A LEADERSHIP NOTEBOOK

Prepare Your Non-Profit Organization to Help Create a Wave of Positive Change

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The Muttart Foundation

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Acknowledgements

This notebook is dedicated to my kids. It is their generation that will have to apply all the leadership skills they can assemble to solve many of the humanitarian, environmental and economic challenges we, and past generations, have left them.

Thank you to all the friends, family and colleagues who helped me grow and develop the skills to lead a complex environmental non-profit organization. An extra thank you to Rob Macintosh and Tom Marr-Laing who took the risk of hiring me and invested personal interest in helping me mature and grow as a leader over a decade.

I also thank the following people who have helped me assemble this notebook as a means to share some of the experience I have gained:

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Dedication

"For Kael and Selah"

Foreword

Max Bell Foundation has been making grants to charities in Canada since 1972. In 1998, the Foundation's directors refined the mission of the Foundation to focus on supporting the contributions Canadian charities make to improving public policy. I joined Max Bell Foundation that year as a program officer.

Four years later, in 2002, we established a program in Environment alongside our programs in Health and Education. As it was a new field for me, I began trying to understand the terrain of the environmental movement in Canada. Almost immediately, the name Marlo Raynolds emerged as one of Canada's best thinkers in the field.

In the years since, it's been a privilege to come to know Marlo and to count myself among the many beneficiaries of his sharp intellect, strategic insights, and consistently even and affable approach in a field that has at times been contentious. With the support of his leadership, Pembina Institute developed a reputation for tough but fair analyses and smart prescriptions for some of the most challenging environmental issues the country faces. His expertise is sought and valued not only by Canada's environmental community, but within the nonprofit sector more broadly as well as among private sector corporations working at the intersections of energy and environment.

Change is a familiar rallying cry for those who devote their talents and energies to nonprofit organizations. Creating "waves of positive social change," to borrow this book's subtitle, is one of the main motivators of the roughly one in ten working Canadians employed by nonprofits. Members of this remarkable group, in every corner of the country, and committed to a humbling range of important causes, all embody and exercise leadership. They use their own talents and the resources available to them to inspire and organize others to change society for the better.

Leading an organization filled with societal leaders comes with unique challenges and opportunities, as Marlo documents in this book. Compound those with the daily pressures of raising funds and working in a field with complex problems and high stakes, and you've got a tremendous crucible for leadership development. In this book, Marlo captures the range of leadership lessons learned by leading Pembina Institute between 2003-2010. And he conveys them with a clarity that makes them emphatically practical and useful.

This clear-eyed, thoughtful book is quite literally filled with sage advice. It should be read, shared, and widely used by leaders at all levels inside of nonprofits, whether they're focused on environmental or other issues that concern us all.

Allan Northcott
Vice President, Max Bell Foundation
Calgary, Alberta
2013

The Contents of this Notebook

Chapter 1:
The Introduction

Here is what leadership in the environmental non-profit sector is NOT like: The call came into Fire Hall #2 at 2:55 a.m. Saturday morning. The crew on call had had little time to rest since responding to its last emergency. The call took the crew to a tough neighborhood, towards a known drug house. Fire and smoke were coming out of the windows.

The team was told that as the house was always occupied but with no accountability of residents or guests, they would be going in blind. The Captain gave the order to divide into three tactical teams: a search team, a fire attack team, and an exposure team (i.e. a team to protect adjacent homes).

"I was tasked to the exposure team. Our team met and our officers quickly asked opinions on how to protect the adjacent homes. A few rapid ideas came out, our officer picked one, and ordered us to make it happen", explained Owen, the firefighter sharing this story.

The team promptly moved to protect adjacent homes. The entire decision-making process and deployment of the strategy took less than a minute. Let me repeat that: *less than a minute for ideas, decision, and deployment.*

Owen shared: "This is what I love about the command system. When used right, everyone has a say which increases the number of eyes looking for hazards and solutions. But then there is a clear leader who quickly decides on the action plan and trusts the team to execute it."

By 3:20 a.m., the fire came through the roof. The crews inside, attacking the fire directly and conducting search and rescue, had zero visibility. It was a smoke-filled maze of burning walls. An officer on the inside saw that the roof trusses were nearing collapse due to direct fire exposure, and called for an immediate evacuation of all crews. All crews followed the order and got out. There was no delay: a decision had been made and they moved.

In the end, the house was lost but no other buildings were damaged. Tragically, during the clean up, days later, a body was found in the basement, but the way Owen framed it was: "We will never know if we could have saved him, but we

do know that the roof came down and we all made it home to our families that night."

In an emergency situation like this, a clear chain of command runs from the officers through the "nozzlemen" to the firefighters, where it is absolutely critical that each team member understands and executes their role precisely. Hesitation or disobeying a command can cost lives.

So, how does this fire-fighting scenario relate to your job as a leader in the environmental non-profit sector?

For the most part, it doesn't.

Leaders might envision themselves as having total control and being in command with no questioning of authority. But in the daily life of a leader in an environmental non-governmental organization (ENGO), and many other NGOs, this is not the reality. You are not facing immediate life-and-death situations that require a crystal clear line of authority where people take commands and deliver. Leading a non-profit is typically not a glamorous task, it is not what leadership is made out to be in our favourite TV shows and movies.

In reality, the environment in which leaders in the environmental non-profit sector work is not suited for the kind of command-and-control type of leadership required during the emergency situations of firefighting, policing and military operations. It may seem glorious, exciting and inspiring, but it is a leadership style for emergency situations.

Every situation requires the right style of leadership; there is no one-style-fits-all option. IBM, in its leadership development programs, recognized this and drew from the work of Ken Blanchard's book *Leadership and the One Minute Manager* that advocates for "situational leadership". In short, based on the situation, you need to adjust your leadership style.

This leadership notebook will explore the different aspects of leadership for the ENGO sector and , I hope, provide an opportunity to reflect on your own approach. It draws on my experiences of leading the Pembina Institute, a Canadian non-profit energy and environment think-tank founded in the 1980s in rural Alberta.

Although the lessons learned and the examples I use are drawn from the environmental NGO sector, it is my expectation that many up-and-coming leaders in the broader non-profit sector will benefit from this leadership notebook.

I was only 30 years old when I took over the leadership position at the Pembina Institute – definitely on the younger side of the organizational average. But I had already worked for the Pembina Institute for eight years. I had joined the

organization when we were a staff of 10, headquartered in the rural town of Drayton Valley, Alberta. At that time, we were paying $1/month rent to house our group in a cluster of condemned portables outside of the local elementary school.

When I officially began to lead the organization on February 1, 2004 I did so knowing we were in a bit of a mess. Morale was low, there was no real strategic direction, our identity and influence were primarily regional, staff was leaving, and the financials were ugly. Although I was in the process of completing a management degree specifically for the non-profit sector and had the support of one of the organizational founders who had long been my mentor, I was still slightly hesitant about taking the Executive Director role.

Seven years later, on January 1, 2012, I passed the leadership of the Pembina Institute on to a new Executive Director. During that time we had managed to double the staff, double the organizational revenue, greatly improve salaries and benefits, and become one of Canada's foremost voices on energy and environmental issues.

Following my term of leadership, I took a year of sabbatical with my family, which we had planned for a number of years. During this time, I reflected on my past years of work and realized I had learned a great deal about leadership in the non-profit environmental sector. As a result, I started this leadership notebook.

Right off the top, these are the five most important things I can share:

1. If you don't know yourself, you better get very well acquainted really fast. A leader needs to know his or her own strengths and weaknesses, passions and fears. Constant self-reflection is critical.
2. You are not in a burning house; don't lead like the commander of a firefighting team. To make the best decisions possible, your most important "equipment" is inter-personal communication and collaboration skills. Invest the time to master them.
3. Your success will come from focusing on your people, giving them a great deal of responsibility, yet remembering that you ultimately are responsible for every decision. Take responsibility for the mistakes and give credit for successes to others.
4. Your day job is "sales," your night job is strategy. More to come on that topic.
5. Leading an NGO is a sustainability challenge, so train yourself physically and mentally while getting a good night's sleep – you will need it. If you are not in a good mood, don't expect your staff to be. Your attitude and

mood is contagious. When you bring energy to something, your staff will bring energy to it.

Throughout this leadership notebook, I will connect examples and resources to explore these five leadership aspects, but here are a few paragraphs to make sure these five are clearly understood right from the start.

#1 Self Reflection: Recognize Who You See in the Mirror Every Morning

There is a saying: "You can't love someone until you love yourself." I am not sure if that is true or not (not within my area of expertise), but I do think it can be rewritten as:

"You can't lead others until you can lead yourself."

I don't believe you can lead yourself until you really know yourself. You need to know your strengths, recognize your weaknesses, know when you excel and when you can't perform, know what excites you and what bores you, know what pushes your buttons and makes you mad, know if you are an organization builder or a manager, and most important, know who you need to have working with you to ensure you can lead successfully.

Most people probably think they know themselves. I am not convinced. I know that I am learning new things about myself all the time. We are also not "static"; our attitudes and aptitudes evolve over time as we gain new experiences. As a result, it is key to *regularly* invest time to understand yourself through some form of reflective *routine*.

Where is your personal space for reflection? Jogging? A walk through a park? Journaling? Yoga? Meditation? Fishing? Cycling? Surfing? The key is to make it accessible (otherwise you won't do it) and deliberate. It might be a mix of activities, but one way or the other, make the time for self-reflection as it is 100% guaranteed to improve your leadership over time.

#2: Leadership Style Is about Decision Making Style

Decision-making is a fundamental aspect of leadership. The leader of an organization can never say, "It was not my decision." One way or the other, it is your decision and you are accountable for the outcomes.

The leader's job involves delegating decision-making, facilitating decision-making, and making decisions. The only way to survive in a complex

environment is to understand when each of these three options is most appropriate and recognizing that it is not always in your organization's best interest for you to "make the call".

By definition, leadership means leading others. Your decision-making style must align with the people you lead.

#3 Focus on Your People

In the NGO sector, good decision-making, and therefore good leadership, requires you to have the highest levels of inter-personal communication and facilitation skills. NGO leaders know that their teams are not motivated by high salaries, stock options or bonuses, but rather by being part of a community of like-minded people trying to make a real difference together. This makes decision-making, and therefore leadership, very different for the NGO than the for-profit sector. Never forget that it is the people who come first.

#4 Welcome to Your Real New Job: "Chief of Idea Marketing and Sales"

In the NGO sector, after you have managed your board, built up your team, restructured a few things, and set up some organizational policies, your real job emerges as… sales and marketing.

That's right, sales and marketing. Ultimately your job is to sell ideas that build awareness and understanding of problems and solutions. Your "customers" are politicians, government officials, corporate executives, consumers, voters, and funders. You will need to develop a variety of strategies and tactics (your night job) to reach your target audiences with the right ideas at the right time.

Thinking about your role as sales and marketing of environmental solutions forces you to think differently about what your personal and organizational priorities are, and requires you to quickly step into the shoes of your target audiences to understand what they will respond to.

#5 Personal Sustainability

Your attitude and moods will be contagious in your organization – both good moods and bad moods. So, to put it simply, show up for work in a good mood. If you are tired and burning out, people will recognize it and you will be more likely to make bad decisions (and therefore provide bad leadership).

The key is to actively manage your personal sustainability, because a burned-

out leader is no good for any organization. Figure out what works for you – get the amount of sleep you need to constantly run a marathon every day, eat properly, and protect your vacations and weekends from work. With sufficient down-time you are more likely to see things differently and be able to make better decisions (and therefore provide better leadership).

Who this is for and where this notebook goes from here…

This notebook uses my stories of leading the Pembina Institute over seven years to provide some thought-provoking questions for you as a leader or an up-and-coming leader in the ENGO sector. Although written from the experience of leading an environmental-NGO, many of the lessons learned and tips throughout this guide are transferrable to the broader NGO sector and even the private sector.

