FROM THE FIELD

Achieving Growth and High Quality by Strategic Intent

Robert M. Sheehan Jr.

Can nonprofits simultaneously pursue continuous rapid growth and maintain high-quality delivery of services? This article is the story of the five-year experience of one nonprofit that has attempted to apply the concept of "strategic intent" to its operations in pursuit of this question. The idea of continuous rapid growth seemingly dismisses the possibility of continued high quality. But in a day when expansion of quality services is needed in many segments of the nonprofit sector, the notion of the possibility of rapid growth in services with high quality is of great interest.

In August 1992 I was appointed executive director of LeaderShape, a nonprofit that provides ethics-based leadership development programs for young adults (seventeen to twenty-five years old) all across the country. I had just finished two years of doctoral work and been exposed to the leading literature in organization development and nonprofit management. Formerly, I had been executive director of another nonprofit for nine years. Now armed with new learning, I was curious to see if new ideas I had been exposed to could be applied to the practical challenges facing a nonprofit organization. The practitioner side of me was curious, yet still somewhat skeptical, of trying to apply these ideas. Many approaches from the corporate world, for example, that are attempted by nonprofits do not work because the values of the organizations in the two sectors are often so different.

One of the new concepts is the idea of strategic intent. This article is an account of the experiences our organization has had in attempting to apply this idea in our operations during the five-year academic period 1992–1997. Like many nonprofits, LeaderShape has a dual commitment, first to provide high-quality services to our clients and second to provide those services to as many unserved clients as possible. In our particular case, it is inspiring to talk with young people about the impact that our six-day leadership development program, the LeaderShape Institute, has on many of them. After
The dual challenge was to recruit more participants to attend the program while maintaining consistent delivery of the high-quality program that had been developed; this was the impetus for us to apply the idea of strategic intent to our operations.

Strategic Intent

The term strategic intent was created by Hamel and Prahalad (1989, 1993, 1994) as a result of their study of companies such as Honda, Komatsu, and Canon that have recently become global leaders: "Companies that have risen to global leadership over the past 20 years invariably began with ambitions that were out of all proportion to their resources and capabilities. But they created an obsession with winning at all levels of the organization and then sustained that obsession over the 10- to 20-year quest for global leadership. We call this obsession ‘strategic intent’" (1989, p. 64).

While traditional strategic planning models often suggest setting goals or intentions based upon the organization’s resources and an understanding of the constraints of the environment, using strategic intent suggests setting goals based upon the organization’s commitment and aspirations even though it may be very unreasonable to think the goals could be accomplished—based on resources and the environment.

Hamel and Prahalad contrast their strategic-intent approach with the traditional concept of “strategic fit” between resources and opportunities—a concept they believe has “often abetted the process of competitive decline” (1989, p. 63): “Strategic intent implies a sizable stretch for an organization. Current capabilities and resources will not suffice. This forces the organization to be more inventive, to
make the most of limited resources. Whereas the traditional view of strategy focuses on the degree of fit between existing resources and current opportunities, strategic intent creates an extreme misfit between resources and ambitions. Top management then challenges the organization to close the gap by systematically building new advantages" (1989, p. 67).

Strategic intent represents a new strategy frame, which we chose to apply to our operations. It provided a new and different perspective of strategy, compared to traditional strategic fit. It is a new way of thinking. Hamel and Prahalad say "the essential element of the new strategy frame is an aspiration that creates by design a chasm between ambition and resources" (1993, p. 84). The creativity that those authors say is produced as a result of this "chasm" or misfit between aspirations and resources is similar to the "gap" between "vision and reality" that Peter Senge says is "the source of creative energy" (1990, p. 150). He calls this gap "creative tension." The tension between the vision and current reality requires resolution; creativity is ignited to resolve the tension.

One example of the power of this creativity is the Apollo program. Although the technology needed to put a human on the moon did not exist in the early 1960s, President Kennedy set the goal to do so by the end of the decade. The creative tension of the goal inspired Apollo engineers to create the technology needed to achieve the goal.

