

What Business Can Learn from the Nonprofit (and Vice-Versa): Drucker Revisited

An Interview with Tim Shriver, CEO, Special Olympics

By Greg Kesler



Peter Drucker argued more than 20 years ago that businesses and nonprofit organizations could learn a great deal from each other. As today's businesses seek global relevance and more sustainable roles in communities around the world, Drucker's insights are even more compelling.

Tim Shriver, CEO and chairman of Special Olympics International (SOI), believes the next wave for the Special Olympics "movement" will require a skillful blend of the best that nonprofits and business organizations have to offer. With a long legacy of social change already accomplished, Shriver and his colleagues are demanding more of themselves, and they seek to marry deep passion for their global cause with the discipline and organization skills that great businesses demonstrate. Business would do well to pay attention to Shriver's message.

We spoke with him at the Special Olympics International headquarters in Washington, D.C., where Shriver and Kennedy memorabilia and photos never fail to capture the attention of guests.

TGK: Your mother, Eunice Kennedy Shriver, of course, was the founder of Special Olympics back in 1968. When did you begin to play a role in the organization?

TS: As a child I grew up in summer camps horseback riding and swimming with children with intellectual disabilities. These kids represented a variety of challenges — some were easily integrated into games, while others wore protective helmets and had more severe health issues. But they were all in my backyard, playing sports, rope climbing and working on arts and crafts. In addition to my three brothers and sister, they were like an extension of our family. Years later, I remember my mother coming as a guest speaker to my high school around 1975 talking about

what had become Special Olympics and thinking how impressive it was.

Later a friend and I set up a high school club to organize a local Special Olympics track meet for about 60 athletes. It was very difficult — more than I expected. Then shortly out of college while I was working in high schools in New Haven and pursuing my graduate work, I was invited to join the Special Olympics Connecticut Board of Directors. I liked sports, so during my time on the board I decided to get involved. I joined a Special Olympics unified softball team (a league made up of players with and without special needs).

GK: How did you become CEO?

TS: I was asked in 1996 to join SOI and I declined because I didn't want to be in the family business. But later, I finally agreed and took on the role of CEO while my father, who was serving as CEO at the time, moved to the role of chairman. Later, in 2003, when my father retired, I was encouraged to take the chairman's role. I really didn't think I was ready, but Don Keough (Coca-Cola's charismatic COO at the time) and other senior directors encouraged me to take the role. We managed through a power-sharing model (chairman/CEO roles) for a while until I assumed the CEO role full time in 2007.

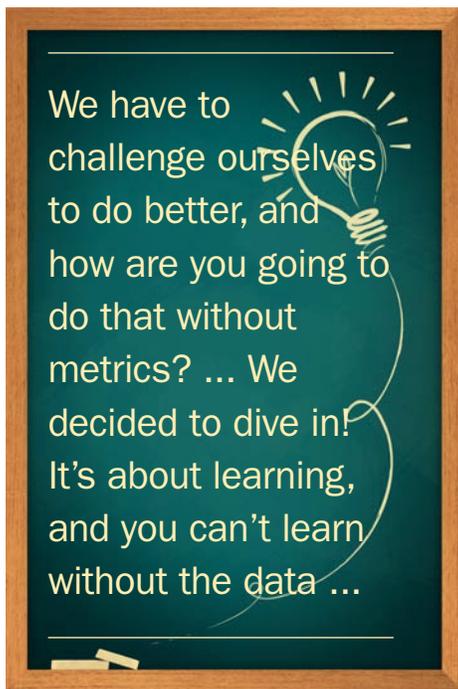
GK: In his writing about nonprofits, Peter Drucker made a persuasive case for blending the passion of the mission in the nonprofit with the disciplines of business. What is the formula at Special Olympics?

TS: Drucker was right. Performance really does matter. Otherwise, why bother? But finding the right mix can be very complicated.

My early thinking was shaped by going to events like the World Economic Forum in the '90s, and listening to guys like John Chambers and Bill Gates. People were checking stock values on handhelds while they talked about the impact technology was going to have on global business. They were trumpeting the speed of their growth around the world and I wondered why we couldn't match them. Why couldn't an NPO like Special Olympics double every few years, be innovative every day, insist on quality outcomes and measures? Why was no one expecting that of us — and, more importantly, why wasn't I expecting it of myself? If Cisco and Microsoft could grow at this pace, why couldn't we? We needed to become more like a business.

But I came to realize that becoming more like a business was not the whole answer. We had to do two things at once: We not only needed the intellectual drive, operational skill and commitment to results that for-profit companies have, but we also needed to cultivate the passion for the mission and the intangibles of the work place, the participation in something larger and even the gratification compensation that had always been ours. It started to become clear when we had to break the old dichotomy of separating things like economic value from personal value. I think the world is trying to figure out how to eliminate the seeming distinction between profit and purpose. We needed to be focused on rigor and at the same time focused on human reward.