This notebook is not an academic analysis of, well, anything. I have drawn on various academics, books and papers that I did indeed find useful while developing my own leadership skills. Some references are to sources that reinforce leadership truths that I rediscovered on my own, and now realize had been already described by leadership gurus. This notebook is written to provide ideas for you as a leader that hopefully you can find ways to apply immediately.

I hope this notebook is useful, at least as a stepping off point for your own reflections on your role and style as a leader. Although the topics covered are interconnected and in a number of cases overlap, here is what this notebook explores chapter by chapter:

Chapter 2: Organizational Sustainability Starts with the Individual - How maintaining a "sustainable space" for yourself is critical for your organization

Chapter 3: Trust Your People, Who Else Can You? - Why leadership requires creating space for good decision-making among the people who make up an organization

Chapter 4: Know, Then Focus on Your Niche – Understanding your organization amongst the sea of others

Chapter 5: Strategic Plans, NO THANKS. Strategic Thinkers, YES - Why emergent strategy is core to leadership

Chapter 6: Money comes, Money goes: How to think about money - Why understanding costs is critical to non-profits

Chapter 7: Hey you, wanna make a buck? buy a watch? – The challenges and opportunities of selling your time as an NGO consultant

Chapter 8: Driving Policy Change: Know Your Role - How working on public policy is critical to solving our biggest challenges in the environmental sector

Chapter 9: Are you an Outlaw? A Radical? – Understanding the basics of charitable rules in order to stay on the right side of the law

Chapter 10: Evaluation, schmaluvation - How to get the right level of feedback into your organization

Chapter 11: Leading or Managing Communications? - How to figure out your role as leader in telling your organization's story

Chapter 12: The Fascinating Reality Show of Inter-ENGO Relations - Why working with others within the ENGO sector is both challenging and rewarding

Chapter 13: Those aren't Pillows! Working with Unusual Bedfellows - Why working with others outside the ENGO sector is both challenging and rewarding

Chapter 14: Organizational Culture - How ultimately this is what you are building as a leader

Chapter 15: Organizational Life When You are Gone – Succession planning to ensure you leave your organization in the best state possible

Here we go….

Extra Resources: Leadership

Throughout this notebook you will find additional resources to draw upon, including recommendations for further reading. They are a collection of excerpts, books, papers, and diagrams that I have personally found most useful. Here are a number of books that I can suggest right from the start for future reading:

Fisher, Roger; Ury, William; and Patton, Bruce. *Getting to Yes – Negotiating Agreement Without Giving In.* Penguin Books, 1991.

Drucker, Peter F. *The Effective Executive – The Definitive Guide to Getting the Right Things Done.* HarperCollins Publishers, New York, 2006.

Drucker, Peter F. *Managing the Non-Profit Organization – Principles and Practices.* HarperCollins Publishers, New York, 1990.

Murphy, Brian K, *Transforming Ourselves Transforming the World.* Fernwood Publishing, Halifax, 1999.

Kahne, Adam, *Solving Tough Problems – An Open Way of Talking, Listening and Creating New Realities.* Berrett-Koehler Publishers Inc., San Francisco, 2007.

Covey, Stephen R. *The Seven Habits of Highly Effective People – Powerful Lessons in Personal Change.* Simon & Schuster, New York, 1989.

Jones, Morgan D. *The Thinker's Toolkit – Fourteen Powerful Techniques for Problem Solving.* Three Rivers Press, New York, 1998.

Collins, Jim. *Good to Great – Why Some Companies Make the Leap…and Others Don't.* HarperCollins Publishers, New York, 2001.

Collins, Jim and Porras, Jerry. *Built to Last – Successful Habits of Visionary Companies.* HarperCollins Publishers, New York, 1994.

Blanchard, Ken. *Leadership and the One Minute Manager.* HarperCollins Publishers, New York, 1999.

Chapter 2:

Organizational Sustainability Starts with the Individual

In the environmental community, we talk, write about, and promote the concept of sustainability a lot. But how many of us actually live personally sustainable lives?

If we are going to grow a sustainable organization, or a sustainable society for that matter, then as individuals, we need to act in a sustainable manner. Yet on a personal level, the word "sustainable" can feel weak and uninspiring. How many people would be excited about describing their marriage as "sustainable"? Maybe we should take a step up and replace the word with "passion". What does it take to sustain organizational passion and personal passion?

As a leader of a non-profit organization, you are an executive. And for any executive to be at the top of the game 24 hours a day, 7 days a week, 52 weeks a year, you need to train like an elite athlete – mentally, physically, and emotionally. An insightful piece of research, comparing executives and athletes was published by Loehr, J. and Schwartz, T. (2002):

> Some executives thrive under pressure. Others wilt. Is the reason all in their heads? Hardly. Sustained high achievement demands physical and emotional strength as well as a sharp intellect. To bring mind, body, and spirit to peak condition, executives need to learn what world-class athletes already know: recovering is as important as expending it.

Curious about this comparison between athletes and executives, I asked a close friend of mine, Thomas Grandi, an Olympic downhill skier, "How did you maintain the focus and passion for your sport at such a level for over a decade?" Thomas' answer:

> I always knew that I had set lofty goals; after all no Canadian male had ever won a Giant Slalom race. In order for me to pursue and finally achieve my goal, I had to believe in myself and my dream. This was not easily done as there were many... many setbacks along the way. My passion for my sport and my desire to reach my goal are what fueled me to get up when I was down and work harder and smarter each time.

Leaders in the non-profit sector know they have taken on Olympic-sized challenges to solve, but we need to think and train like high-performance athletes to sustain the level of performance required to be successful. Maintaining sustained personal passion for leading your organization is just that – it is personal. Only you can figure out how to maintain it and what it takes.

For me, the ability to recover equates to maintaining a life balance that enables you to consistently show up at work being motivated, upbeat and positive. If you are not in a good mood, don't expect your staff to be. Attitude is critical in athleticism and in leadership. When you bring energy to something, your staff and people around you will bring energy to it.

Some people bring negative energy to the room, and it is challenging to have the patience for a constant negative outlook. The easiest way to reverse this negative outlook to a more constructive one is to push people to offer solutions to the problems they are pointing out. This is an ethic, or at least an approach, I sought to bring to our organization: challenge how we are doing things, but be prepared to at least offer ideas for a solution.

The mindset of training like a high performance athlete requires you to maintain physical, emotional, mental and spiritual health to stay at the top of your game. The research by Loer and Schwartz emphasized the need for "disciplined regular recovery times to replenish energy in order to sustain long term levels of high performance."

Translation: take time off!

The researchers' paper also reminds us of the key differences between athletes and executives: "Athletes spend most of their time practicing and a small amount of time actually competing, while executives rarely have time for training but must perform on demand 10-14 hours per day.". Further, the career of an average professional athlete is about seven years, while the average executive can expect to be working more than 40 years.

In short,

> "The demands on executives to sustain high performance day in and day out, year in and year out, dwarf the challenges faced by any athlete we have ever trained." (Loehr, J. and Schwartz, T., 2002)

Although I am far from being a perfect example of maintaining a healthy work-to-life balance, I did sustain passion for leading the Pembina Institute. What helped me sustain my passion for my work included:

- setting certain time boundaries: I did not work very many weekends;
- setting a quota on the amount of travel I did;
- getting outside as much as possible;
- finding physical outlets in running, surfing, snowboarding, skiing, and mountain biking;
- incorporating reflective down time in my day one way or the other;

and probably most important, carving out real time for family and friends where work and everything related to it is set aside.

Bottom line, do whatever it takes to find your balance that you can sustain. Ask yourself:

- When am I most healthy mentally?
- When am I most healthy emotionally?
- When am I most healthy physically?
- How can I build recovery time into my day and week?

Now what does it take for you to maintain that throughout your career? Many of us will likely find that what it takes is listening to your mom: eat right, get your sleep, get exercise and take your vacations and weekends. If you feel guilty about this, think again. You should feel guilty for not doing so because you are unlikely to be able to sustain the level of performance demanded by the challenges we face.

References: Loehr, J. and Schwartz, T. "The Making of a Corporate Athlete." Harvard Business Review, Harvard, 2001.

Chapter 3:

Trust Your People, Who Else Can You Trust?

In the ENGO world, we don't make widgets, we don't dig dirt (unless we are planting a tree), we move ideas and we move people. Core to our success is our people. Our organizations are our people. Our credibility is dependent on our people. Our funding is dependent on our people.

In the ENGO world, we don't have stock options, we don't have performance bonuses, we have people that are working for a cause they believe in. You don't work in the ENGO sector if you are in it for the money.

So as a leader of an ENGO how well are you treating your people?

This chapter is about the people who work for us in the ENGO sector. My experience is that there are two types of people who come and work in the environmental movement:

1. The "lifers": people who are so concerned or moved by the environmental issues we face that working to solve these problems is their life profession. Some might go to work in the private sector for a period of time, or with government, often because they believe they can advance solutions at that particular time more effectively in a different sector.
2. The "steppers": people who come to the environmental movement primarily because they feel the experience will help them in the future, to step upward in a career in the private or public sector. Many find the ENGO movement to actually be their preferred sector and stay. Their experience in the movement generally makes "steppers" better equipped to solve the issues we face no matter where they end up working.

The environmental movement relies on and needs both the "lifers" and the "steppers." I would argue that as a whole, we don't value our lifers sufficiently and we disregard our steppers at a significant cost.

To succeed, we need to do a far better job in how we treat our staff by:

- Giving our people space to grow and lots of flexibility.
- Giving our people responsibility -- lots of it.
- Being ready to follow our people, not lead them.
- Solving people problems early.

This often requires the leader of an organization to take a leap in trust and actually let go of certain decisions by delegating them instead. It means proactively building the confidence of your staff to take risks and make good decisions. Every leader knows they can't do everything, but many try, instead of focusing on building a strong team around them.

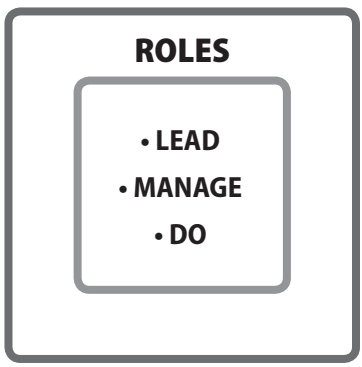
While leading the Pembina Institute, some of our most successful efforts in creating change, both internally in how we operated and externally in our campaigns, were a result of creating the right space for talented people to really excel.

In 2004, the Pembina Institute had essentially no meaningful communications capacity or systems in place. I had no communications background or training. We also had no financial resources to hire from outside the organization. We did, however, have a person who was doing communications within our education work, and given the right space, would go on to build Pembina's highly respected communications capacity. Similarly, Pembina's oilsands campaign emerged by creating the space for relatively young, but talented, staff to take risks and run with it.

Bob Willard, a former leader at IBM in management training, author, and a mentor for many leaders in the ENGO sector reminds us that leadership, management and action really do come together:

Lead, Manage, Do

Is a manager also a "leader"? Absolutely. Managers **manage** processes, and they also **lead** people. That's why a more appropriate term for a manager might be "manager-leader". This duality is supported by hundreds of books and articles about outstanding leadership and management - outstanding leaders are also outstanding managers, and vice versa.



True managers also appropriately pitch in and use their vocational expertise - they **"do."**

Therefore, **the essence of what we should expect of manager-leaders is 3 things: Lead, Manage, and Do.** In practice this model applies to everyone in an organization, it is not just the prerogative of senior managers and executives. The emphasis on each role may vary, based on level of responsibility or on the situation, but the fundamental ingredients are the same. Styles will be unique, and organizations will be at different stages requiring different blends of the three roles. Some people may assume the role of a leader **temporarily,** in a given situation. Others may be more **permanent leaders,** such as in senior positions or on some teams. Regardless, all three roles apply to all leaders and even "followers."