Goals set using strategic intent, that is, goals based on aspirations rather than projections or fit, are by definition unreasonable and unlikely (within reasonable prediction) to be accomplished. In fact, given the rapidity of change in the environment it is difficult to make accurate forecasts of any kind with regard to producing outcomes (Ackoff, 1981). This means that the predictable possibility for failure is high. Organizations using strategic intent must understand this and accept the possibility of failure as a tradeoff for the possibility of extraordinary performance. In fact, organizations using strategic intent may actually have both failure and extraordinary performance. For example, if an organization sets a three-year goal to make a 100 percent increase in a certain measure—an exceptional stretch—and achieves a 90 percent increase, it fails to reach its goal completely, but it probably far outperforms the results it produces if it sets modest or reasonable goals.

In addition to learning about strategic intent, stretch, and creative tension, we have discovered more about this approach from the recent study by Collins and Porras (1994) of eighteen companies that have been consistently preeminent over many years (among them Motorola, 3M, and Procter and Gamble). They found that the vast majority of these companies consistently use what they call BHAGs—"big hairy audacious goals"—in their operations than do other comparison companies. The chairman of one of the companies, General Electric, recently acknowledged the power of using
stretch goals. Jack Welch discussed the use of stretch in a recent company annual report: "[Welch] tells shareholders that 'stretch is a concept that would have produced smirks, if not laughter, in the GE of three or four years ago, because it essentially means using dreams to set business targets—with no real idea of how to get there.' Indeed, he says 'if you do know how to get there, it's not a stretch target.' Such targets, he says, 'are making seemingly impossible goals exciting, bringing out the best from our teams.' Incremental goals, he says, 'inspire or challenge no one, capture no imaginations' (Hyatt, 1994, p. A12).

LeaderShape's Growth and Quality Challenge

As mentioned earlier, it is easy to get excited about providing the LeaderShape Institute experience to more young people, but it is difficult to achieve. This six-day residential program is expensive to operate. In 1993, the fee to attend the institute was $1,200 per person (not including travel), and it rose to $1,350 per person by 1997. Increasing the number of participants each year requires us to recruit funding sponsors for the students.

Carrying out our commitment to quality is complex, as well as challenging. Our mission states that our organization will provide programs of the highest quality to participants. There are two important aspects in carrying out programs of the highest quality. The first is program design, and the second is program delivery.

From the inception of the institute, significant time and resources have been directed toward quality program design. Our intention has been to design a program that has significant impact on the leadership capabilities of young adults. Have we designed a program that makes such a mark? Our board and staff believe so. We base this belief on many factors, including personal observation, feedback from program participants and facilitators, and assessments offered by other leadership program experts.

We believe that improvements in the program's design can be made, and we continue to work at improving its quality. However, the program design aspect of quality is not the central issue involved in this article. The issue here is consistent quality of program delivery. Specifically, how can a program be delivered with consistently high quality, particularly as it is held much more frequently and in many new locations?

Program delivery quality is concerned with "whether or not the delivery of services is consistent with program design specifications" (Rossi and Freeman, 1985, p. 139). One of the challenges involved with delivering the LeaderShape Institute is that the program is designed such that each session is carried out by a different group of facilitators. Each team comprises four to six small-group facilitators and two lead facilitators who direct the activities during the week. The small-group facilitators are volunteers who have never observed
or participated in the program. The lead facilitators, who have all
been small-group facilitators before (and many have led facilitation),
are paid a small honorarium but have other, full-time jobs. They typi-
cally lead only one session of the institute per year.

The challenge of using a new group of facilitators for every ses-
sion is a program delivery-quality factor that LeaderShape has dealt
with from the beginning in 1986. Ongoing growth of the program
has created the substantial challenge of identifying, recruiting, and
training more good facilitators.