Shriver has been the CEO of Special Olympics International for 15 years, a period of substantial growth for the worldwide NGO. Special Olympics boasts 3.75 million athletes participating in nearly 50,000 events around the world every year in more than 170 countries. SOI has sponsorship relationships with companies like The Coca-Cola Co., P&G, AT&T, Wal-Mart and many more. Shriver holds a Ph.D. in education from the University of Connecticut.



GK: Let's talk about the source of the passion. Tell us about the mission at Special Olympics.

TS: Our mission has two value propositions. One is that people with intellectual disabilities have suffered real injustice. They are marginalized and are invisible to much of the world. About 170 million people with intellectual disabilities have sat on the sidelines. Our mission is to right that wrong, using sports as a vehicle for unlocking the gifts of this vast population and sharing these gifts with the world. Each athlete that joins our movement is empowered and becomes a leader of social change.

The second value proposition is more about the rest of us. What can the mission do for us, for families, for volunteers and fans? And the answer is we are the problem we're trying to solve, because in subtle ways, we are all guilty of devaluing people who have intellectual disabilities, or "diffabilities," as I like to call them. We invite everyone with or without disabilities to switch from a paradigm that values those with wealth, power or physical strengths to one which values love, openness, honesty, dependence. It's about opening the eyes of fans, coaches and the rest of us to adjust our beliefs about human value through engagement in the movement. We are trumpeting these beliefs constantly.

GK: Businesses would envy your growth in recent years. Tell us about that.

TS: We brought 316,000 new athletes into the movement in 2010, bringing us to 3.75 million athletes. That's 8 percent growth in one year around the world. We saw a 12 percent increase in the number of coach volunteers in the same period. There were 49,778 Special Olympics events held around the world last year. That's 136 hosted every day, an increase of 10 percent over 2009. We also saw very solid gains in donor revenues over the previous year, which is critical if our programs work to ensure the same quality experience for every athlete. The larger view of the last 10 years is even more powerful. Over that time, we've grown from under 1 million athletes, most of whom were in the U.S., to 3.75 million, 82 percent of whom are outside of North America. So we have done two things simultaneously: we have grown exponentially and globalized our value proposition. It's been very exciting to say the least!

We have to challenge ourselves to do better, and how are you going to do that without metrics? Many NPOs struggle with measuring and spending too much time bemoaning the difficulties. We decided to dive in! It's about learning, and you can't learn without the data to guide you.

GK: You've borrowed a page from the corporate playbook here. A lot of companies are rethinking metrics. Tell us more about what you are learning to measure.

TS: Our bottom line is social change. We are close, as an organization, to being able to measure it. When I first got here, we would talk about how we broke down the walls back in 1968 in getting people out of institutions. But that is an old story, and I challenged our team to move beyond it and consider our role in fighting forms of exclusion and discrimination that are still a reality today.

As in every global organization, we have many complex layers. Even very basic change is very difficult in some parts of the world. A few years ago, I visited an institution in Bosnia where, during the war, a third of the residents died from hunger-related causes. In many developing countries, people with intellectual disabilities still face great social stigmas. But what is common around the world is that intolerance needs to end and attitudes need to change.

So our metric is attitude change. We've done studies to learn how attitudes change with our intervention and what the drivers of

changed attitudes are. We haven't yet figured out how to turn that into a snapshot of our overall impact. We can evaluate it in small populations. We'll get there, but it will take some more time to complete that measurement work and to complement the attitude measures with broader measures of education, health care and policy level inclusion. Those are the ultimate barometers of success.

GK: Do the measures vary for the different stakeholders?

TS: We measure for three constituencies: athletes, families and fans. For athletes, we measure their health and social life. With families, we measure the pride they feel for the athlete and whether they have supportive communities. For the fan, it's about changing attitudes and promoting inclusiveness for people with and without disabilities.

For donors, our focus is on process measures. They demand information about growth and numeric data — numbers of events and athletes across diverse geographies, similar to the way Coca-Cola would measure numbers of new distribution outlets. In our 2011-2015 Strategic Plan, we have metrics to evaluate how we are achieving our goals, growth, athlete satisfaction, quality of international and program-level training, competitions and events, strength of leadership and financial health, knowledge sharing and sustainability.

GK: Organization design is a key part of carrying a vision and mission out to the field where the work gets done. You lead a complex organization that includes SOI, with its worldwide team of professionals, plus the national program affiliates and their network of millions of volunteers. Tell us about the organization structure.

TS: All movements, from the civil rights movement in the '50s and '60s to environmental activists, eventually struggle with the connection between the grassroots and the leadership.