It is important to acknowledge that the job of any professional, first-line manager, team leader, or executive is a combination of varying degrees of leading, managing, and doing. The degree to which each of our jobs reflects these three roles varies by the level and scope of our jobs, as is shown in sample mixes below.

Reference: Bob Willard, *The Roles of the Manager-Leader in a High-Performance IBM*. IBM, 1998. Written for new IBM managers when Bob was Manager, Leadership Development, IBM Canada.

Organizational Structure: Make the Structure Work for Your People (Or, Don't Let Your People Get Worked Over by the Structure)

Leaders of just about any organization go through a phase of being obsessed with "organizational structure" and "restructuring". I don't think I have ever met a leader who, when the topic comes up, hasn't said "we just restructured" or "we are in the process of restructuring" or "I am looking at how we are going to restructure." Maybe it's a rite of passage for a leader to have to do restructuring. And the reason is simple: **STRUCTURE IS IMPORTANT!**

Your organizational structure actually has to work for your people – not the other way around. Leaders often devise on paper beautiful diagrams of just exactly how the structure should work; heck, I am an engineer, I love diagrams! But the reality is, there is no textbook-perfect structural model that you can make your people fit into.

There are many dynamics at play when thinking about structure, such as:

- Your people are evolving, and growing;
- Your team changes, people come and go, gets smaller or larger; and
- Your issues and strategic priorities evolve, affecting the focus your organization needs to have.

With all of these changing dynamics, why would we expect our structure to stay constant?

Organizational structure should be adaptive and evolve with the people and priorities. Sometimes this does require a full organizational overhaul of the structure to realign with the talents and kinds of people in your organization. Most times, the structure will need ongoing tweaking. Always try to put people first and structure second. Get this right and the passion and energy of your team will get the work done. Force a structure on your people and watch the passion and energy dissolve from the issues to dealing with the structure.

In thinking through organizational structure at the Pembina Institute, the most influential guidance on structure came to me from Henry Mintzberg's book *Structure in Fives.* Although a truly academic book, his breakdown of functions and design ideas for structure are extremely helpful when diving into your own organization.

To start, why do we care about organizational structure? As Mintzberg states:

> "Every organized human activity – from the making of pots to the placing of a man on the moon – gives rise to two fundamental and opposing requirements: the division of labour into various tasks to be performed, and the coordination of these tasks to accomplish the activity." [Mintzberg, 1983]

Mintzberg goes on to present the following definition:

> "The structure of an organization can be defined simply as the sum total of the ways in which its labor is divided into distinct tasks and then its coordination is achieved among these tasks." [Mintzberg, 1983]

There are probably as many theories of organizational structures as there are researchers studying the topic, but Henry Mintzberg has stood out as a leader in the field with his work significantly influencing others for the past 30 years. Provided in Appendix A is a summary of Mintzberg's approach, but the only real way to fully grasp his theory is to dive into his book and papers, so if you are about to take the restructuring journey with your organization, you may wish to invest some time reading his work.

Since your organizational structure should be adaptive, it means you are likely always tweaking it here and there. The real question is when do you need to do a complete structural overhaul? Some telltale sounds of when it is time to really think about whether the current structure is working are hearing statements like:

> "I can't get enough attention from communications."
>
> "I don't know who to call first – the regional director or the specialist."

"Fundraising never talks to us before sending out…."

"Who the heck decided that?!"

If you conclude that you have to completely overhaul your structural system, make sure you do it as a team. Get input from all your colleagues. The actual process of developing the new organizational structure becomes more important than the end design. Use the opportunity to really learn what is working and not working in the organization for people. The design criteria that emerge from this discussion will itself guide your new structure. You may seek some external help, but make sure that outside input is process-focused on ensuring the structure is working for your people and not the other way around. Anyone can build a pretty picture on paper of what the structure should be; leadership requires building a structure that enhances the team not hinders it.

Restructuring most often involves changes in the roles of people, which can be very sensitive discussions. Some may feel they are being demoted, overlooked or removed from the decision-making loop. Remember, restructuring involves people, not names in boxes on a piece of paper.

The most important impact of your organizational structure is ensuring it empowers the right people to work together at the right times. Your structure can help or inhibit the right interactions between people, although it is not the only factor contributing to successful working relationships among your team. In fact, I would argue that ongoing internal relationship building, essentially building a sense of organizational community, is probably the single most important factor.

Creating an Organizational Community – Spending Time Together

At the Pembina Institute, staff are spread across the country in larger offices, small offices, and individual home offices. No structure was going to solve the challenge of creating a community environment with such a spread.

The single most important annual event for the organization was an all-staff retreat. While not inexpensive to organize and hold, the critical payback of investing in interpersonal relationships was the team's ability to better make decisions over the course of the rest of the year.

Even the planning process, involving a volunteer team of staff from across program areas and regions, helped to build community in the organization. Everyone took responsibility for ensuring each "staff assembly" was the best one ever. We had some standard agenda items such as communications, team

building, strategy, and internal operations, but most important was the extra-curricular activities of just having fun together.

Holding an annual staff retreat built around having fun is the best way of team building, creating friendships and strong inter-personal relationships. It is the best mechanism to build organizational community, solve problems and avoid future ones.

Performance Growth, Not Performance Reviews

Language matters, especially when we talk about people. For example, I really dislike the term "human resources." It devalues people and makes them into a market commodity. For me, looking after our salaries, benefits, holidays, hiring and laying-off is about providing "staff services" instead of referencing our people as lifeless "human resources."

Another area where I insisted on a change in language was the term "performance reviews". A performance review says, "Let's sit down and, like an old school teaching approach, review your past homework to see if you have done what I like or not".

We changed the language to be more positive, more outward looking, by calling and designing our process around "performance growth." For me, performance growth creates the space to build on what one has done and look forward to what a person needs to further grow.

It took us a number of tries to find a process that worked for people, oscillating from too informal without any real documentation to overly cumbersome and formal. Somewhere in the middle, we landed at a process that provided an opportunity for individuals to select peers to provide feedback to their supervisor, to review their success against the previous year's objectives, to ensure an annual discussion on growth occurred, and to ensure sufficient documentation existed.

It centered on a set of open questions stimulating thought and discussion about how the person was doing and how the organization was doing for the individual. The focus was on what can be done to further help the individual strive and grow with the organization.

It is well known that regular feedback to staff is very important to help them grow and keep them engaged. People naturally seek feedback. As a result, don't rely on just an annual process, make sure your supervisors are frequently engaged in informal discussions with their staff to provide feedback and enhance growth. The consequence of not effectively providing people feedback is they will likely leave.

Attracting and Retaining Top Talent

One often hears people referring to the NGO sector as the "third sector" after the private sector and the public sector. And career-wise, the NGO sector is often overlooked or considered last. Does anyone remember learning about the non-profit sector during high school career counseling?

I would put our talent and our team up against any other sector, even the wealthiest of the industries. Our arguments, our research, our presentations, our decision-making frequently outperform any top corporation and for-profit organization.

Yet, I would argue that in the ENGO sector we are still not doing enough to continue to attract and retain the top talent we will increasingly need. How do we continuously improve?

For starters, as a sector, we have never invested in reaching out to career guidance facilities, to high schools, to universities, or at trade fairs to actively recruit talent and promote the sector as a valuable and rewarding career path. Most people seem to stumble into the environmental movement. We need to change that.

But probably the most important means by which we will continue to attract and retain top talent is to actively ensure that in our organizations, we are creating work environments that are challenging, rewarding and flexible.

Challenging in the sense that even young staff are going to be handed significant responsibility. Employees of the ENGO sector are going to have opportunities to lead and manage projects years earlier than they likely would in other sectors. Further challenging in the sense that you are unlikely going to have someone looking over your shoulder to make sure you made every step right; you are going to be expected to be resourceful and make decisions.

Rewarding, not in monetary terms because the sector will never compete in that field, but in being part of something bigger, being part of a community, a movement, that is working on some of the toughest societal challenges we face. As leaders in the ENGO sector we need to express this side of who we are more often and more clearly.

Flexible in how, where and when people work. More and more private sector companies, led by the software industry, are increasing the flexibility of their workplaces. I do still believe, however, that this is a competitive advantage in the NGO sector. At the Pembina Institute, we offered generous holiday time, extremely flexible work hours, flexibility in working at home versus offices, and time-in-lieu for overtime hours. I know this flexibility helped retain much of our talent and helped compensate for lower salaries.

The Leader's True Performance Review: The Staff Survey

Your job is to lead your team. The best indicator of how well you are doing that is going to come from your team.

Although frequent rounds of coffee with your staff are probably the most important means for getting feedback from your staff, there is significant value in conducting an annual staff survey. I used our survey to evaluate how I was doing from a leadership perspective, where staff morale stood, and to help identify top priorities for improving the working conditions for the team.

Key to using a staff survey is actually using it. Too many surveys are hastily completed by staff, quickly reviewed by the Executive Director and Board, and dismissed. Most effective is to use the survey process as a discussion tool with the entire team, and to review the results with the management team and even specific individuals.

Zero in on no more than three key areas to improve for the next year, and use the following year's staff survey to test for improvement.

Once you find a set of questions that works for your organization, you can track trends on issues of workplace quality that matter to your people. In Appendix B, you will find an example of the questions we used, but remember that different issues may be significant to the people of your organization.

Hiring Top People

Given that our people are critical to the success of our organizations, one of the most important functions of managing an organization is recruiting and hiring people.

Hiring top people is hard work and it takes time, especially for senior positions. The hiring of new people is the single biggest investment an NGO will make. Selecting a person that you can trust every day from a pile of resumes and follow-up interviews is not easy. Hence, many positions are filled through acquaintances and relationships where one already has a personal sense of the candidate's character, values and approaches.

Yet despite all one's efforts, it remains a significant challenge to know at the time of hiring who is going to really thrive in the organization and who is going to depart 12 months later.

One of the most important factors for hiring is ensuring the organization is building diversity into the team. Diversity in skills, approaches, experience, and backgrounds. Of course new hires need to share a value for the mission

and vision of the organization, and care about the primary cause of the organization. Beyond that, staking your team with diverse thinkers and creating the space for that diversity to be expressed will greatly strengthen your organization.

At the senior management level, Executive Directors should consciously be hiring team members to cover areas of their own weaknesses. Of course this requires you to spend time reflecting on your own skills so as to identify where you are naturally strong and where you need other people. Bring people into your team who can fill the roles for which you lack the aptitude or passion.

When hiring, ask a lot of questions of your candidates, but also find some informal time over a meal or a drink to learn as much as you can before everyone signs the papers.

Here are the top five hiring questions I think you should ask:

1. Why the NGO sector? You can make more money elsewhere.
   I want to hear from the person why he or she is interested in the work, in the field. Is this to get experience or does the decision flow from passion about the issues?

2. When are you a "details person" and when are you not?
   People are attentive to details in things that they deeply care about and want to make sure are perfect. All of us have things where we sweat the details, and areas where we are best at setting the direction but relying on others to focus on the details.

3. Five years from now, where do you want to be? What does success look like for you?
   I place value on people's forward thinking of where they want to go, their personal vision and goals. It is also important, as their supervisor, to understand these, because if I can't help them achieve those goals, they are unlikely to stay.

4. Five years from now, what contribution to the organization, to the environmental movement, do you hope to have made through this role?
   This gets at the person's understanding and vision for both the role and the organization.

5. To be successful in this role, what will you need and who will you need help from?
   This allows one to get a sense of how well candidates actually know themselves – their strengths and weaknesses (without asking the typical and easily prepared for question of "what are your strengths and weaknesses?"). It can also prepare you for what will be most helpful for this person to succeed.

Make sure you do the 6-month checkup to decide if the person really is a good fit. If not, make the move then; it only gets harder the longer it is postponed. It can be very frustrating to have invested the training time and find things are not working out, but it is always better to act earlier rather than later.

