Needs
Self-transcendence
Actualization
Basic

Socio-demographic forces
Economic forces
Political & Regulatory forces
Technological forces

Dignity
Prosperity
Self-sufficiency
Safety
Policy
Hands-on
Prophet Builder, Explorer Administrator
Bureaucrat Barbarian Aristocrat
Brand Authority
Decline or Renewal Ideation & Launch Differentiate & Scale Obsolescence
I/we It/its Poesis Theoria Praxis
creativity direction delegation coordination
Needs Dignity
Revolution Revolution Evolution Capital Spiritual
Innovation Social
Human
Capital
Generative Evolution Effectiveness
Revolution
External equity
Debt
RE & monetized assets
Leadership capacity Management capacity
Brain Authority
Diffentiate & Scale Ideation & Launch
Praxis Poiesis
Adaptive capacity Technical capacity
Decline or renewal Obsolescence
Conversion of Capital into Revenue

**Business-Model**

- **I/we**
  - Deliver

- **It/Its**
  - Capture

**External equity**

**Debt**

**RE & monetized assets**

- **Prophet**
  - Creativity

- **Explorer**
  - Ideation & Launch

- **Administrator**
  - Leadership capacity

- **Bureaucrat**
  - Management capacity

- **Aristocrat**
  - Brand Authority

**Social**

**Dignity**

- **Innovation**
  - Direction

- **Human**
  - Coordination

**Financial**

- **Spiritual**
  - Delegation

- **Needs**
  - Adaptative capacity

- **Effectiveness**
  - Praxis

- **Revolution**
  - Ideation & Launch

- **Evolution**
  - Obsolescence

- **Generative**
  - Revenue

**Theoria**

**Praxis**

**Poesis**

**Conversion of Capital into Revenue**

External equity, Debt, RE & monetized assets.
Change management sweet-spots

- **Builder, Explorer**
  - Hands-on
  - Ideation & Launch
  - Differentiate & Scale

- **Barbarian**
  - Leadership
  - Autonomy
  - Direction

- **Prophet**
  - Creativity
  - External equity
  - Revolution

- **Administrator**
  - Control
  - Red tape
  - Coordination

- **Bureaucrat**
  - Control
  - Alliances
  - RE & monetized assets

- **Aristocrat**
  - Authority
  - Ideation & Launch
  - Ideation & Launch

- **I/we**
  - Brand Authority
  - Praxis
  - Ideation & Launch

- **It/its**
  - Decline or Renewal
  - Obsolescence
  - Ideation & Launch

- **Policy**
  - Financial
  - Human
  - Needs

- **Hands-on**
  - Spiritual
  - Innovation
  - Social

- **Generative**
  - Effectiveness
  - Revolution

- **Revolution**
  - Revolution
  - Evolution

- **Spiritual**
  - Innovation
  - Social

- **Financial**
  - Human
  - Needs

- **Human**
  - Innovation
  - Social

- **Needs**
  - Spiritual
  - Innovation
  - Social
The “So What” Factor – what is success?
Your Org’s Influence Within An Ecosystem

- **Brand**
  - Relevancy
  - Criticality
  - Embeddedness

- **Economic Development**
  - **Inputs/Outputs**
    - Community Development
    - Development
    - Organisation Development
    - Leadership Development
    - Human Development

- **Social**
  - **Inputs/Outputs**
    - Community Development
    - Development
    - Organisation Development
    - Leadership Development
    - Human Development

- **Financial**
  - **Inputs/Outputs**
    - Community Development
    - Development
    - Organisation Development
    - Leadership Development
    - Human Development

- **Spiritual**
  - **Inputs/Outputs**
    - Community Development
    - Development
    - Organisation Development
    - Leadership Development
    - Human Development

- **Human**
  - **Inputs/Outputs**
    - Community Development
    - Development
    - Organisation Development
    - Leadership Development
    - Human Development

- **Needs**
  - **Inputs/Outputs**
    - Community Development
    - Development
    - Organisation Development
    - Leadership Development
    - Human Development

- **Revolution**
  - **Inputs/Outputs**
    - Community Development
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- **Revolution**
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- **Dignity**
  - **Inputs/Outputs**
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- **Control**
  - **Inputs/Outputs**
    - Community Development
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- **Coordination**
  - **Inputs/Outputs**
    - Community Development
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- **Effectiveness**
  - **Inputs/Outputs**
    - Community Development
    - Development
    - Organisation Development
    - Leadership Development
    - Human Development