Implementing Strategic Intent for Growth
and High Quality

The passion for growth and high quality—our strategic intent—was
based simply on the belief among the board and staff that this lead-
ership development experience was a good thing for young people
and important for the future of society. The organization did not go
through an extensive environmental analysis or market-research
effort to identify growth as a significant opportunity to be exploited.
We did not figure out what was possible in the future and then pursue
it, which is part of traditional strategic planning. Instead, we chose
the future we wanted and set out to make it happen. This is like think-
ing in reverse, compared to traditional strategic planning (Bryson,
1988, 1994; Nutt and Backoff, 1992). We made a commitment to
growth and quality; then we set out to create the opportunities nec-
essary to fulfill our strategic intent.

By 1992, the LeaderShape staff had a number of strategies in
place to address the challenges we faced with quality program deliv-
ery of the LeaderShape Institute. These included developing a thor-
ough faculty manual for all facilitators and a weekend training
program for all lead facilitators. Another important program deliv-
ery factor is that the staff person with most of the responsibility for
managing program delivery had been there since the program began
in 1986 and was able to personally monitor the consistency of pro-
gram delivery.

In 1992, four national sessions of the institute were held at the
Allerton Conference Center, located near our Champaign, Illinois,
office; it was the first year an additional session was held off site (for
University of Michigan students) at a conference center near the cam-
pus in Ann Arbor. Because Allerton was near our offices, monitoring
program delivery was fairly easy. Staff could simply visit: from time
to time to make sure implementation was going well.

The Michigan session brought on many new challenges. The
same curriculum as our regular sessions of the institute was used,
and the university secured its own conference facilities for the pro-
gram. This was a unique arrangement, to call upon the university
staff to manage key details of the program at our direction. We
addressed program delivery-quality issues by retaining a former
LeaderShape staff person as a consultant to implement the program there. Overall, we felt good about program delivery quality and were sure we could maintain quality even as we attempted to grow.

With quality procedures in place, we focused on our commitment to growth. Our small staff of three discussed how we could pursue growth differently. Our discussions were initiated at a staff retreat and continued informally during the year. We used some traditional strategic planning approaches during these discussions (such as reviewing strengths, weaknesses, opportunities, and threats). We were using the traditional processes, though, within the context of the strategic frame provided by strategic intent. We did not ask, "Given our strengths, weaknesses, opportunities, and threats, what sort of growth seems reasonable and how should we best deploy our resources toward it?" Instead, we asked, "Given our passion and commitment for exceptional growth, and given our strengths, weaknesses, opportunities, and threats, what new resources do we need to generate and what new ideas can we implement to pursue our passion and commitment?"

Out of these discussions, we quickly developed some basic tools: an elegant brochure that explained the program, an expanded list of possible sponsors of participants, and a marketing plan involving more personal and telephone contact with sponsors than had been carried out before. In short, we attempted to share our passion with anyone who would listen. None of this is very creative or sophisticated, but we increased the number of participants at the LeaderShape Institute from 229 in 1992 to 312 the following year (an increase of 36 percent).

As we experienced this growth, we became interested in creating some measures of the consistency of program delivery quality. We developed a questionnaire that was distributed to participants at the conclusion of each session of the institute, which gave us feedback on their opinions of the experience. As an example, one question was, "In general, how valuable has the LeaderShape Institute experience been for developing your future performance as a leader?" This is, essentially, a participant satisfaction measure; the instrument used a 7-point scale from "limited value" (1) to "extremely valuable" (7).

There are many good reasons to measure participant satisfaction, including the fact that future interest in using the program may feel the impact of the satisfaction of current participants (Rossi and Freeman, 1985). Our staff review of the responses to this particular question revealed that its average score in a session correlated with our own observations of the quality of program delivery for that session. As we reviewed the variation of the scores among sessions, we kept in mind two main categories of cause for variation. First, each session had a different set of participants, and the personal standards each attendee brings to answering such a question obviously vary. Second, though, was actual variation in program delivery quality. We
agreed that unless there were exceptional reasons to think one particular group of participants was clearly unlike another, the how-valuable question served as a good comparative measure of program delivery quality among our various sessions. Thus we came to an agreed-upon indicator of program delivery quality. Agreeing on such an indicator is, according to Deming (1982), a key to producing quality. He specifically states that there "must evolve a sense of agreement upon the aim that extends throughout the organization" (1993, p. 50). Without agreement throughout the organization on its "aim," there are only varied opinions and interpretations of quality by individuals in the organization.