Sometimes you have the right person but have the person sitting in the wrong seat on the organizational "bus". An effective approach to building a strong organization is to get top talent on the bus and shuffle seats (roles and responsibilities) until the team is really effective for the challenges of the time.

Remember, your people are your single biggest investment and ultimately make or break your organization; hence the need for the organization's senior leadership to be heavily involved.

The Tough Days of Lay-offs

Lay-offs suck.

I'm not sure if there is much more that needs to be said; we all know that laying-off people is just no fun. Unfortunately, lay-offs are a reality for NGOs who are impacted by economic ups and downs. But when it has to be done, make sure, as the leader of the organization, you are directly involved and take responsibility. Do everything you can to help the people affected in the transition such as creating opportunities for career counseling. It is also important to complete lay-offs swiftly before rumors begin to circulate.

In the end, your success and your organization's success come down to your people. One individual at the Pembina Institute, Chris Severson-Baker, who was my internal "go-to" person for helping us all build a better organization, is a master at working with people. Chris is currently the Managing Director at the Pembina Institute and has 17 years of experience managing people in an ENGO environment. Chris handled many of the toughest people management issues we faced, and here are his "top tips":

1. Find the right people to begin with. Take the time to find truly brilliant people who are entrepreneurial, intrinsically motivated, and are good at a wide range of things.
2. Given that your organization is the people it attracts and retains, do what it takes to keep the best people. Prepare to be creative and flexible; there is not a "one size fits all" for keeping top people.
3. Don't try to keep everyone. Not everyone you hire will work out in the end. It is best for everyone to make that call early. Waiting causes more damage. It is also important to realize that measures to retain some staff (such as flexibility in location of work) simply do not work for everyone.

4. Getting the right people in the right "seats on the bus" is critical. Play to the individual's strengths. As the organization grows, be sure to have a sufficient number of people who can effectively manage other staff. This can be often difficult to find in the ENGO community, but it is essential for success.

Chapter 4:

Know, Then Focus on Your Niche

niche (nĭch, nēsh)
n.
1. A recess in a wall, as for holding a statue or urn.
2. A cranny, hollow, or crevice, as in rock.
3. a. A situation or activity specially suited to a person's interests, abilities, or nature: *found her niche in life.*
b. A special area of demand for a product or service: *"One niche that is approaching mass-market proportions is held by regional magazines" (Brad Edmondson).*
4. *Ecology*
a. The function or position of an organism or population within an ecological community.
b. The particular area within a habitat occupied by an organism.

[Definition from: http://www.thefreedictionary.com/niche]

This chapter is not about knowing and then growing your "recess in a wall for holding a statue" or finding a little "cranny or hollow" to hide in (although at times you may wish to). This chapter is about pushing leaders in the environmental movement to really understand "the situation or activity specially suited to their *organization's* interests, abilities and nature".

The last count of environmental NGOs in Canada puts us in the thousands! Yet despite our numbers, so many organizations try to do it all. There is often significant pressure put on each other to do the same things – take on the same issues in the same way at the same time.

One of the greatest weaknesses in the Canadian environmental movement today is that we do not adequately recognize and strategically utilize our diversity in terms of our expertise on different issues, our tactics, and our

geographic reach. The bottom line is: you need to know who you are as an organization and who you are not.

To be more successful, each organization in the movement needs to clearly understand its "operational space" by articulating the issues it works on, the tactics it utilizes, and its geographic scope.

Second, organizations need to share this analysis and better understand (and respect) that there is strength in diversity if it is used well.

An influential friend of mine, with years of experience lobbying for public policy, summed up the necessary relationship very well in a simple strategy of "A-B-C": "If we are at 'A' and we want to get to 'B', then we need someone screaming for 'C'." Likewise, if you are the organization speaking out for option "C", having respect for transitional steps is important.

What is your organization's operational space?

A useful means to better understanding what an organization does is to look at its "operational space".

One can define the "operational space" of an organization by three dimensions: issues, approaches, and geography or "market[1]".

Figure 4-1 illustrates the first two dimensions, "issues" and "approach". The issues – with a narrow sampling listed - form vertical columns or "silos" in the voluntary sector and their numbers reflect the diversity of problems in the world. The vertical axis indicates the various approaches NGOs take in achieving their social change objectives.

Although there is no perfect means to categorize the range of approaches, as one moves up the axis, each approach tends to involve more formal institutional structures. Seven categories or types of approaches are illustrated in Figure 4-1:

- **Direct Action** – organized or unorganized civil disobedience, protests, blockades;
- **"Bricks & Mortar"** – on the ground infrastructure and/or facility development;
- **Non-Formal Public Education** – raising public awareness and understanding through both the distribution of information and also engagement and training of people;
- **Formal Education** – working to develop and influence formal education curriculum;

1 The words "market", "client", and "audience" are interchangeable and mean the same thing: the people who the organization is trying to change, provide a service to, or consult with.

- **Legal Action** – working with various legal institutions and systems;
- **Corporate Policy** – engaging the corporate sector to influence decisions and policy;
- **Policy Advocacy** – advocating at the government level to influence policy.

Figure 4-1: Two Dimensions of the Voluntary Sector

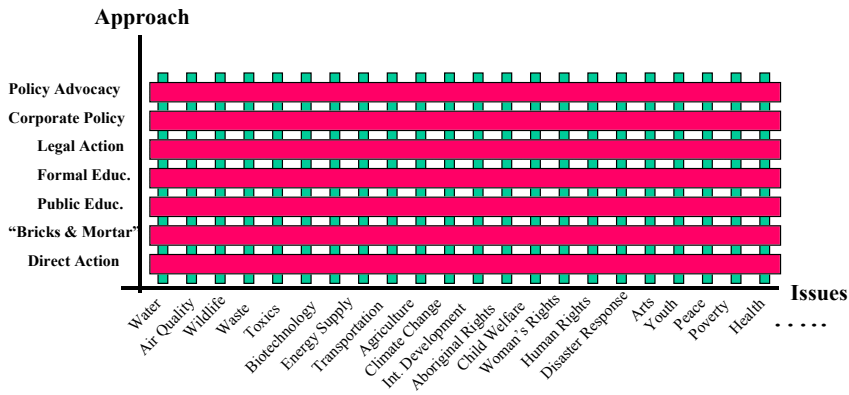
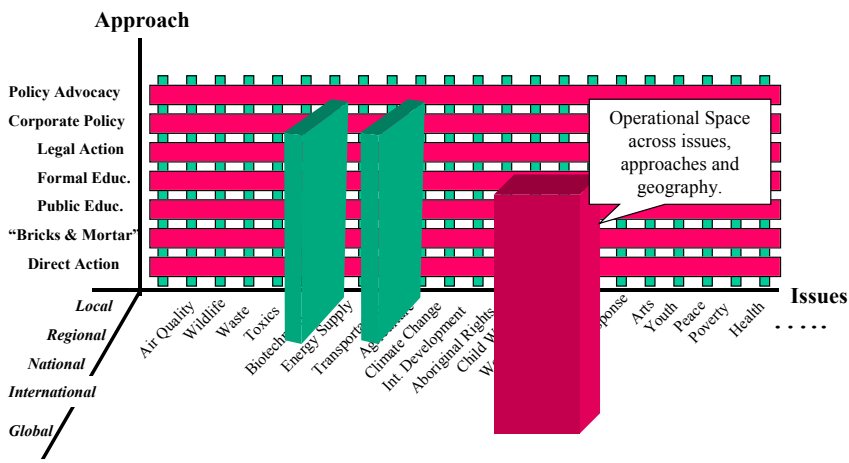


Figure 4-2 illustrates the complete operational space by adding the third axis, "geography," which can also be interpreted as the "market" of the organization. The range here is from local to global.

Figure 4-2: The Operational Space of the Voluntary Sector



The inevitable question every organization faces over its life is how large should its operational space be? In which directions should it grow, and in which should it limit its involvement?

Voluntary sector organizations most often begin from the grassroots on a specific issue, frequently with a specific approach, and in a specific region. Over time, the grassroots organization expands its operational space in the three dimensions.

Consider the Pembina Institute's history. The organization started as a result of a major sour gas leak, considered one of Canada's greatest environmental accidents, in rural Lodgepole, Alberta. The small local group's approach was to target changing government policy to help ensure similar accidents would never occur again. Following this, the group expanded its direction to work in the area of waste and recycling through public education and infrastructure development. In the beginning, the staff primarily consisted of public school educators.

Over time, the organization's focus expanded to address air quality issues and climate change. It increased its geographical scope to a provincial level, and later to the national level. Approaches applied by the organization evolved vertically along the "approach" axis.

Today, the Pembina Institute's operational space includes:

- four core issues: climate change, impacts of oilsands, renewable energy and energy efficiency, and sustainable transportation.
- a broad spectrum of approaches ranging vertically through community education to government policy analysis; and
- a geographical scope covering local issues to national issues in Canada.

What is the operational space of your organization? What are your core issues? What are your primary approaches to change? And what geographical scope does your organization have?

What Sea Creature is Your Organization?

Now if the approach of "operational space" is just too academic for you, try this:

Are you a shark, an orca, a sea-lion, or a dolphin?

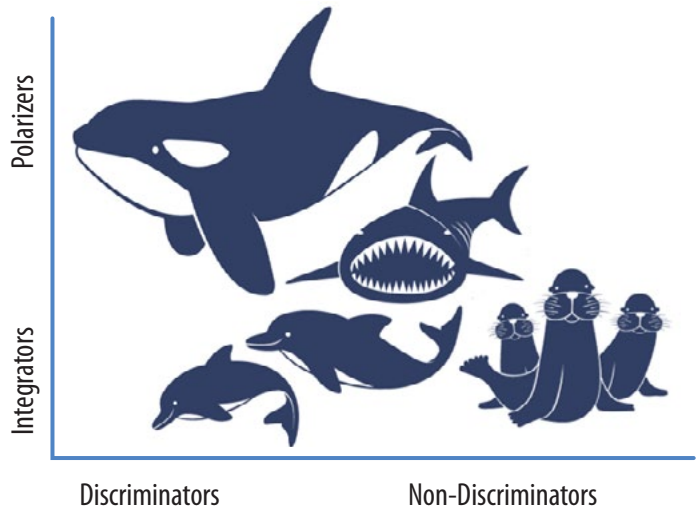
A paper written by John Elkington of Sustainability entitled *The 21st Century NGO – In the Market for Change* created a very useful frame for NGOs to test who they are in the "biodiversity of the movement". The paper challenges NGOs to put themselves along two axes:

1. **Integrators versus polarizers,** where polarizers aim to achieve change by disrupting the status quo through confrontation while integrators seek

to achieve change through constructive partnerships with businesses, governments and other stakeholders.

2. **Discriminators versus non-discriminators,** where discriminators study their targets and understand strategically how best to engage them, while non-discriminators don't really have targeted audiences.

By creating a simple 2-by-2 matrix with these two characteristics, Elkington categorizes NGOs as "sharks", "orcas", "sea-lions", and "dolphins".



"Orca" organizations are very strategic, have highly intelligent staff, are independent and can be unpredictable. A good Canadian example is Greenpeace. Orca organizations are critical for raising awareness of issues, and do so very effectively. They are most effective at bringing attention to issues through polarization and do so by being very targeted both on the issues they choose and who is selected to be the "bad guy".

"Dolphins" have a keen capacity to learn, are creative, keen to work with unusual partners, and adapt strategies and behavior to changing contexts. In Canada, the Pembina Institute is a good example of a "dolphin" organization. Dolphins can effectively bring together diverse interests and drive towards a solution. They integrate thinking and ideas from a range of sectors, but again are selective on which issues to focus on.

There really are not many "shark" organizations because they don't tend to be organized. Sharks act on instinct, are tactical at best, and will attack any target, often in packs. One would look to members of the "Black Block" instigating riots as an example. Shark organizations can bring attention to issues, but due to the extreme polarization of issues, can have a side effect of losing sight of the

actual issues. The riot, not the issue or problem, becomes the story.