- **Obsolescence**
  - **Inputs/Outputs**
    - Community Development
    - Development
    - Organisation Development
    - Leadership Development
    - Human Development

- **Ideation & Launch**
  - **Inputs/Outputs**
    - Community Development
    - Development
    - Organisation Development
    - Leadership Development
    - Human Development

- **Differentiate & Scale**
  - **Inputs/Outputs**
    - Community Development
    - Development
    - Organisation Development
    - Leadership Development
    - Human Development

- **Decline or Renewal**
  - **Inputs/Outputs**
    - Community Development
    - Development
    - Organisation Development
    - Leadership Development
    - Human Development

- **Identify & Launch**
  - **Inputs/Outputs**
    - Community Development
    - Development
    - Organisation Development
    - Leadership Development
    - Human Development
Social Movements – moving beyond a brand
Towards a T.O.E. – hubris & humility

- Solidarity
- Disruption
- Sacrifice
- Commitment

Brand
- Relevancy
- Criticality
- Embeddedness

Common Agenda
Shared Measurement
Economic Performance
Continuous Communication
Coordinating Organization

Policy

Hands-on

Inputs/Outputs

Synergist

Economic Development
Community Development
Organization Development
Leadership Development
Human Development

Spiritual

Financial

Innovation

Social

Human

Needs

Self-transcendence
Actualization
Basic
Alliances

Revolution

Effectiveness

Dignity

Relevancy

Criticality

Embeddedness

Transitional

Criticality

Continuous

Communication

Coordinating
Organization

Dignity

Revolution

External equity

External equity

Transaction

Transactional

Transformational

Effectiveness

Evolution

Generative
Nobody expects the Spanish Inquisition!
Examples

Builder/Explorer  ->  Administrator

Barbarian  ->  Synergist  ->  Prophet  ->  LTS

Revolution  ->  Evolution  ->  Revolution
Examples

Builder/Explorer  Administrator  Synergist  CFBSA

Barbarian  Prophet  GSOS

Revolution  Evolution  Revolution
<table>
<thead>
<tr>
<th>Leadership</th>
<th>Culture</th>
<th>Financial</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Today</strong></td>
<td>Founder needing to make room for and delegating more to specialized competencies (i.e. other org leaders) to drive change (transitioning through the founder and the general/barbarian phases into an age of multiple entrepreneurial discovery (builder/explorer).</td>
<td>Mix of true believers and managerial competence. Biggest internal complaint: founder is in the way. Biggest external complaint: the place couldn’t exist w/o the founder. <strong>Creative destruction pivot:</strong> <em>Can the potential of the organization exceed the founder’s limitations?</em></td>
</tr>
<tr>
<td><strong>Tomorrow</strong></td>
<td>Strong, interdisciplinary team – each playing to its own strengths/skill-sets – is needed.</td>
<td>Among other metrics of success, focus on service/stakeholder satisfaction, to validate continued investment and growth potential.</td>
</tr>
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**Evolution**

