

Turning Around a Struggling Organisation

When turning around struggling organisations, diagnostic and planning skills are a necessity. Unless you can determine why the organisation is struggling it becomes difficult to know what to do to make improvements. Shaping the plan and knowing how to implement it effectively is critical, including navigating all the relational issues.

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- I. **Why is this organization struggling?** There are various reasons that could cause an organization to struggle, including several factors in combination. It is essential to carefully analyze cause as a first step toward progress, usually while continuing the work of the organization as effectively as possible.
 - A. Some of the typical causes of an organization's weakness fall into three categories: leadership, financial, and board. We shall consider a few examples below.
 1. If there is financial distress, how can you determine what is causing the problem?
 - a. Are expenses being controlled? Do you need all the personnel, equipment, and travel? Where could you save money on expenses?
 - b. Are contributions and other sources of income at the expected level? If they are down or declining, determine the cause.
 2. If there is a leadership issue, how is it manifested? Is the leader giving good direction and energizing the staff and supporters? Is there a clear vision and compelling reason for the organization? Are the reports to supporters clear and inspiring? Is the leader effectively fulfilling the role of chief development officer?

3. Perhaps there is an issue with the board that is causing the problem. Does the board agree with the mission and vision? Do they support the CEO? How much do they contribute? Is there conflict on the board?
 4. Is there another issue, or combination of issues, that may be creating the problem? Often there is a combination of issues that make it difficult to unravel the real root cause.
- B. The SWOT analysis is often helpful in working through an organizational analysis. It involves attempting to discern the strengths, weaknesses, opportunities, and threats that the organization experiences.
1. Identifying strengths helps reveal the base from which to build the future. Are these strengths what are needed to address the future successfully?
 2. Weaknesses reveal areas that must be improved in order to have a better future. Are there weaknesses that are holding the organization back and causing its struggles?
 3. Are there opportunities that have not been identified or exploited in order to build a healthier future?
 4. What are the visible threats to the organization, perhaps causing current struggles? Is competition from similar ministries the issue? Is it an economic or other issue?
- C. How can you use the SWOT analysis to solve your problems and build a better future?
1. This requires developing a plan to address all the significant factors above in charting a new future for your organization.
 2. Let's take an example to illustrate.
- D. The importance of developing a healthy institutional culture to ensure a durable turnaround.

1. Clear, regular communication so that no one is uninformed.
2. Building strong relationships as the glue that holds the organization together.
3. Ultimately, it is necessary to develop trust.

Suggested Readings:

James Collins and Jerry Porras, *Built To Last* (Harper: New York, 1994).
Peter Drucker, *The Effective Executive* (Harper & Row: New York, 1967).