The "sea lion" organizations are always keen to please, maintaining a large tent, are professional, but tend to prefer the mainstream and not cause ripples. Canadian examples of sea lion organizations in the environmental sector include Nature Conservancy and Ducks Unlimited.

Of course many organizations do illustrate characteristics of different sea-creatures at different times, but tend to predominantly be one by their very nature.

At the Pembina Institute, we wrestled with our identity for quite some time. On a general level, we obviously knew we were a non-profit and we were non-government. And we knew what we were not –we were not a Greenpeace, we were not a WWF with a worldwide brand, we were not a David Suzuki Foundation with a Canadian icon, and we were not an EcoJustice with a team of legal expertise.

But who exactly were we? At our core, we were technical and policy analysts with a keen interest to collaborate with anyone we believed could move solutions forward. We largely became known as "the egg-heads of the environmental movement doing good analysis".

But we were frustrated that our materials were not getting in the right hands at the right time to have a real impact. So we built up our skills in government relations and communications, and developed relationships with a strong network of opinion leaders. This is where we focused.

It all clicked when we invited a former senior staff person from the Prime Minister's Office to our annual organizational retreat and asked him "What is Pembina in your mind?". Without hesitation, the answer was: "tough but fair". This stuck.

The Pembina Institute is largely a dolphin organization with an operational space of "energy/analysis/Canada". Understanding the nuances of the Institute's identity enabled the Pembina Institute to refine its tactics, and make more strategic decisions. Of course at times, Pembina needs to act like an orca or call upon orca friends. Some of the most effective efforts in the movement occur when different sea-creatures work together.

In short, the movement will be stronger and more effective when you understand your role in the movement, you communicate it, strengthen it, and synergize with it. We have to constantly remind ourselves that we cannot be all things for all people and still be effective. Different skills and approaches need to be brought to bear on the challenges we face at appropriate times if we are going to be most successful as a movement. We each need to know and focus on our niche.

Chapter 5:

"Strategic Plans, NO THANKS. Strategic Thinkers, YES"

When we say, "This is complex", what do we really mean?

An analogy that stuck for me:

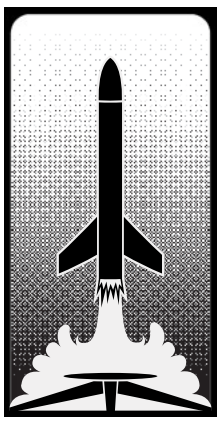
Simple = baking a cake: just follow the recipe, fairly consistent results, low uncertainty on outcome.

Complicated = launching a rocket: you need the right resources, but with a good plan, fairly consistent outcomes are possible; high levels of expertise helps.

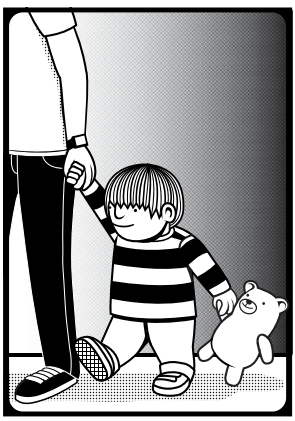
Complexity = raising a child: no matter what plan you might have, the outcomes are going to be very different with another child; expertise can help, but relationships are key.

{Source: Lecture McGill-McConnell Program – Brenda Zimmerman}

Simple



Complicated



Complex

At the Pembina Institute, it was no secret that I did not like "strategic plans". In fact, I don't think they are worth the paper they are written on. At times, I know this frustrated people. But quite frankly, I find having a strategic plan for an organization that is working in a complex environment as useful as having a strategic plan for raising your kids.

What I do believe in is the importance of people thinking and acting strategically.

In the environmental movement, things are changing so fast and so many factors (political, economic, technical, social) are totally out of our control that we can't even pretend to write out a "plan" or a "playbook" at any given point of time. By the time we figure it all out and start to implement the plan, the underlying assumptions for the basis of the plan will most likely have changed completely, rendering the time- and resource-consuming plan useless.

Instead, as a leader, focus on developing strategic people and a strategic team. This takes time and patience, but ultimately it is where success lies. For me, strategy is simply people doing the right things at the right time.

So how do we develop strategic thinkers?

By Process: Adaptive Strategy

In a complex environment, there is only one thing you can be certain about: everything is changing all the time. For many people, this can be very frustrating; for others, it provides energy.

I find people become more comfortable with an adaptive approach to strategy when you talk about strategy as a "process". People intuitively understand that you can't just have a "strategic planning event" that delivers a plan all wrapped up and ready to implement. Anyone that has any work experience in a complex environment knows that simply does not work. People understand that there needs to be an ongoing process for the organizational strategy to evolve. The key to leading strategy is therefore about leading the strategic process.

The strategic process requires you to reflect on your organization's approach to cultivating strategic thinking. This is where the difference between strategic planning and the strategic process becomes murky for some people.

You may have experienced a time when your team's strategic thinking was at its strongest during a discrete "strategic planning meeting". If this is true for your organization, my advice is this: focus on the tools and processes that were effective in generating your team's strategic thinking. Don't even waste a piece of paper by printing the "plan". Sure capture your current collective thoughts on the external and internal forces impacting your organization, but consider

this just a snapshot for reference. Capturing and documenting the tools and processes that help your team think strategically will allow you to start defining your organization's strategic process.

The Pembina Institute has a document called *Pembina's Strategic Approach – A Living Document for Strategic Change* that reflects our best thinking on our strategic process.

I will reemphasize that the end goal of this document is to inspire strategic thinking that is in line with the Pembina Institute's mission, rather than to define specific outcomes or milestones.

Its table of contents included topics such as:

- who we are as an organization: our mission, our history, our macro role in positive change;
- our theory of change;
- strategic management;
- our operating principles;
- facilitating continuous strategic thinking; and
- evaluation of our own work.

Deciding which process tools are the best gambit for encouraging strategic thinking is challenging given the wide range of tools available.

My approach was to "just try them". Use a variety of tools and see which ones connect with you and your team. Selecting several tools also helps entrench the thinking that it is an ongoing process, recognizing that you may also adapt, adopt or discard certain tools throughout your process.

At the Pembina Institute, if we didn't like a particular strategic thinking tool, we would move on and try others. This attitude also helps build an organizational attitude that encourages taking calculated risks. My view was always that if my staff were not making mistakes that I needed to go help clean up, then we were likely not trying hard enough and pushing the envelope far enough. As kids, learning how to skateboard, we often told our parents wondering why we had so many cuts and bruises, "well if you are not falling, you are not learning".

Some of the strategic thinking tools that I found useful included scenario planning, future search, and appreciative inquiry. The following pages provide some more information on each of these and point you to where you might learn more to actively apply them in your organization.

Whichever tools you decide to apply, good facilitation of the process is critical to success. If you are not naturally a good facilitator or just don't enjoy it, then make sure someone on your senior team is and will. External facilitation can be useful at times, but it can push you into the trap of "this is a discrete strategic planning event" as opposed to internally owning an ongoing strategic process.

When you do bring in outside help, be clear how this fits into the longer term process of building strategic thinking and, when possible and if they prove to be a good match, maintain a long-term relationship with the outside help to help support the process. Ultimately you want to bring the strategic thinking inside and embed it throughout your organization. Everyone should think about strategy, always.

My Favorite Strategic Thinking Tools

Scenario Planning

Scenario planning has evolved as a powerful business tool for testing the viability of corporate and organizational strategies.

Scenario planning is not an exercise of trying to predict the future or forecasting, but a process to explore and develop strategies, which can work in a variety of contexts or possible futures.

The benefit of scenario planning lies in its ability to help people anticipate possible futures, and improve an organization's ability to respond to future events. To make the process practical, scenarios are developed with each telling a story of a plausible future situation in which we may have to live and work. Each story is built around a distinct plot that incorporates significant elements of the environment affecting the strategic decisions we are currently facing.

The process of scenario planning, especially when it involves a range of people from outside one's organization, will help your team illuminate factors surrounding a decision they normally would never have considered. The shared experience of envisioning future scenarios also helps build a shared language for a team when discussing decisions that need to be made.

The outcome of a scenarios exercise is a core strategy that remains robust across a range of plausible futures, and an increased ability to respond to events that unfold.

Appendix C has some additional information on the design of the process, drawn from the work of Peter Schwartz in *The Art of the Long View*, a book worth reading if you are interested in scenario planning as a strategic thinking tool.

Future Search

The "future search" process is another strategic thinking tool that can effectively help an organization draw on its history, assess current reality, and articulate a group's desired future.

The best book I have come across on completing a future search process is:

Future Search - Getting the Whole System in the Room for Vision, Commitment, and Action by Marvin Weisbord and Sandra Janoff. The process is very powerful when applied fully. Its core principles for success align with my own philosophy of leading change:

1. Bring the "whole system into the room", meaning put effort into ensuring you have true diversity (gender, background, levels of experience, sectors) in perspectives involved.
2. Consider the global context for local action, which emphasizes the importance of exploring the "whole elephant".
3. Focus on future and common ground, not problems and conflicts.
4. Respect the importance of self-management and responsibility for action.

As the process takes time (three days for the full process), it is a serious investment in resources. The payoff is that it drives your team to review the past, really explore and understand the present, create desired future scenarios, discover common ground, and make action plans.

Marvin and Sandra's book is very well written and a confident facilitator can work with your team through the process. If you are considering a multi-day event to transform your organization, I strongly suggest using this book as a starting point.

Appreciative Inquiry

Appreciative Inquiry (AI) is a process of using individual stories and experiences to deepen a team's understanding of the underlying conditions that bring about success.

The process can be applied in both large and small teams, collectively or coordinated through a single interviewer. It starts by clearly defining a topic or theme for focus. For example, an organization might be interested in better understanding how to be more effective in getting out its message. It might start through a series of interviews focusing on the question:

> "Tell me about a time you felt ACME ENGO really had an effective outreach effort."

Using the individual stories as a starting point, one digs deeper to understand what was really necessary at the core to arrive at this example of success. Using a range of stories enables you to distill a common set of key elements that must be in place for success. The group emerges with a deeper understanding of the key success factors and can then make steps to ensure they are always in place before and during the planning and execution of a particular strategy or campaign.

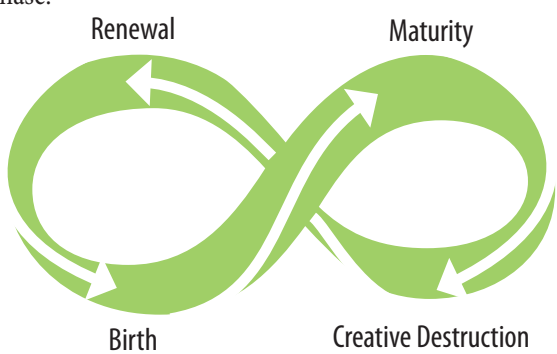
The International Institute for Sustainable Development (IISD) has compiled several excellent resources on applying the process of appreciative inquiry. These resources are available through their website.

The Ecocycle: Innovation and Creative Destruction

Applying the concept of an "ecocycle" is useful for strategic thinking as it helps leaders understand the different phases that an organization or a program goes through in its lifetime.

Drawing from biological systems, it suggests that organizations or programs within an organization go through four phases:

1. **"Birth":** The birth phase is characterized by many players in the same field often competing to move an idea or effort forward. It is "entrepreneurial" and for many people very exciting as it requires high levels of energy, and new ideas. There is a spirit of invention and excitement over the creation of something new. Only some of the ideas and efforts survive, as resources can be scarce.
2. **"Maturity":** The ideas, programs, and organizations that do survive begin to grow and mature. To be more efficient, various management systems and practices are put in place. The phase of maturity is about small tweaks to what is working as opposed to major reinventions of activities. The team requires strong managers to keep things on track and well-functioning.
3. **"Creative Destruction":** This is the phase in which we consciously (or by the force of external factors) dismantle an activity, program, or organization. This can be tough on people who worked through the birth and maturity phases of an effort. But through this process it can create space for innovation as resources are freed up.
4. **"Renewal":** Once through the creative destruction phase, new space is available for organizational renewal, thereby coming full cycle into the birth phase.