We worked with a large consulting firm in 1999 to build a comprehensive strategic plan. We needed to define the roles and functionality of our core, our regions and our accredited programs we set up a global matrix of functions and geographies. We hired seven new regional directors to oversee operations in each region with the support of our headquarters staff. We sent people from

HQ to go out and set them up with all the functions, with dotted-line reporting of functional people back to the center and straight-line reporting to the region heads.

The regions are part of SOI and we delegate a lot of authority to them, by choice. Then, the local (country, or states in the USA) programs are licensees, some with large distributed organizations of their own that in some cases are quite complex, with partnerships with community based organizations, sports federations and the like. We do not control the “licensees.” It’s a lot like other franchisees where we control brand standards and we can revoke the license, but we don’t tell them how to run their programs. Needless to say, you need people who enjoy working in these complex systems, not just those who will tolerate it.

GK: Balancing power in a complex organization is a challenge for most large businesses. How do you do it at Special Olympics?

TS: While I was doing my graduate work in education, we worked with empowerment methods to integrate parents and administrators of schools into teams where the parents could help set academic social goals, with the intent of making them more supportive of the school — which would lead to better attitudes among the students. I wanted to do something very similar here.

I talked to the CEO at a very large, well-known NGO back in 2001 and told him about the idea of setting up the decentralized regions, and he said don’t do it. “Corporate people want it that way,” he said, “because in businesses all energy and power flow to the center and you want to push accountability back out. In nonprofits, energy and power flow to the field, and if you organize that way you will never get anything done.”

But we saw it a little differently. We felt that our relentless emphasis on mission clarity was enough to maintain global coherence and that therefore, we could deepen the empowerment of our programs and not risk chaos. We felt that as long as our goals were clear, held in common and inspirational, we could capitalize on our structure to deliver both a common global mission and a creative and empowered grassroots leadership. In our need, the beauty of the model is that everyone in the organization looks down the chain to feel accountable — ultimately to the athlete. Coaches, program directors, up to regional

heads — everyone looks to the athlete to determine if we are doing it right. Businesses would kill for this kind of mentality. Our structure is blended to drive that ethic and behavior.

No matter how hard it is for us in the center, the decentralized model is right for the movement. We’re trying to reach a person who comes home from work, and despite all the pressures of life, decides to do a little extra by joining our movement and doing something important for others. I can’t reach that person from here. But we can reach that person if the community is convincing that he or she is needed, can make a difference and experience joy and fulfillment. Those messages must come people to people.

All this means we have to create a culture that prizes the athlete, the volunteer, the coach above all else. That results in some surprise in our workplace values. I’ve been told by new people it’s a funny place to work because the guy on the copier gets as much respect as the head of a department. The leadership moments here come from how well you understand the athlete — not your title. It takes a lot of unlearning.

GK: You’ve invested a lot of energy lately in developing a global strategy for SOI. One of your strategy pillars is to develop strong leaders. What kind of leader is most successful in Special Olympics?

TS: The model is evolving. But it starts with passion — a belief in what you’re doing. Empowerment is a big part of it. We are religiously nonhierarchical. The message in our product is a radical leveling of influence, power and value. It’s countercultural. You have to place human dignity first, even above achievement.

Understanding the movement — being excited about our “product,” which is the Special Olympics essence, really does matter. A lot of business leaders don’t seem to think that passion for your product matters. I talked to a CEO of a large Fortune 500 company once about this, and he told me any good leader could come in and learn SOI in six weeks and do a great job. I tried to buy into that ‘product-neutral’ model, but it didn’t work for us.

Product-independence doesn’t produce the passion necessary to lead a movement. We want to know how well prospective hires understand sports. Have they coached? Do

they have a person with special needs in their family? Do they have powerful beliefs that guide their lives? Are they engaged in citizen or volunteer activities that animate them? It applies to every function — like marketing, HR and finance. In industry, the old wisdom is that people are motivated by upward mobility and financial rewards. You can be proud of your company, but this is more than that. It’s a special chemistry, and I think it represents a new integration of economic and human values. I think our learnings in this space will have relevance in the years ahead, too.

GK: How have you blended the passion and the discipline in your own leadership style?

TS: I’m learning things about myself as a leader all the time. Only within the last year we put one of our longtime athletes, Loretta Claiborne, on our executive committee where, typically, the work is mostly governance type issues. I guess we thought the voice of the athlete wasn’t critical there. But, how wrong we were. Loretta has consistently added value in ways I hadn’t anticipated. It was ridiculous we had not done it sooner, and I felt responsible for that. Our movement is about teaching lessons to the world, but it’s also about learning. I try to be honest when I discover these gaps in myself.

I think my mother’s leadership style was more directive, and she believed in the leader/follower model. She was a creator of new things, and, as with many entrepreneurs, she sought followers. I do more in teams, and I enjoy taking things that already exist and making them better. I like mixing up ideas and playing with them with groups of stakeholders, whereas I think she liked closing the door, figuring it out and then telling people what to do.

