

Organized Program Prioritization and Abandonment

by

Mark D. Alcorn, J.D., M.B.A. and Kenneth L. Zakariasen, D.D.S., Ph.D.

Introduction

There was a time when trade and professional associations enjoyed relative stability notwithstanding business trends and economics. Today, however, the association industry is generally not stable. Recent economic and business trends have resulted in some difficult challenges for the association industry. Many association's resources, both financial and human, are more scarce, and spread more thinly, than ever before. Associations have attempted to cope with these challenges by downsizing, restructuring, merging, re-engineering work processes, and through other methods. Regardless of the means of coping, a process for objectively and rationally prioritizing and abandoning current and/or proposed association programs should be conducted. This article advocates such a process -- called "Organized Program Prioritization and Abandonment" (OPPA).

Organized Program Prioritization and Abandonment (OPPA) is a process of addressing the challenge of rationally prioritizing and abandoning programs. The process is comprised of program/activity prioritization based on "core values," consideration of financial requirements and implementation options, and reaching consensus rationally on what will (and will not) be done with finite association resources. Through the OPPA process, we eliminate "non-value" and lesser value work, cultivate improved performance, and become more outcome oriented. The OPPA process can also be applied to assess the relative value of future proposals.

The OPPA process is not without risk: Your pet project could be "shot down," or the process could result in a reorganization or other changes. However, OPPA is a process designed to help the organization adapt to continuously changing conditions. While this process may entail risk, it is far less risky than failing to adapt and grow.

Although outside facilitation of the process is highly recommended, the heart of the process must be conducted by persons who know the most about the organization -- its volunteers and staff. Association leaders have a greater understanding of the values and facts, and the decisions made and directions selection will enjoy greater support among the members. Most importantly, the programs and activities that the association chooses to retain and implement will enhance and support the core mission and values of the organization.

Prerequisites

There are at least three prerequisites to successful program prioritization and abandonment.

1. Vision and Core Purpose: Organizations that enjoy enduring and consistent success have a clear vision, embodied in well-defined core purpose and core values. An outstanding explanation of the relationship between vision and core values can be found in the article by James C. Collins and Jerry I. Porras, *Building Your Company's Vision*. [1] According to Collins and Porras, core purpose and core values are the essence of the organization, and should not change. They are the constant -- a source of guidance and inspiration -- upon which we rely in moving toward the future.

Core values are the three to five ideals the organization holds as irreproachable, regardless of their political correctness or financial efficiency. Core values should not be confused with strategic objectives or goals. Strategic objectives and goals are important, but are related more to *how* to fulfill a vision rather than *being the ideals that we hold above all others as an organization*.

2. Comprehensive Membership/Stakeholder Survey Results: Membership survey responses can be very valuable in the OPPA process. Other methods of obtaining feedback (such as focus groups) from the “stakeholders” of the organization will be extremely valuable. In the absence of compelling survey, focus group or other stakeholder input, the organization should, without question, consider involving more non-leader stakeholders throughout the OPPA process.
3. Board/Executive Committee Support: The OPPA process can take from three to six months or longer to accomplish. As such, a true commitment to the process is required. The active involvement of the chief staff officer (hereinafter called “CEO”) and the chief elected volunteer (hereinafter called “chairman”) is essential.

OPPA Process Phases

OPPA involves three basic phases: 1) grounding/agreeing on core values, 2) taking and analyzing inventory of programs and activities, and 3) making program and activity decisions, as follows:

PHASE ONE -- Grounding/Agreeing on Core Values

Task: Using previously created core purpose/mission statements, formulate a set of core values or ideals of the organization. It may be helpful to refer to work plans, mission statements, goal statements, survey results, focus group research and similar reference or research materials at this point. These values should be distilled into three to five ideals.

The ideals should not be goal or objective statements, or strategic plans. They should be idealistic statements of the organization’s essential tenets. Examples of core values (from the Collins/Porras article, *Building Your Company’s Vision*, page 68) for the Walt Disney company, for example, are:

- * No cynicism
- * Nurturing and promulgating of “wholesome American values”
- * Creativity, dreams and imagination
- * Fanatical attention to consistency and detail
- * Preservation and control of the Disney “magic”

Core values for Sony Corporation are:

- * Elevation of the Japanese culture and national status
- * Being a pioneer -- not following others; doing the impossible
- * Encouraging individual ability and creativity

Note that none of these core values is about making a profit, or being a certain size by a certain date. Those may be appropriate objective/goals statements, but are not core values.

Validate your core values by testing them against the following standards: Can you envision the value as being as valid for your organization in 100 years as it is today? Would you hold this value as core even if it became a competitive disadvantage? If so, you have identified a core value. If not, it is more likely a goal, practice or business strategy, not a core value.

Core values frequently arise from very personal, individual ideals. The committee handling the first pass at this task should be instructed to consider their own feelings about organizational ideals a primary source of ideas for core values. Organization core values that are shared by individuals can be a powerful combination.

Assigned to: A small group (8 - 15) of highly credible stakeholders, including volunteers and senior staff members.

The core values list should be subsequently reviewed, refined and approved by the Board. Thereafter, they should be widely published among stakeholders, and considered in future decision making.