Probably the most powerful part of using ecocycle thinking is helping leaders to identify what they should stop doing. When we decide to end a particular activity, we help create space for renewal, for new ideas and activities.

The ecocycle also helps organizations understand the phases of a program or campaign in which they excel, and which phases they should not be involved in for too long. For example, many ENGOs are really good at inventing new ideas, but once those efforts are brought to maturity. they get bored or don't have the type of managers required to sustain the same effort perpetually.

Consider as well that your organization and its actions might be in different phases of the ecocycle. A diversity of programs or activities across the different phases is a healthy place to be – some programs are being invented and born, others are in the mature phase of really delivering, while others are being consciously dismantled or hived off to others to create space for renewal. A useful analogy is that of a forest, where a truly healthy forest has patches of birth, patches of maturity, patches where a forest fire has gone through, and patches of renewal.

The above are just a few examples of tools for developing strategic thinking in your organization. You will find some will work better than others depending on the situation. Most important is ensuring that one way or the other you are constantly creating strategic dialogue in your organization and consciously developing the capacity of all of your staff to be strategic thinkers.

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Chapter 6:

"Money Comes, Money Goes: How to Think About Money"

You might be a non-profit, but if you have staff, you need money. This chapter addresses money matters and aims to help leaders think about the full and true cost of an organization's work. A deep understanding of the flows of money in an organization is critical to maximizing efficiency and productivity.

Organizational Attitude and Culture Regarding Money

What relationship does your staff have with the finances of your organization? What is their attitude about money? Do some staff feel, "It is someone else's responsibility to find money, just give me a budget that I can spend to do good work?"

At the Pembina Institute, I strived to ensure that at a practical level everyone understood our financial situation on a monthly basis, and I made it clear that everyone played a critical role in financial matters. We also emphasized that we didn't have a "budget to spend" but rather things we wanted to accomplish and an ongoing need to find the revenue in order to make our work possible.

Some foundations, even some ENGOs, might have "budgets to spend". But in my experience, organizations generally have annual gross revenue needs that must be met to ensure their teams can get the work done. In fact, organizations have *daily* revenue needs given that every day there is money leaving an organization's bank account.

Which leads me to one question every leader should be able to answer about their organization:

What is your daily "burn-rate"?

In other words, on average over the course of the year, how much money is leaving your bank account by 5p.m. every day?

The calculation is simple. If your annual gross expenses are $5 million, and there are 52 weeks X 5 days per week, then your average daily burn-rate is $19,230. In other words, that much money better be coming into the organization if you want to remain solvent.

I find when staff understand the scale of the flow of money in and out of the organization, they have a greater appreciation for the need to be actively looking for funding opportunities and managing expenses carefully. Of course if your organization is living "hand-to-mouth" every month, it is very important to work with your team to get out of this high-stress cycle in a timely manner.

The flip side of ensuring that all staff know about the organizational costs or burn-rate is ensuring that all staff are in tune with the revenue side of the balance sheet.

Do people really understand how the organization is funded?

A practice that emerged at the Pembina Institute that has been very successful in keeping staff abreast of revenue is sending out "DING DING" emails. When a project leader has secured funding or a contract to complete a piece of work, no matter how small, he or she sends an all-staff email with the subject line being: "DING DING: Project Name".

Within the email are only a few sentences describing the project, where the revenue is coming from, why the project is organizationally strategic, and the financial size of the project. These are quick emails that everyone opens out of sheer curiosity. It allows an opportunity to share success about securing new projects while also providing a means for staff to look for synergies with their own work that might contribute to the project.

Building financial awareness and accountability with an organization requires ongoing staff engagement. At the Pembina Institute, the regular "DING DING" emails, monthly all-staff calls where "financials" remain a standing agenda item, and heavy staff involvement in developing the annual financial plan helped create an organizational culture where every staff person realized they played a key role in maintaining the organization's financial viability.

Most ENGOs are not places where you are just "given a job with a salary"; you are more often trying to work for a cause you believe in while doing everything you can to also earn a living. For some staff who are coming from other sectors such as government, the idea of not really knowing where and when your next

pay cheque is coming from can be difficult to understand and adapt to. The more people are involved in the organization's budget and financial matters, the greater appreciation there is for the need to be extremely conscious about costs and constantly seeking new resources. This involvement also helps build a sense of empowerment and security around making sure the organization is viable.

What Is Your True Cost of Working on a Project?

The second financial number I believe every leader and every program or project staff member should know is the true average daily cost of working on a project. When you say, "Let's write that opinion editorial" or "Let's write that report and press release", do you really know what the true cost is? I doubt many of us do.

Following is a table that you could build in a spreadsheet to estimate your average cost of working on a project. But basically, once you look at how many of the 250 working days available each year your team spends on management, administration, planning, professional development, fundraising and other non-project work, you will likely be quite surprised at how few days are actually available to get the work done. Once you then take your total organizational expenses and divide it by the number of project days available, you have an indicator of the average costs for staff to be working on a project.

Calculating Your Organization's Average Daily Cost to Work on a Project

Staff Position	Business Days per Year	% of Full-Time	Subtract Vacation Days	Subtract % Time for Management	Subtract % Time for Fundraising	Subtract % Admin Time	Total Project Days Available
CEO	250						
Campaign Director	250						
Fundraising Director	250						
Director of Finance	250						
Project Lead	250						
Comms Officer	250						
Analyst	250						

Note: Business days per year includes subtracting 10 statutory holidays.

At the Pembina Institute, the average daily cost to work on a project was in the order of $500 - $600 per day. Knowing this number is useful in two key ways:

1. It helps your team prioritize by knowing there are only so many days and resources to apply to competing opportunities. This also drives productivity when people realize just how much that internal meeting costs.
2. It helps you communicate to funders the cost of a project and ensure you are not underestimating what the true cost could be to complete a piece of work proposed to a funder.

Of course this calculation only provides an average for your own guidance. It is not an indicator that can be compared across organizations because different organizations and projects require varying levels of involvement by staff with specific skill sets and levels of experience. An organization's daily project cost comes down if you require less management involvement and have more junior staff working at lower salaries. Inversely, this number goes up if your organization is at a point of requiring significant staff for fundraising or very senior and experienced staff to deliver on complex projects.

Productivity Tip:

Emails are a time killer for many staff! "All staff" emails should be used very carefully and always remember to include the key point of your message in the subject line.

If the subject line does not tell me exactly why I should open and read this email, I am unlikely to open it.

Project Management Makes the Difference

Many of the senior staff of today's ENGOs came from within the environmental community or from other cause-based non-profit agencies. People come to the movement driven by the cause, wanting to make a difference. The passion and intelligence is there. But frequently, we do not invest enough in hiring and developing good project managers.

Excellent project management allows an organization to really make a difference with every dollar. Armed with the knowledge of what a project day (or hour) costs, a project leader will be more conscious about efficient use of resources. There is never room for waste in any project or campaign.

Not having sufficient highly skilled project management capacity can be deadly for an organization's overall effectiveness and reputation. ENGOs need

to be as productive as possible with the limited resources available, and high productivity and impact comes from solid project management.

As a result, ENGO leaders should ask themselves at least twice a year:

1. Do I have sufficient highly skilled project management capacity?
2. Are we investing in developing better project managers across the organization?
3. How much is poor project management costing us?

There are dozens and dozens of books, training programs, computer software packages, and guides to project management. The appropriate project management approach is dependent on the scale and nature of the project, so it is difficult to be prescriptive on the best technique. But the bottom line is you need to have people that are good at, and have experience at, organizing and communicating the resources, activities, progress, and evaluation of projects. This will make a difference in the success of an organization and ultimately the environmental movement.

Revenue Diversity

When it comes to personal finances like retirement savings, we know that it is sage to hold a diversity of responsible investments. Maintaining diversity in revenue is equally as important for our organizations.

A few questions all organizations should ask and seek to answer are:

- What does "revenue diversity" mean to our organization?
- How diverse are our revenue sources? Diverse enough?
- How might we further diversify our revenues and/or maintain diversity?
- How do we diversify our revenues while not diluting our focus?

Revenue diversity can be thought of in a number of ways:

- **Size:** The size of the individual contributions of revenue, from a $10 donor to a $1-million grant.
- **Source:** Where the revenue is coming from including individuals (public at large), corporations, government, or foundations.
- **Relationship:** The relationship between the funding and the activities: untied funding, core funding, sponsorship funding, fee-for-service, or project-dedicated.
- **Predictability of funding cycle:** Some funding is predictable over a longer time period with little fluctuation, such as an organization that has an established and well-managed individual donor base. Other funding, such as foundation grants, tend to be predictable for

shorter periods of time, often two to four years when the issues you are working on are "hot". Fee-for-service and much corporate-related sponsorship funding tend to be associated with shorter time periods, often fluctuating significantly from year to year or even within a year. Recognizing the different funding cycles and maintaining a diversity of revenue sources is important for longer-term organizational sustainability.

An organization that seeks to be well diversified should consider these four elements in assessing the diversity of their funding. How diversified one should be (and how much effort is invested in trying to change it) is an important decision for the leaders and board of an organization.

Obviously being overly dependent on any one source of revenue has its risk, but being so widely diversified that financial administration costs become inefficient is also not optimal.

An organization also has to be mindful not to stray from their core mission in pursuit of financial diversity.

Somewhere in between will be a sweet spot for every organization.

At the Pembina Institute we defined our sweet spot for revenue diversification to be one-third from fee-for-service, one-third from foundation grants, and one-third from individual donors. As of 2012, the Pembina Institute continues to work towards this objective with the individual donors being the part of the diversification still to fulfill.

Avoiding the Friendraiser Fundraiser: "Slip Slidin' Away"

September 18, 2007: "Thank you everyone for coming tonight and supporting our work at the Pembina Institute. We have a wonderful show lined up tonight featuring Art Garfunkel…"

What I really wanted to say was: "I hope you enjoy this show, because I just spent over $20 on each of you to come and be here, so you better be my friend afterwards…."

This concert event was a painful lesson in fundraising for the Pembina Institute. It was a time when we were experimenting with a range of fundraising approaches in order to grow the individual donor part of our revenue. We had had one positive experience with a concert event and so the idea was to double-down on it this time – bigger artist, bigger venue, three shows.

It was a complete failure. We had to cancel one show, we had to give away hundreds of tickets just to fill seats, and it consumed an incredible amount of staff time. It was also a significant blow to morale: instead of heading into the next year with balanced books we would be dealing with a deficit largely as a result of a failed fundraiser.

There is nothing more frustrating than seeing resources "slip slidn' away". In the post-event evaluation, we tried to comfort ourselves saying things like, "Well it was a good friend-raiser". Yeah, right. I am not convinced we saw any medium or long-term value from that concert series. The main lesson was we simply stepped too far away from who we were.

As a leader of an environmental organization, you are unlikely to be a professionally trained fundraiser. You likely rely on a senior staff person, and outside advice, to bring ideas to the table and make recommendations. But you are ultimately responsible for the decisions made.

There are two key questions I suggest every CEO or Executive Director ask of every fundraising proposal that comes before them:

1. **Financial:** What is the risk versus reward on this? What is the expected rate of return and what is the risk of that return being much lower?
2. **Cultural:** Does this fundraising approach truly align with who we are, who we want to be seen as, who we want to attract to our cause?

Financial Reporting

We all have our directors of finance and accountants prepare annual audited financial statements using current best practices for financial reporting. But eventually all organizations get the questions:

> What percentage do you spend on overhead and administration?
>
> What percentage do you spend on fundraising?

These are good questions for every organization to ask and evaluate. Unfortunately, individuals wishing to compare organizations are all too often the ones asking these questions.