I try to stick to the belief that the only thing that matters is contact with the athletes, not celebrities and officials and annual reports. The key is exposing people to athletes — personal, human exposure at a dinner table, running with them in a race. It’s engagement. We all have to do our best in the messaging because we have no command and control. It’s all about persuasion. The message is ‘trust the energy of the athlete.’

GK: How does this blend of passion for the cause and business discipline shape the kind of people you are hiring in to SIO International?

TS: There is a mix needed between the right stuff, the belief in the movement and the right experience and training. As an example, we're looking for a chief marketing and development officer. We need someone with real marketing know-how, but it needs to be a person who can approach donors for "belief money." Remember that most giving today in the U.S. is to religious institutions. Donors want to give not to programs, but to people and movements in which they believe. If you cannot connect at the belief level, it can mean the difference in many zeros on the check!

GK: Drucker pointed out that volunteers work for psychic rewards and that this was something business could learn from non-profits. Employees in big companies make a choice every day whether or not to give their best. In that sense, we are all volunteers.

TS: That's right. Psychic rewards are the future of work. We can't directly motivate volunteers, but we can create a culture that shapes volunteer behavior — rooted in the mission. People act because they believe something good will happen for others as a result of their effort. We can role model what we want by giving more of our time and caring. People pay attention when we look like believers ourselves.

We enhance that through our training materials, our events and through the results we achieve. Here in the headquarters, we don't know how to recruit a volunteer in Malawi, but we can create a culture and a knowledge base. This is especially important in some parts of the world where one still has to create a volunteer culture and where the emergence of an empowered citizen culture remains new and difficult. But it's critical for us and, not incidentally, for many other social and political goals as well.

GK: What is the role of pay programs and other human resources practices with your professional teams?

TS: We don't do as well as industry at things like rewards and recognition, and we haven't had the sophistication in HR systems. I think the reason is that in the past we haven't had to. Until our current COO came along, we didn't have a deep understanding of talent development, performance management, succession planning, leadership development and reward systems. We were intuitive in that work but not systematic. But we're getting

much better. It's a whole different way of leading, and I see the benefits of it as we get bigger. I don't think those tools can replace passion, but they can nurture it and reward it.

GK: With activities in 170 countries, this is a worldwide enterprise. How do you make the Special Olympics brand global? I wonder if business can learn something from you on this.

TS: We are very aware of the need to be global and local. I'm a bit of a student of the Catholic Church in this matter. How do you create something that is completely embedded locally and at the same time is universal and makes people feel part of the whole? (But don't worry, we aren't trying to build St. Peters or name a Pope!)

The mission is the core to creating universal relevance. But there are tough challenges in localizing it all over the world. We have to get our arms around what it means to create a sustainable citizen-level infrastructure in widely varying contexts — what's the balance of brand messaging, fundraising, operational strengths, communications, sports and community building programming? We've tried to be clear on what is necessary and where there is freedom to deviate from the 'book.' We have to do all that in malaria-infested communities, in Indian rural villages, in urban America.

And we need to think more about what the NGO looks like into the future as we become larger — serving 30 million athletes instead of a few million. It comes back to the leadership issue. We need a more globalized board, better understanding of evolving technologies, deeper leadership teams in fast growing countries and stronger relationships in the health, education and public policy sectors. We're better than we were, but we're still too North America-centric. Globalization is not a destination; it's a process. We will be in this for a long time.

GK: Like many corporate CEOs, you're also working on succession plans. What do you hope to leave behind?

TS: We have to overturn the whole definition of human value, of winning, of human dignity. I want our empowerment, mutuality and dignity culture to be understood and embraced. I would love to unseat the pity and condescension of the 'charity' sector and

replace it with the openness and reciprocity of social change with the goal not just to distribute goods and services, but to heal the fear and division that have separated people from one another.

I used to believe we needed to get beyond the family elements of our movement — beyond the Shriver-Kennedy name. Now I think there is a balance there we need to create. The family can continue to serve as carriers of the message both inside and outside the organization. But we need to draw from a broader base of talented people with other experiences. Mission-focused leadership is at the core of what we do, and the family can help sustain that. But we need a sustainable, replicable organizational capability left behind when we all move on.

As we grow, we must also maintain a relentless dissatisfaction with the status quo; we must always be a movement of urgency and change. We have to be as hungry as a startup, as rebellious as our families, as tough and passionate as our athletes. And now, we have to be as smart and disciplined as any global business. In the earlier years, we weren't satisfied with anything we were doing, and now we are doing a lot of good things. We don't want to lose our edge, but now we need plans and strategies, and we have to scale our initiatives. I don't want to lose the restless dissatisfaction, but we have to create some degree of stability, organization and transparency. **P&S**

Greg Kesler bio to come.