Agreeing on this score as a comparative program delivery-quality indicator was an important addition to our observations of the program, since our ability to observe every session would be limited in the future as growth continued. The average score on the 7-point how-valuable item was 6.31 in the summer of 1993. This is a very high score—achievable only by having 80 percent of the participants rate the program with a 6 or 7.

We worked to improve our marketing and fundraising activities during 1993–94, to produce even more growth during that year. One of the persons with whom we shared our passion was a program director at the W. K. Kellogg Foundation. He was intrigued with our successful innovation the year before in conducting the session for the University of Michigan students. As we explored possible collaborations with the foundation, a strategy unfolded whose intention is to motivate other colleges and universities to transplant the LeaderShape Institute to their campuses as well.

During 1993–94, a grant proposal to the Kellogg Foundation was approved. This resulted in fifty-seven young men and women from five institutions (ten to twelve each), including Michigan, attending a special session of the LeaderShape Institute in Champaign that summer. The idea was for the students to report back to their schools on the value of the experience; the institutions could then determine if they wanted to bring the LeaderShape Institute to campus the following year. A small amount of funding from Kellogg was also provided to help with seed financing of these programs, if the schools chose to implement them.

With the Kellogg-funded session of the institute, the continued growth of the program at Michigan, and continuously improved marketing activities, the number of participants at the LeaderShape Institute rose from 312 in 1993 to 430 participants in 1994 (up 38 percent).

Making improvements in delivery quality of the institute experience was very much on our minds in 1993–94. Even though the number of sessions we conducted grew from six in the prior year to nine, we were still operating at only two locations, with six sessions in Champaign and three in Michigan. Observation was still adequate for monitoring program delivery quality.
We were pleased to see the average participant's how-valuable score increase to 6.50 for the sessions in the summer of 1994. This was the first year we had conducted the same evaluation for our sessions held at the University of Michigan campus. The average score on that item for the 139 participants in three sessions there was 6.26. We were surprised that the score was so comparable to our home-base operation scores, given the lack of hands-on management controls at the remote location.

An important event preceded the beginning of the 1994–95 year, as the board and staff gathered for a daylong retreat to clarify our vision for LeaderShape's future and produce this vision statement: “To improve society by inspiring, developing, and supporting more people committed to leading with integrity.”

This was an important event because it cemented our commitment to the further growth of the institute. Given that we had just doubled the number of participants over a two-year period, it was important to reiterate the commitment—and continue communicating it to others.

Also in 1994–95, for the first time our staff set specific stretch goals as part of our annual planning retreat. As Locke and Latham (1990) point out, a “core aspect of goal theory is that goals that are specific and difficult lead to a higher level of performance than vague, nonquantitative goals” (p. 29). By converting our passion and commitment for growth into tangible, annual stretch goals, we sought to further increase our performance. Setting stretch goals helped us intentionally translate our strategic intent into results. We set stretch goals for participant growth for the year, as well as for program quality delivery.

The process we use for setting stretch goals at our staff retreats is to discuss what we have learned already during the past year about how we can increase the number of participants, and then look ahead to the coming year. We work on consensus as to the stretch goal to set for the exact number of participants we want the following year. As we do this, we notice that we each have an opinion of what is really possible or impossible. We use two questions to guide our discussions:

1. Do we think there is even the smallest possibility of the goal being reached? If so, we stretch the goal as far as we can until it is just less than 100 percent impossible (this is our definition of a stretch).
2. Can we live with the worst probable outcome if we fail to make the goal? If not, we lower the goal to a more tolerable level.