There are two problems with trying to use these questions for comparison between organizations:

1. **No Standard Calculation:** There is no standard way to calculate these two indicators, so when I have been asked these questions, I often respond with "What numbers would you like them to be?" There are so many subjective elements – how much of your CEO's time should be allocated to overhead and fundraising? How much of your direct mail is

more about awareness building than fundraising? Many staff contribute to proposal writing, how should we calculate this? Most staff have administration time, do we include this? Some years are "fundraising investment" years, others are not. Etc, etc.

2. **Differences in Organizational Approach to Change:** Different organizations play different roles in creating change. They might have a common environmental purpose but their "markets" might differ. As a result, their approach to fundraising may be different and actually be part of their relationship building and change process. Other organizations may have senior staff doing technical and policy work that needs to be supported by good administration.

In short, it is important for every organization to be reviewing and assessing how much they are spending on fundraising and administration, but ENGOs should refuse to be drawn into the meaningless exercise of comparing organizational performance based on these indicators.

Most important is reporting on the annual balance of income versus expenses, the change in organizational assets, the sources of revenue, and effective description of the actions taken and impacts the organization has made.

To advance the changes we wish to see as non-profit organizations, we require the financial resources. Having the skills and culture to most effectively manage an organization's financial resources is critical for building confidence with supporters and realizing organizational goals.

Chapter 7:

"Hey you, wanna make a buck? Buy a watch."

Selling Your Time as a Consultant

The average person does not think about non-profit organizations engaging in activities that earn income. In fact, the average non-profit does not usually think about engaging in services that can earn them revenue, especially "fee-for-service" or consulting activities.

For the Pembina Institute, fee-for-service consulting has a long history of being an integral part of the organization.

In its nascent phase, the founders of the organization were hired by Environment Canada and then TransAlta Utilities to develop and facilitate workshops on "sustainability". The basic concept was, "we have good ideas, but they don't come for free because we have costs".

Selling your time and services is a lot of hard work. It requires special skills and it is not as lucrative as one might think. Today, many organizations are beginning to think about starting a consulting arm, but my advice is to really understand what that means before moving forward.

Let's start with a quick summary of the "pros" and "cons" on engaging in consulting or including fee-for-service as part of your organization's model.

PROS	CONS
Forces project discipline.	Client demands can create added stress on staff.
Attracts business minded staff.	Staffing needs fluctuate with consulting contracts.
Enables an organization to get paid to learn more deeply about a given technology or topic, which often further benefits the core work of the organization.	Can lead an organization to pursue areas that might only be slightly connected to current priorities.
Can provide a stream of revenue to help cover overhead costs.	Results in additional financial management requirements and costs.
Can be very strategic in helping to create change. Some audiences place higher value on paid-for advice and are more likely to act on recommendations than when offered "free" advice.	Can distract or create temptations to drift from core mission and strategy.
Enables an organization to better understand the corporate sector and learn from business.	Perception of being too close to the corporate sector and/or government agencies.
Can allow an organization to diversify without the initial investment into a new topic or project.	Can broaden an organization's mandate too much, where one's identity becomes unknown or uncertain.
Creates opportunities for new partnerships.	

There are also a few myths to bust about selling your time. First, it is NOT a cash-cow despite an underlying perception by some that "you do consulting, so you don't need donations, right?".

The truth is that running a consulting arm of your organization is a lot of work and requires a different approach than managing a foundation grant or project supported by individual donations. My experience at the Pembina Institute is that revenue from consulting helped cover a portion of our overhead costs, but never contributed to our other program activities.

Our consulting work was always first and foremost trying to be a strategic part of our process of change, and not designed to be a profit center. To be very profitable in consulting, one typically creates a service or process that is easily applied to a wide range of clients that allows you to run them through that process using a small number of senior staff and many junior staff. I call this "boilerplate consulting" and it can be quite lucrative. But the people attracted to working at the Pembina Institute get bored of doing the same thing over and over again, especially for non-profit salaries.

As a result, our consulting work seemed to most frequently be on the leading edge (or even "bleeding edge") of a particular topic or process, always inventing something or doing new original research. The first project in a given field is

rarely profitable in consulting work, because you are building your experience and knowledge. Quite often it is not until the fourth or fifth project in a field that you start to see a meaningful profit from your earlier investments. However, by this point we had often moved on to something new. Furthermore, we often found that after breaking new ground in a particular field, the larger big-brand consulting firms would see an opportunity and enter into that space. We could not compete with the marketing power of the large consulting outfits, so it would be a cue for us to exit that field.

A fair question is that if consulting was never really that profitable, why did the Pembina Institute do it to the tune of $2 million of revenue annually?

Simple: it was a core element of our strategy to move businesses and governments to more environmentally responsible processes.

For the Pembina Institute, the three biggest gains from building and maintaining a consulting function have consistently been:

1. **Knowledge:** Getting paid to become knowledgeable in a new field – environmental concern, technology, policy, or process.
2. **Understanding:** Being better equipped to truly understand the challenges, barriers and opportunities that the private sector and government bureaucracies face in trying to implement new technology, policy or process.
3. **Partnerships:** Identifying potential partners from other sectors to collaborate with in pushing forward new technology and/or policy.
4. **Tangible Improvements:** If you have solid solutions for improving a company's environmental performance and attitudes, then your consulting work can result in real material environmental gains.

Our approach was to seek out consulting projects that would help us build experience and knowledge in areas that we knew would be valuable to our overall mission. We then applied this knowledge to developing better and more effective policy recommendations.

Below are a few examples of the strategic value I experienced from our fee-for-service activities.

Example #1: Greenhouse Gas (GHG) Offsets

In the late 1990s, the concept of utilizing "greenhouse gas offsets" was increasingly being talked about in Canada, but there were really no concrete rules or standards on measuring and accounting offsets. What was a real GHG reduction versus efforts that would have occurred anyways?

We encouraged a Canadian utility to investigate how GHG offsets markets might work, what projects might be available to them to generate real offsets, and strategically how they might position themselves.

Through completing this work we were able to work with real examples to define what credible offset projects might look like. We were able to define criteria to ensure real reductions would indeed occur. Through this on-the-ground experience, we became the credible voice in Canada evaluating the environmental effectiveness of proposed offset systems. By leveraging our fee-for-service experience and knowledge, we became the best positioned to assess and recommend policy.

Pembina has been able to take a similar approach in a number of areas and technologies, empowering the organization to be one of the most credible voices on energy technology and policy in Canada.

Example #2: Suncor Renewable Energy Investment Evaluation

After several years of working to convince Suncor Energy to start investing in renewable energy and diversify from their core oil and gas business, they turned around and effectively said: "Okay, we are interested, now where should we invest in renewable energy?" Over the course of a year, through a fee-for-service contract with Suncor Energy, we identified and provided preliminary evaluation of more than a dozen possible investment opportunities of sufficient scale for Suncor Energy.

In the end, Suncor Energy chose to pursue wind power given its alignment with the scale and nature of projects. Through this process, both Suncor Energy and the Pembina Institute recognized that supportive public policy was needed in order to really launch a competitive renewable energy sector in Canada.

As a result, Suncor Energy and the Pembina Institute jointly founded the "Clean Air Renewable Energy (CARE) Coalition". Over the following years this coalition of private sector renewable energy companies and environmental organizations effectively lobbied to secure a multi-year, billion-dollar renewable energy incentive program, which arguably launched Canada's renewable energy sector.

This was an example of a fee-for-service project leading to a tangible change in a corporation's environmental performance, and establishing an unusual partnership between an energy company and ENGO to secure Canada's most significant renewable energy public policy initiative to date.

Example #3: Retailing Wind Power

Around 2004, Pembina started a retail business for low impact renewable energy, targeted at businesses and individuals. For a start-up effort with very little initial capital investment, it was quite successful and even profitable, but it was also not easy to further grow and sustain.

With heightened interest in the environment and renewable energy, the private sector was starting to open retail businesses. Bullfrog Power was one company that had demonstrated success in Ontario and was beginning to look towards western Canada to expand its market.

It was clear that we could not compete with Bullfrog Power, so we decided it was time to extract the value we could from our own efforts, by essentially selling the business. A win-win agreement was made, resulting in a lasting partnership between Pembina and Bullfrog Power.

This is an example of an ENGO gaining the experience of starting a for-profit venture resulting in a long-term partnership and gaining valuable on-the-ground experience in what it takes to retail an environmentally sound product or service. This experience has helped Pembina provide practical recommendations on renewable energy policy.

Despite the real benefits, buyer-be-warned that having a consulting arm within a non-profit organization comes with some significant challenges.

For starters, consulting projects often come in "lumps," meaning your team either has too much work or no work. This can create real staffing challenges, so having flexibility amongst your staff to work on a variety of projects is important.

A second significant challenge is managing potential conflicts of interest. In a number of cases at the Pembina Institute, we found ourselves acting as a consultant for a company on one project while our advocacy team was challenging the same company on a different project in a regulatory hearing. Our approach to managing this was simple: declare the conflict of interest, be transparent about it, and actively manage it by ensuring we were never doing consulting work on the same project we were (or could in the future be) challenging. Our consulting contracts very clearly stated that hiring the Pembina Institute in no way prevented the organization from challenging the company's practices or regulatory approvals processes.

A third challenge is managing the potential to be used for green-washing. In a few cases, companies thought that by hiring us, they could then drop our name whenever they wished to make their other projects look good. We actively monitored this and ensured we reacted swiftly if we felt our work was

being misrepresented or our relationship abused. First, we would indicate our concern privately to the client and explain how it was inappropriate. If this did not remedy the situation, we had no choice but to publicly respond, knowing full well that we would unlikely have a future project with that client but also recognizing that if they were using us to green-wash, we did not want them as a client.

This leads to the absolute importance of having clarity on what kind of clients you are pursuing. Who will you work for, and who will you not? What criteria will you apply?

At the Pembina Institute, we applied a "client engagement evaluation". This involved conducting a background check on the prospective client to understand exactly who the company was, its track record, and the risks – perceived or real – that could result from engaging in consulting work. Further, and most importantly, we evaluated to the best of our ability what gains could result from working with the client both in terms of added experience for our team and improving the practices of the client to achieve environmental improvements. As Matt McCulloch, Pembina's Director, Consulting Services, puts it: "We only work with those who genuinely seek change and want to demonstrate leadership."

It is also very important to be clear with clients how they may utilize your association with them. If they wish to mention your work together in a newsletter or annual report, make sure you have editorial input on how it is characterized. Further, whenever possible, retain the intellectual property that you have created through your work.

In summary, engaging in consulting work has been hugely positive for the Pembina Institute. The consulting work has set it apart from other ENGOs by helping it to build an incredible knowledge base, creating a culture of project management and discipline, leading to numerous positive partnerships, and resulting in substantial material improvements in environmental performance.

But this does not mean consulting is for every organization. The pros and cons need to be weighed carefully. If you are thinking about going in this direction, be sure to answer these questions:

Top 10 Questions to Ask Yourself Before Pursuing Consulting

1. What is your primary purpose for doing consulting?
2. What will your services be? Are they consistent with your organization's mission?
3. Can you competitively provide these services? Who are your competitors?
4. Do you have the people to sell and close contracts? Do you have the people to deliver client services?
5. Do you have the project management discipline needed for delivering consulting projects on time and on budget?
6. What conflicts of interest – perceived or real – do you need to actively manage?
7. What impact – positive and negative – could consulting have on the rest of your organization? What organizational culture changes might occur or be required?
8. Who will your clients be? How will you select them? Is there anyone you won't work for?
9. Do you have the project tracking and billing systems in place to financially administer a consulting business?
10. How will you manage the relationship externally in terms of communicating your engagement when necessary?

Chapter 8:

"Driving Policy Change: Know Your Role"

Significant confusion remains amongst policy-makers and the public as to the exact role of environmental organizations in advancing public policy to protect our air, land, water and climate system. This confusion is a result of the movement's own blunder in not adequately and consistently explaining to the public that if we want a healthy environment, we need the policies and laws to do so.

