



## SAYS WHO?

### Background:

The organisation had a well-established history after having come into existence to meet the mutual needs of its members. It was small and like an extended family. Everyone knew everyone, even if they weren't all close to each other. Most of those involved had a very long history in the organisation - many had never worked in another industry.

But that industry was changing. Customers were asking for new services and many old product lines no longer had a firm following. Going into the annual planning cycle, the team were not too confident about making assumptions on how the organisation would fare in the future, or on what basis to formulate the budget and work plans.

### The Problem:

The organisation was well into its annual budget review when the grim news was made apparent. The budget just was not coming together. Costs had gone up and there were gaps in funding the work for the following year. Worse, the reality was that some members were talking about not renewing, so there was no possibility of plugging the gaps by an increase in fees or otherwise by asking for additional funding.

"But why are we in this situation? We've done everything that we are supposed to do, and still they are not happy." This comment from one of the directors echoed the thoughts of many Board members. There seemed no doubt that the organisation had met its obligations in the past, so why this apathy, dullness and lack of conviction about the organisation going forward?

The General Manager took a week or so to look at some other organisations with a mutual membership. Interesting ... Tapping into a network of colleagues from former professional incarnations, the General Manager found that many were facing the same type of question. The common theme seemed to be accountability for performance. One comment pretty much put it in a nutshell - "The papers are full of stories about directors who don't deliver, CEOs that fail to produce the goods, and the need for workplace agreements to back up the need to sack a worker who doesn't meet their obligations. It all seems far away from us, but why should we be any different, just because we are a membership organisation and our members are pretty long-standing?"

The Board had made comment more than once that too much material needing to be considered at Board meetings. The General Manager was in a dilemma - if performance reporting was the issue, how could

this be added without drawing more adverse comment? And what would be appropriate to demonstrate results anyhow? They had been reporting forever the things that had been achieved each year - how could more make a difference?

### The Consultant's Work:

The consultants began by meeting with everyone. The Board, the full time team, members, observers, even some government folks that had an interest.

Most came to the discussion expecting to be grilled, and were surprised to find that the consultants did not have a long list of questions that they wanted to put on the table. Instead, the consultants were interested to find out what questions were in the minds of the Board, the staff and so on. They began by establishing the expectations of all parties. Why had that party become involved with the organisation and what did they expect to get out of that involvement? Were they getting what they expected?

The consultants had expected to move from this to formulating the framework of an organisational performance measurement approach, and then to wrestling with the data issues that are common to most organisations. (Too much, not enough, the wrong sort, need to consider qualitative objectives ...)

However, in the course of even the initial discussions, the consultants soon identified a core problem that stymied contemplation of a framework for measuring performance. Although the expectations of all parties were not unreasonable from that party's point of view, they were fundamentally divergent from each other. Taken as a whole, the audience was profoundly unhappy about the organisation's performance, but spread to all points of the compass on what objectives really were in place. When faced with a differing opinion on the purpose of the organisation and what was to be achieved, the vernacular version of their ubiquitous response was "Says who? I thought that *this* was the objective!"

The rest of the consultants' work was re-directed to the communication processes needed for success and finding the common ground for goals.

With these in place, the General Manager was able to overtly involve all parties in transparently agreeing the objectives that the organisation could afford to have in place for the immediate future. Feeling invigorated by having got a firm grasp on the problem, the General Manager moved smartly on the steps to deliver against the specified objectives.