This is a good place to point out that using the stretch goal approach is not always appropriate. For example, when we set our annual LeaderShape budget we use conservative projections for the
number of participants we expect for the coming year and then set revenues and expenses accordingly. The attendance we set in the budget is typically about 20–30 percent lower than our stretch goal. We feel that this is good stewardship of our resources. It gives us a safety net that allows us to pursue the stretch goals without much worry about failure.

The group process we use in setting the goals has a number of benefits. As Thompson, Hochwarter, and Mathys (1997) point out, successful use of stretch goals requires “that the team perceives the goal is one that can be attained” (p. 54). We accomplish this by coming to consensus on the stretch goals. Those authors also point out the importance of creating an organizational culture that allows experimentation, or “safe-failing,” which encourages employees to try new ideas and work toward constant improvement in processes and products” (p. 56). We are assisted in this by using the approach of setting budget targets below our stretch goals.

Our staff set the stretch goal for growth in 1994–95 at 685 participants. In fact, the actual number of participants increased from 430 in 1994 to 670 participants (56 percent increase) in the summer of 1995. A significant amount of this growth occurred because all four of the schools involved with the Kellogg Foundation project of the summer before chose to conduct sessions of the institute on their campuses in 1995. However, continuing improvements in marketing and fundraising activities also produced a 40 percent increase in participation in our national Champaign sessions. In part, this was due to interest generated by the new expansion to other campuses. We spread the word that more schools were running campus sessions, and institutions sent students to Champaign to learn about the program.

This level of growth brought about entirely new quality concerns for us. Over a three-year period, we had somehow figured out how to consistently provide the LeaderShape Institute program at Michigan, and we realized it was probably due in large part to the group of talented and committed Michigan staff and students with whom we worked. Now we had to figure out how to consistently deliver the institute at four new institutions.

The partnership at each institution was designed to require a great deal of management and logistics responsibility on the part of staff at each campus. We had to figure out a way to communicate these responsibilities effectively and assist the campuses with implementing their programs with consistent high quality. We added a new staff position in the fall of 1994 and made this project its top priority. We were very fortunate to be able to hire someone who had worked for us in the two previous summers, managing logistics for our home base sessions of the institute. To help her in the new role, she took a course on total quality management.
A number of the concepts she learned about in that course, along with other quality concepts I was familiar with, helped guide our quality strategies in the coming years. Some of those concepts included Deming's fourteen points for management (1982, 1993), often referred to as TQM; Juran's trilogy (1989), focusing on the interrelationship between the processes of planning, control, and improvement; Kennedy's applications of quality to nonprofits (1991); and Chang's continuous process improvement (1994).

An initial major task completed during this year was to develop a program management manual that explains to the campuses how to carry out their responsibilities. This was our first intentional action related to the key quality concept of understanding the system and processes.

As mentioned earlier, 1994–95 was the first year that we began setting stretch goals for quality, using the 7-point how-valuable score on the questionnaire. We set 6.50 for our stretch goal for our home base sessions of the institute and 6.00 for our new campuses. We felt that repeating our 1994 score of 6.50 at our home base—which was very high—would be nearly impossible, and that we would be very fortunate to get the new campuses to 6.00, with all they had to learn in their first year. When the results came in, the new campuses produced an average score of 6.03—we actually exceeded a stretch goal—while our home-base sessions averaged 6.34.

Very early in 1995–96, we received approval from the Kellogg Foundation to continue the original grant. This second phase of the grant provided funds to assist eight more institutions in implementing the LeaderShape Institute on their campuses in the 1996–1998 time period. The five schools that operated the institute on their campuses in 1995 continued to do so in 1996, and five additional schools started sessions at their campuses. The number of participants increased from 670 in 1995 to 897 (growth of 34 percent) in the summer of 1996. (Our staff stretch goal for the period was 1,140 participants.)

