



Stanford eCorner

Focus on Outcomes, Not Activity

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One of greatest organizational challenges in the nonprofit sector is knowing how well you are doing, says Moore Foundation President Steven McCormick. In a space with fewer precise metrics for measuring effectiveness, says McCormick, organizations must avoid following into the trap of thinking of success in terms of tactics and activities, rather than outcomes.



Transcript

One of the biggest challenges in the non-profit world is understanding how well you're doing. Going to for-profit, there are conventions consistently applied, universally understood, often legally required that enable leadership or anybody in a large enterprise or small enterprise for that matter to know how well they're doing, and typically those are financial metrics. And a non-profit organization don't have any consistency in the metrics to determine success or progress towards a mission and frankly one of the biggest shortcomings of non-profit organizations is that they begin to think of success in terms of tactics and activities, not end results. I have an almost obsessive focus on outcomes, and I always have. I remember when I started The Nature Conservancy, which again has been characterized by - it's I think very successful tactic of buying land. I started there as a lawyer. And transactions were always in the pipeline, negotiated by very able field representatives, typically who had a business degree, I started in 1977, it's 14 years old. Just I was really - just more or less out of law school, but all these transactions, each one of which was a very fine consequence in its own right, I couldn't see how does it add up, how is this individual transaction contributing to some larger outcome inasmuch as the mission of The Nature Conservancy is to preserve, in essence this is a little bit of simplification, the diversity of life on earth, there seems like it would be a lot of transactions to get enough diversity of life on earth to satisfy our mission. So I'd say in any enterprise that you go into large or small, keep your eye on the ball, what is this enterprise all about? What do I want to accomplish and if I'm in a leadership role or if I'm in an entrepreneurial role, what is my compass head towards? What do I - what am I trying to get done and it's so easy. Any of you who have worked in any kind of enterprise realize that day-to-day the noise can distract you.

And you lose sight and I see that a lot in non-profit organizations. How many of you have worked for a non-profit, even as a volunteer? A lot of you, okay. So that means I can't lie too much about non-profits or you're going to catch me on that. But I think you'd agree, anybody who is working in a non-profit that keeping your eye on the prize is a challenge. Again, because, in part, it's hard to define what that prize is in ways that are simple, understandable, and measurable.