PHASE TWO -- Taking and Analyzing Inventory of Programs and Activities

Task 1: Identify all programs and/or activities, and break them down into the smallest possible meaningful programs or activities. The goal is to break down the activities such that the Board can pick and choose between related programs or activities, and avoid unwittingly approving less desirable activities that have been “bundled” with very important activities. For example, if the organization has a publications department, do not simply list “publications.” Rather, list each publication or publication-type produced by name (as a separate activity), and include design, layout, printing and distribution activities as part of each item. Also for example, do not refer simply to an “annual convention” as a program. Rather, cite each activity separately (such as educational courses, workshops, trade show, business meeting, receptions, dinners, etc.). Depending on the activity or program, it may be helpful to break out some kinds of activity in even greater detail. For example, if the association hosts various receptions and events during its annual meeting, those events should be listed separately.

The purpose of this step is to “unbundle” programs, and give the Board of Directors the opportunity to consider each activity separately. The Board should be able to say “yes” to an awards banquet at its annual meeting, but “no” to a cocktail reception. The key is to facilitate the Board’s evaluation of each component of activity separately, so that each component can be ranked based on how well it advances the organization’s mission and core values. It is important that program/activity lists are created through a group process, and reviewed with some scrutiny. Otherwise, it would be a simple matter for participants to protect “pet” projects by bundling them with other, more meritorious programs.

Assigned to: CEO and Senior Staff Members. Ideally, the program lists are prepared by senior staff members individually, distributed in advance, and discussed by senior staff in a group meeting. Subsequently, the programs/activities list should be reviewed and refined by the Board. The list should be subject to amendments or revision at any time.

Task 2: Rank all programs identified in Task 1 as “A” (strongly advances core values), “B” (moderately advances core values) or “C” (advances core values indirectly), based strictly on the extent to which that program or activity furthers the core values of the association. Detailed rankings (i.e. by numbers 1.0, 1.1, 1.2, etc.) are not necessary and are time consuming to reach, so avoid the temptation to do them. If possible, do all of the rankings on the same day. In fairness to all program rankings, it is important to review the entire set of rankings after initially completing them, since ranking values may have adjusted during the process.

Assigned to: A group of ten to twenty-five stakeholders, including active volunteers and senior staff members. It is preferable that some of the members of this group served on the initial group referenced in Step One (Agreeing on Core Values) above.

Task 3: Calculate approximate financial cost of each program/activity. Include estimated staffing, overhead and program costs. Precision in this information is not required; reasonable estimates will suffice for purposes of this process. This task may be carried out at any time after the program/activity list is finalized. However, cost factors must not be considered at or prior to the time of ranking.

Assigned to: CEO, Treasurer (optional) and finance head.

- Task 4:** Consider implementation options for each program or activity. Implementation options include:
- * continuation of the program without change
 - * discontinuation of the program
 - * re-engineering of the tasks to reduce costs (for example, to distribute particular information on a web site or via fax-on-demand)
 - * outsourcing of the activities to contractors
 - * transfer of the activity to other organizations, including other nonprofit organizations, or to related local, state or national organizations
 - * others.

It is appropriate to take into account the costs of various programs/activities in this step.

Assigned to: CEO and Senior Staff Members. It may also be helpful to include a few key volunteers in this step.

All viable implementation options should be disclosed to the Board with the OPPA proposal.

PHASE THREE -- Making Program and Activity Decisions

Task: Sort all programs/activities by rank (i.e. all A's first, followed by all B's, etc.), and in random order (i.e. do not sort by department, activity type or financial magnitude). Include approved estimates of program cost, financial comments, and viable implementation options. Distribute to the Board well in advance of the meeting at which the materials will be discussed.

The Board should consider each program/activity one at a time, in random order. The Board must -- based on core values rankings, cost, and other factors it deems important -- decide whether the program will continue, be discontinued or otherwise reconfigured, or whether more information is needed. If the Board has difficulty deciding on an item, the Board should delay its decision until near the end of this task. If the program is new or an "implementation option," the Board will generally need to request further information prior to seriously considering approving it.

As mentioned above, some basic administrative resources and functions, such as telephone service, computer support, office space and accounting functions, for example, must be carried out if the organization is to continue to exist. It makes little sense to consider these items separately. They should be built into the estimated cost of each program or activity.

The Board should repeat the steps above until the list of programs and activities is completed, and the budget balances. It may take several tries, and reconsideration of programs. However, the process will quickly reveal those programs or activities that are not strongest in terms of supporting core values, and which are expensive.

Incidentally, the Board's selection of programs should not directly track core values rank or financial cost. In fact, some programs that rank "C" will be continued due to their low cost and efficiency, while it is possible that "B" programs will be discontinued due to their disproportionate expense. The Board must make this decision, and some subjectivity is not only unavoidable, but necessary.

Assigned to: The Board must make the final decisions. However, an assortment of stakeholders, including committee chairpersons, component representatives and staff should participate.

Conclusion and Results

Ideally, the OPPA Process will result in clarification of core values, increased understanding of the mission, improved understanding of how various activities further the mission, and increased perspective on which activities must continue and which must be discontinued for the overall good of the organization. However, the OPPA process may not result in a clear list of programs to be discontinued. However, it will result in a list of programs that are less vital than others, each of which should be considered for discontinuation when association resources are limited.

The process may also be used to evaluate proposed new programs. By measuring the program against core values and costs, it is possible to evaluate the program in the context of existing programs and activities values.

The process may result in the impetus for change -- changes in organizational structure, changes in procedures, and other changes. However, this form of adaptation is critical to the long-term survival of any organization, and should be recognized as a necessary, and potentially transforming, phenomenon.

FOOTNOTE

1. James C. Collins and Jerry I. Porras, *Building Your Company's Vision*, Harvard Business Review, September-October 1996, pp 65 - 77.