From a quality standpoint, adding five new campuses to our network of schools in 1995–96, with four others just in their second year—while still on a learning curve—posed significant challenges. We began to take a closer look at the process involved in operating a session of the institute. We created a "fishbone diagram," as Chang (1994) suggests, listing in detail a set of forty-five variables we believe interact to produce a high-quality institute session. Specifying these variables was helpful for our activities. It assisted us in updating a new version of our program management manual for the campuses and gave us issues to keep in the forefront of our minds as we worked with each school. To further help communicate the key issues involved in operating a session of the institute at a campus, we held a special weekend conference for all the schools to attend and network with one another.
Another aspect of the quality delivery challenge that pressed us even more in 1995–96 was the need to increase our pool of lead facilitators for the institute. Each session of the LeaderShape Institute is directed by a pair of lead facilitators. We have long known that these women and men play key roles in the success of every session. We needed to identify, recruit, and train lead facilitators for eighteen sessions of the institute in 1995–96, compared to twelve sessions in 1994–95. We ended up using sixteen new leaders for our 1995–96 sessions and watched closely to see if this would impact quality delivery of the sessions.

Our quality-delivery stretch goals for 1995–96 were to produce a score of 6.50 on the how-valuable question for our home-base sessions of the LeaderShape Institute and 6.10 for both our new and our old campuses. In the end, our home-base sessions scored an average of 6.36 on the 7-point scale. The new campuses scored a surprising 6.23, and the campuses that were only in their second year scored 6.40—higher than our home-base sessions. According to these scores, our quality delivery ratings actually increased while we experienced significant growth.

In 1996–97, we set a staff stretch goal of 1,687 participants with a 6.50 quality rating at both campuses and at our national sessions. We ended up with 1,314 participants, an increase of 46 percent from the year before. (See Table 1 for 1986–97 growth statistics.) Five new campuses implemented sessions on their campuses, two others conducted multiple sessions, and participation nationally showed a significant increase.

Table 1. Number of Participants Annually at the LeaderShape Institute

<table>
<thead>
<tr>
<th>Year</th>
<th>Participants</th>
<th>Numerical Change from Previous Year</th>
<th>Percentage Change from Previous Year</th>
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<tbody>
<tr>
<td>1986</td>
<td>98</td>
<td>—</td>
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</tr>
<tr>
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<td>1,314</td>
<td>+417</td>
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Note: 1993 number does not include a one-time, nonrecurring group of 113 participants.

The campuses that were only in their second year scored 6.40, higher than our home-base sessions; according to these scores, our quality delivery ratings actually increased while we experienced significant growth.
Overall quality ratings were 6.26, compared with 6.33 the year before and 6.21 two years earlier. Not only were the overall quality ratings consistent with prior years but there was also great consistency between sessions (see Table 2 for 1997 quality statistics). With twenty-five sessions held during 1997, we can now more effectively use the ideas of statistical baselines and annual control charts that are such an important part of TQM approaches (Deming, 1982, 1993). For example, the range of the 1997 quality ratings is not extreme at all; little variation exists between sessions. Importantly, some of the highest and lowest scores of the year were produced in sessions at our home base in Champaign. Given that one of our

<table>
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<th>Overall Scores</th>
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<table>
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<td>Campus session 19</td>
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Note: During 1997, three sessions of the LeaderShape Institute were held at Michigan, two each at Purdue and Georgia, and one each at Illinois, MIT, Georgia Tech, Cornell, Michigan Tech, Cincinnati, Nebraska, Texas, Wisconsin, Washington University, Miami (Ohio), and Illinois State.
greatest concerns the past three years has been to produce the same quality delivery at remote campuses as we do in Champaign, this data gives us positive feedback in that regard. We can now begin devoting energies to further reducing variation among scores at sessions and increasing the overall average score.

The results produced in growth and quality for 1996–97 represented a modified continuation of strategies we had been implementing in earlier years. One of the things we have learned by using stretch goals is that even though we frequently do not achieve the goals, we learn a great deal in the process that we are able to implement. In this way, each year's successes and failures help produce further improvements in the future.

