

# Forces for Good – The Six Practices of High-Impact Non-Profits

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I have recently been reading this inspirational book which I would highly recommend. It challenges our measures of organisational success. Based on the study of 12 high impact non profits, it shows that real social change happens when organisations go outside their own walls and find creative ways to enlist the help of others. The authors wanted to identify and understand the common characteristics of non profits, in particular two things: did the organisation achieve substantial and sustained results at the national or international level and did the organisation have an impact on an entire system or field?

The research carried out in the US initially surveyed nearly 2800 Executive Directors of non profits, broadly representative of the entire sector. It asked them to nominate up to five non profits in their field that they believed had the most significant impact in the last thirty years and to explain their choices. The researchers then enlisted sixty experts in nine different fields (e.g. arts, youth development) to help them analyse the survey results, and eventually narrow the list to a final sample of twelve high impact organisations. They then spent two years studying these organisations. They analysed internal information including budget data, remuneration rates, staff turnover and organisation charts. They looked at all the data collected for patterns revealing how these non profits made their impact. The most significant themes became the six practices. The practices may surprise you. What they found surprised them and flies in the face of perceived wisdom in the field which says that scaling social innovation starts with strengthening internal management capabilities. It certainly behoves those of us, wishing to assist positive social change in New Zealand, to consider these characteristics and how they apply to the organisations we are working with.

### Here are some relevant extracts from the book.

Achieving large scale-social change is not just about building an organisation and then scaling it up site by site. Many of the great organisations are not perfectly managed. Nor are they very well marketed. And at least half don't score well on conventional ratings, because they care about having an impact rather than having low-overhead budgets. They do what it takes to get results.

As we got further into our research, we saw that many beliefs about what makes great nonprofits great were falling by the wayside. In fact, the vast majority of social sector management books focus on things that don't always lead to greater impact.

As we dismissed the conventional wisdom about what makes great nonprofits great, we began to realise that there was a flawed assumption underlying our initial research question. When we began this project we assumed there was something inherent to these organisations that made them great. Instead, we learned that becoming a great nonprofit is not about building a great organisation and then expanding it to reach more people. In fact growing too quickly without adequate investment can cause an organisation to falter or implode. Although growing an organisation can be one strategy for increasing impact, it is not the only way these groups achieve success.

The secret to success lies in how great organisations mobilise every sector of society – government, business, nonprofits, and the public – to be a force for good. In other words, greatness has more to do with how nonprofits work outside the boundaries of their organisations than how they manage their own internal operations.

Textbook strategies like relentless fundraising, well connected boards, and effective management are necessary of course, but they are hardly sufficient. The high-impact nonprofits we studied are satisfied with building a “good enough” organisation and then spending their time and energy focused externally on catalysing large scale systemic change. Great organisations work with and through others to create more impact than they could ever achieve alone. They influence and transform others in order to do more with less.

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## Measuring Impacts

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The organisations seed social movements and help build entire fields. They shape government policy, and change the way companies do business. They engage and mobilise millions of individuals and, in doing so, help change public attitudes and behaviours. They nurture larger networks of nonprofits and collaborate rather than compete with their peers. They spend as much time managing external relationships and influencing other groups as they do worrying about building their own organisations. These high impact nonprofits are not focused only on themselves but also on the relentless pursuit of results.

After studying the organisations we began to see patterns and these crystallised into six practices. The first four are more external, and these four entail special practises inside the organisation that help these non-profits relate more effectively to their environment. So the last two are internal practise that enable high-impact nonprofits to operate successfully in the outside world and bridge boundaries.

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### Great social sector organisations do these six things:

- 1. Advocate and serve.** They don't just focus on doing one thing well. They may start out by providing great programmes, but eventually they realise that they cannot achieve systemic change through service delivery alone. So they add policy advocacy to access government resources or to change legislation, thus expanding their impact. Other nonprofits start doing advocacy and later add grassroots programmes to supercharge their strategy. Ultimately all of them bridge the divide between service and advocacy, and become good at doing both. And the more they advocate and serve, the greater the levels of impact they achieve.
- 2. Make markets work.** Tapping into the power of self-interest and the laws of economics is far more effective than appealing to pure altruism. No longer content to rely on traditional notions of charity or to see the private sector as the enemy, great non-profits find ways to work with markets and help business “do well while doing good”. They influence businesses practices, build corporate partnerships, and develop earned income ventures – all ways of leveraging market forces to achieve social change on a grander scale.
- 3. Inspire evangelists.** Great nonprofits see volunteers as much more than a source of free labour or membership dues. They create meaningful ways to engage individuals in emotional experiences that help them connect to the group's mission and core values. They see volunteers, donors, and advisors not only for what they can contribute

to the organisation in terms of time, money and guidance but also for what they can do as evangelists for their cause. They build and sustain strong communities to help them to achieve their larger goals.

- 4. Nurture nonprofit networks.** Although most groups pay lip service to collaboration, many of them really see other nonprofits as competition for scarce resources. But high impact organisations help the competition success, building networks of nonprofit allies and devoting remarkable time and energy to advancing their larger field. They freely share wealth, expertise, talent, and power with their peers, not because they are saints, but because it is in their self interest to do so.
- 5. Master the art of adaptation.** All the organisations are exceptionally adaptive, modifying their tactics as needed to increase their success. They have responded to changing circumstances with one innovation after another. Along the way they have make mistakes, and even produced some flops. But unlike many nonprofits, they have also mastered the ability to listen, learn and modify their approach based on external cues, allowing them to sustain their impact and stay relevant.
- 6. Share leadership.** The CEOs are exceptionally strategic and gifted entrepreneurs. But they also know they must share power in order to be a stronger force for good. They distribute leadership through their organisation and their nonprofit network, empowering others to lead. And they cultivate a strong second-in-command, building enduring executive teams with long tenure, and developing highly engaged boards in order to have more impact.

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Each of the practices can interact with the others in mutually reinforcing ways. The whole is greater than the sum of the parts.

All the organisations aspire to change the world (they are driven to achieve broad social change) and have an unstoppable desire to create lasting impact as well. It is this relentless pursuit of results in the face of almost insurmountable odds that characterises social entrepreneurship – as opposed to nonprofit management. Social entrepreneurs are not content to merely give a man a fish, or even teach him how to fish: these entrepreneurs won't stop until they have revolutionised the entire fishing industry. At its core, social entrepreneurship is an externally focused act. It's all about results, not processes. And that's why it sometimes looks so messy and chaotic from the outside. Philanthropy New Zealand has copies of Forces for Good for sale, \$70 gst incl. Please email: [info@philanthropy.org.nz](mailto:info@philanthropy.org.nz) for details. 