**Revolution**

**LTS**

Barbarian

Prophet

Revolution

Evolution
<table>
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<tr>
<th><strong>Leadership</strong></th>
<th><strong>Culture</strong></th>
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<tbody>
<tr>
<td><strong>Yesterday</strong></td>
<td>Bureaucratic: Procedures (process control) take precedence over problem-solving. Threat of aristocracy, in which appearance is more important than dealing with reality.</td>
<td>Large capital and asset base, some of which created by M&amp;A activity. But unrecognized flattening trend of support (both annual revenue and diverse, new sources of external equity).</td>
</tr>
<tr>
<td><strong>Today</strong></td>
<td>Mix of autocratic (aka “barbarian”) &amp; entrepreneurial leadership strategies. Luckily, because it’s facing the need for business-model renewal/overhaul vs. decline, the CFBSA is in a change-management sweet-spot. Need to substitute the lure of excessive administration (red-tape crisis) for the lure of a renewed builder-explorer phase.</td>
<td>Increasing costs upon diminishing returns, requiring improved efficiency. Competitors are securing innovation, social, and spiritual capital, requiring CFBSA to renew value-proposition &amp; the ability to attract new equity capital. What’s at stake: the relevance, influence, embeddedness, and criticality of the brand’s influence. Mix of the barbarian drive towards efficiency and scale, and the builder/explorer drive towards risk, innovation, and new value-creation (and their financial analogues: controlled costs at scale and diversifying earned revenues &amp; monetized assets).</td>
</tr>
<tr>
<td></td>
<td>Focus on programmatic contribution margin and portfolio management, with goal to increase innovation, accountability, effectiveness, &amp; efficiency. Biggest internal complaint: insufficient communication across org and insufficient resources/time. Biggest external complaint: lack of agility. Creative destruction pivot: Can org get “far enough fast enough” (a sense of missional urgency) in simultaneously building effective external alliances for community impact, and grow programmatic intrapreneurship and quality at the same time?</td>
<td>Core business to optimize efficiency, asset-utilization, &amp; impact/influence; outsourcing some services; developing new frontiers/horizons of innovation/value and exploratory business opportunities. Need to invest in partners’ capacity &amp; capability &amp; business-model, including use of diverse capital sources. Development of robust ecosystem alliances and partner innovation.</td>
</tr>
<tr>
<td><strong>Tomorrow</strong></td>
<td>Synergistic leadership, combining entrepreneurship &amp; administrative control. Key question: can org invest in ecosystem &amp; sacrifice its self-serving track-record?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accelerate change-management (learning, experimentation, continuous improvement). For ecosystem alliances: Skilled diplomacy/negotiation in complex/evolving internal &amp; external environment. Productive tension and interdependence between centralized services, strategic portfolio management of diverse programs, and autonomous intrapreneurship.</td>
<td></td>
</tr>
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<td>Leadership</td>
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<tr>
<td><strong>Yesterday</strong></td>
<td>Administrative founder willing to lead but not control, ensuring diverse talent density to grow organization.</td>
<td>Entrepreneurial, mission-driven.</td>
</tr>
<tr>
<td><strong>Today</strong></td>
<td>See themselves competing with for-profits. Risk-taking ambition for impact scaling.</td>
<td>Cross-subsidization of innovation across portfolio of businesses’ deep talent pools &amp; diverse core-competencies. Intentionally competes with for-profits. Subsidiary business expertise is backed by holding company expertise in business development, capital acquisition &amp; finance, evaluation, HR &amp; org development/learning, procurement, etc. Creative destruction pivot: What is the limit to the org’s ability to continue to simultaneously scale, improve quality, and lower costs?</td>
</tr>
<tr>
<td><strong>Tomorrow</strong></td>
<td>Organic start-ups. Evaluating the purchase of desirable for-profits to bring into their program portfolio, aka GSOS is tax-designation agnostic.</td>
<td>Subsidiary business programmatic expertise is backed by holding company’s expertise in business development, capital acquisition &amp; finance, evaluation, HR &amp; org development/learning, procurement, etc.</td>
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Assessing where your organization and/or program is at in its life-cycle will help you to know:

- What human-capital, financial-capital, and/or business-model priorities and needs to focus on;
- What is normal and to be expected in your life-cycle stage, both for your own “deep-breathing” and focus, and for your performance benchmarking purposes;
- What to expect in the upcoming life-cycle stage, so that you can proactively prepare for that;
- What to communicate about your current and projected challenges and priorities to key stakeholders, such as your board members, staff, donors/investors, clients, etc., so that you can better manage and align everybody’s expectations.
A handful of asides in no particular order...

• To ensure retained earnings (increasing net assets or fund balance), budget a 1%+ profit margin each year;

• Yeah, yeah, we need to diversify our revenue streams, but is that appropriate at this stage in our life-cycle, given our capabilities, adjacency capabilities, and opportunity cost considerations;

• Since AZ nonprofits do relatively well managing their liabilities, the riskier half of our balance sheets is how much cash we have tied up in long-live assets like property, plant, & equipment and endowments;

• And besides, if an endowment isn’t big enough to make a difference (i.e. the size of your annual operating budget), there are better uses for that cash for today’s mission-impact and building a more resilient business-model by investing in your organization’s capabilities.
Poets make available a future that does not, as yet, exist; they are eschatologically oriented.

From this environment, a missional imagination emerges.