Even so, this has been somewhat of a challenging issue for our staff to deal with. On the one hand, the theory we are following tells us to stretch and then take on a new attitude with regard to failure. We read that we should "celebrate noble failure" (Hammer and Champy, 1993, p. 106), yet we can find that hard to do. It helps to have significant accomplishments to point to. Welch of GE seems to have held the proper attitude in his 1995 annual report to shareholders:

Your company had a terrific 1995—a record year by any measure. This performance was recognized by the market, which rewarded GE investors in 1995 with a total return of 45 percent. As strong as the year was, we did not achieve two of what we call "stretch" performance targets: operating margins and inventory returns. Over the past three decades, our highest corporate operating margin hovered around 10 percent, and our inventory turns around five, so in 1991 we set two stretch targets for 1995: 15 percent operating margin and 10 turns. 1995 has come and gone, and despite a heroic effort by our 222,000 employees, we fell short on both measures, achieving 14.4 percent operating margin and almost seven turns. But in stretching for these impossible targets, we learned to do things faster than we would have going after 'doable' goals, and we have enough confidence now to set new stretch targets of at least 16 percent operating margin and more than 10 turns by 1998 [Welch, 1996, p. 1].

At LeaderShape, we are probably just scratching the surface of the power that the strategic intent concept holds for organizations. We continue to work to understand how to fully apply the concept. For example, we may soon experiment with setting stretch goals on a multiyear basis—three, five, seven, or even ten years out. We will see if that opens up additional avenues of creativity and performance. For now, though, our stretch goals for 1997–98 are 1,854 participants with an overall 6.50 quality rating. Impossible? It is clearer to us every day that we have little idea of what is or is not impossible. The
chairman of our board admonishes us to have "a healthy disregard for the impossible." Maybe we can actually achieve our stretch goal this time.

In my view, the success that LeaderShape has experienced in both growth and quality during the past five years is related to the fact that, of the two commitments, quality has always been acknowledged as the number-one priority. The quality of the experience as perceived by the participants has fueled growth. The likelihood of sponsors continuing to send participants to the institute is largely dependent on how participants report the quality of the experience to sponsors. All the fancy brochures and sophisticated marketing strategies are minimally successful if we do not deliver a consistent quality experience for the participants. We are wise to keep this in mind for the future.

**Implications**

Breakthrough growth and consistent high-quality delivery are not necessarily mutually exclusive. As this article points out, they can be positively related, with high quality helping to produce growth. The strategy frame of strategic intent has given LeaderShape an approach to produce exceptional growth with high quality. It seems that maintaining—or increasing—quality is not necessarily dependent on size or rate of growth, but rather on designing and operating a comprehensive system of processes that produce quality.

As helpful as the concept of strategic intent is, there are many factors important to successfully operating any organization. It would be a mistake to treat any single idea as a cure-all for solving an organization's challenges. For example, in LeaderShape's case, we benefit greatly from the efforts of a committed and talented board, staff, facilitators, campus partners, and volunteers. The best new ideas would not go far without exceptional people to use them.

Nonprofits face additional and unique challenges in applying concepts used in business practices, because frequently the performance criteria of the nonprofit world are vague, unspecified, or unreliable. Stone and Crittenden (1993) have found this lack of performance criteria to be a "noticeable gap" in the literature on nonprofits. In practice, a recent study (Sheehan, 1996) of a cross-section of 101 nonprofit organizations found that only 14 percent of the organizations used reliable impact measures that indicated whether or not the organization was making a difference in the environment in which it intended to have an impact.

Nonprofits cannot fully apply concepts of strategic intent or quality management without reliable, specified performance criteria. Without them, they cannot have agreement on what quality means or create specific stretch goals for the organization. Attention must be paid to designing these performance criteria before a nonprofit can take advantage of the other concepts. Our nonprofits have much
to learn about applying business concepts such as strategic intent and quality management into our environments. These concepts hold great promise for our sector as we learn to serve others more effectively for the betterment of society. Much more can be learned by studying the specifics of how other nonprofits attempt to use these concepts.

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References