If your organization is not working on public policy directly or indirectly, then I would suggest you are only working on the symptoms of our environmental problems, not on the underlying disease.

Steps such as working to change consumer preferences to favour greener alternatives are important, as is buying up wetlands to protect habitat. Yet, without the laws to ultimately limit the total cumulative impact on the water system, land and atmosphere, actions such as these will prove inadequate in shifting behaviours and practices onto a sustainable path.

As a leader of an ENGO, you may ask what your role is in advancing public policy, and how you can realize those advances. Admittedly, the process of policy development and implementation is often messy and unpredictable given the number of players involved and the dynamic economic and political environment in which we live. But there is a general and fairly consistent flow of how policy change occurs. Understanding this flow may help to clarify your role as an agent of change.

The Policy Change Cycle

It might be the engineer in me, but I find significant benefit from trying to draft a flow diagram of the systems we are working to change. Based on my understanding of the process, I developed a simplified flow diagram of the

stages of policy change to help me think through and strategize on our policy change campaigns. Each of these stages is outlined below.

1. Awareness and Knowledge:

If the issue we wish to address or the opportunity we wish to create is not on the radar of the right people at the right time, we don't stand a chance of moving it forward. This stage varies greatly depending on the scale of the desired policy change. Sometimes only a small number of influential people need to be made aware of the challenge/opportunity and equipped with the right knowledge to make significant advances rather quickly. Other times, one has to invest heavily to create adequate awareness within a targeted public so as to solidly place an issue on the radar of policy makers. As a result, tactics to move a desired policy change through this stage range widely.

2. Solutions:

I always said at Pembina, "if we are going to point to a problem, we have to be able to point to a solution." This stage of policy change follows closely behind, if not in parallel to, the awareness and knowledge building stage. Once the target audience is aware of the problem or opportunity, they are quickly looking for policy solutions. What options do they have? At the Pembina Institute, we specialized in this, positioning ourselves as the go-to organization for policy options, analysis and evaluation of those options. We made sure our policy options were sound by engaging a wide range of stakeholders for input and building diverse coalitions. The broader the consensus one can build on a particular solution, the easier and more likely it is that the policy maker will take it.

3. Announcement:

This is the day the politician or regulator announces the policy change. Only rarely is it exactly what you wanted and one very quickly needs to coordinate a response providing reward where it is warranted and suggesting further improvements, all the while maintaining the complex network of relationships built in getting to this point. It is also critical to recognize that the work of policy change does not end on announcement day, because many things are announced that are never fully implemented for a variety of political reasons.

4. Implementation:

Once the policy announcement has been made, it is critical to ensure follow-through actually does happen – in many cases from the legislation through to implementing the regulations. This requires building and maintaining strong working relationships with those put in charge of implementation and finding ways to make their lives easier in getting the job done in a timely manner. It is also the stage where a policy-win can turn into a loss if it is not executed properly or in a timely manner.

5. Review, Revise, Maintain:

Many policy changes have a specific time period associated with them – especially financially related policies. During this stage it is critical to track success and challenges resulting from the policy change and constantly seek support to further improve (widen, extend, strengthen) the policy.

Of course rarely does a change in policy go through this cycle in a pleasantly linear process (that would be no fun!). But this flow is helpful to spark discussions with your team about:

- What is the current state of the policy advances we wish to realize?
- Do we have adequate awareness and knowledge with the right audiences?
- Are we prepared to put solutions on the table?
- What will it take to get to an announcement of the changes we wish to see? Is there sufficient reward available for that announcement?
- Are the structures in place to see through the implementation of this policy change, or is there a risk of a "hot-air" announcement?
- Do we have the longer-term capacity to ensure that this policy is reviewed, revised and maintained?

The leader's job is to ensure the organization is effectively contributing to the stage of change one's policy objective is in, while anticipating what is needed to be in place for upcoming stages. For each stage, a range of tactics is often required to successfully advance the desired policy changes. You will need

to decide if your organization is in the best position to deploy some of those tactics or if it makes more sense to collaborate with other organizations.

The complexity of environmental issues such as climate change contributes to the difficulty of driving related societal change in behaviors and practices. Yet despite the added challenge that these complexities create, environmental organizations can learn from efforts at long-term societal changes that combine awareness building directed at the public with supportive changes to public policy.

The anti-smoking campaign is a case in point, as it offers lessons on how public policy regarding health and work place safety has been coupled with extensive efforts to raise awareness of the hazards of smoking. We can also learn from efforts within the environmental movement where gains have been made on shifting behaviours through successful policy changes.

In preparing this notebook, I reflected on these questions by looking at a few specific examples of policy areas we worked on during my leadership at the Pembina Institute.

As you read the following examples of public policy campaigns, think about the various stages and how they were addressed in each.

Example #1: Driving Changes in Public Policy on the Environmental Management of the Oilsands

The Pembina Institute has been working on the environmental implications of the oilsands since the mid-1990s. In the 1990s, the pace of oilsands development was slow. Our strategy was simple: proactively work with companies to negotiate environmental improvements one project at a time to continuously raise the bar for the next project. This worked well, and may have been sufficient if the pace of growth had aligned with what government and industry envisioned at that time: 1 million barrels per day by 2020.

But when the oilsands boom started around 2000, our capacity to keep pace was overwhelmed. Project proposals were emerging at an incredible pace, with no environmental monitoring standards in place and no established limits on impacts to the air, land and water. The boom forced us to change our strategy and tactics, right at the time I began to lead Pembina.

It was a time when there was minimal awareness among the public and the majority of policy makers of the environmental challenges related to developing the oilsands resource. As a result, one of our 2005 and 2006 strategic objectives was to ensure "the vast majority of media stories on the oilsands include a mention of growing environmental concerns."

As a start, we compiled our environmental concerns and solutions into a significant report entitled *Oilsands Fever: The Environmental Implications of Canada's Oilsands Rush.* Published in the fall of 2005, we utilized this report to attract the attention of the media, policy makers, and other environmental NGOs. When government or industry spoke at a conference, we made every effort to be an invited speaker. When we could determine that the provincial government was involved in a significant event in Washington, D.C., we made the same trip and did the rounds on Capitol Hill. By the end of 2006, we had put oilsands onto the environmental radar: rarely did a media story, even in the business section, not mention growing environmental concerns. And probably most importantly in this stage, we had attracted the attention of some of the largest environmental organizations and funders across North America.

To create the scale of debate on the environmental implications of the oilsands that we needed, we had to sustain a media cycle. To do this, our team deployed a range of tactics including a constant flow of reports and analyses, writing opinion editorials, publishing polling results, speaking at events, testifying before hearings, initiating legal challenges, and inviting and equipping a wide range of other commentators including movie stars, First Nations, scientists, and landowners.

We were directly credited with much of our work, driving over 4000 media hits annually (over 10 a day). But many times we used the very powerful tactic of encouraging and enabling others to tell the story without any attribution back to ourselves.

Parallel to the awareness and knowledge building effort, we consistently provided a set of policy solutions primarily made up of:

- putting in place a world-class environmental monitoring system;
- increasingly ensuring the full environmental costs of oilsands production are embedded in the market; and
- establishing and enforcing limits on total cumulative impacts to air, land and water.

One area we specifically targeted for policy change was on the management of tailings (mining waste from the extraction of oilsands). We pursued a focused campaign to raise awareness of the problem, while working with industry to help find technical solutions, and directly lobbying the government. The end result was Alberta's Directive 74. This Directive will begin to limit the production of tailings and will mobilize well over $1 billion of private money to significantly reduce this environmental risk. Our oilsands team led this work, while I supported the team in strategy development, industry relationship building, lobbying, and media messaging.

We also targeted the concern of increasing greenhouse gas emissions from the

oilsands. Counter to many of our colleagues in the environmental movement, I insisted that carbon-capture-and-storage (CCS) be part of the portfolio of solutions we would support. Although not necessarily an optimal solution, my view was if companies were willing to pay for CCS, then they would be at least acknowledging that there was an issue they had to address. And if they could get CCS to work, it would result in fewer emissions in the atmosphere.

We wrote a report entitled *Carbon Neutral by 2020: A Leadership Opportunity in Canada's Oilsands* to stimulate the debate. Through direct engagement with industry leaders, government leaders, numerous speaking engagements, and almost endless media interviews, we were able to create a buzz about how the oilsands sector might address its growing greenhouse gas emissions and the role CCS might play. We then hosted a cross-sectoral "thought-leaders' forum" on CCS, engaged with the Alberta government's expert panel on CCS, and provided significant input and advice to government leading to the establishment of the $2-billion public investment in CCS.

Another policy change Pembina is proud of in our oilsands work is the phase-out of the 100% Accelerated Capital Cost Allowance (ACCA) for oil sands, a subsidy designed for the 1990s but no longer necessary post-2004, once the oilsands industry was well established. We targeted this policy change because we expected the incoming federal Conservative party to be receptive to the idea. Secondly, we knew that if we wanted more investments in renewable energy, it would have to come from somewhere.

Therefore, we wanted to shift the significant resources tied up in the ACCA to renewable energy. Tactically, we focused predominantly on an "inside" approach. Through the Green Budget Coalition 2006 submission, we included the ACCA change and used the opportunity to directly engage with bureaucrats in the Department of Finance as well as all the MPs we met during our annual "lobby days." Through numerous follow-up meetings, we were invited in February 2007 to testify before the Finance Committee on this topic. We helped ensure a number of allies would also be testifying.

The end result was a phasing-out process of the subsidy leading to approximately $400 million of annual savings for taxpayers. We could now identify funding available to move towards renewable energy through our other lobbying efforts.

A second significant fiscal policy campaign Pembina played an important role in was the revisions to the royalty structure in Alberta. This was also a policy advocacy campaign where we made a significant misstep and gained some hard learning.

Our efforts started by publishing a series of reports on the Alberta royalty structure and comparing it with other jurisdictions. Over time, through

engagement with influential commentators we were able to create sufficient buzz through our frame of "think like an owner."

We used the awareness built up to partner with the Canada West Foundation (CWF) and present a case for reviewing the royalty structure to each of the leadership candidates seeking to replace Premier Ralph Klein. Our focus was on the royalties related to oilsands, not natural gas. We had prepared a solution set for oilsands, but not beyond that. However, when the review was announced it went well beyond oilsands and covered conventional oil and natural gas.

This is where we made a strategic error. Our thoughts at that time were "Great, let's look at all fossil fuels and try to secure more royalties for the Heritage Fund and other provincial investments such renewable energy." However, this proved to be a big error. We were really only equipped to comment on oilsands.

The natural gas developers were very threatened by the entire process, and launched a very powerful campaign against royalty changes. It was a campaign we had no capacity to effectively keep pace with. As a result, the focus and support for changes to the oilsands royalties (our objective) was effectively lost.

In hindsight, if we had joined efforts with natural gas developers to say "Leave natural gas royalties alone, just focus on the oilsands," then we may very well have made more gains on the royalties structure for oilsands.

Regardless, changes were made to the royalties structure of the oilsands on the order of $1 billion per year. Again the oilsands team led this work, while I played a supporting role to guide the research we completed, time the releases, build partnerships with allies such as CWF, directly engage with politicians, and respond to media.

Looking forward on public policy related to the oilsands, there are many more steps to ultimately succeed in limiting the total environmental impact, but Pembina's efforts to advance the debate (the heart of democracy) have been very successful. The stage is now set for the next phase of more solutions, more announcements, and more implementation of those solutions.

In fact, a recent (2012) example is the federal and Alberta announcement of finally implementing an environmental monitoring system. This occurred in large part because water scientists were mobilized to take a deeper and more vocal interest in the water issues of the area. We assisted in finding the resources for the scientists to do their work, we advised on the communications strategy, but our role was behind the scenes.

Example #2: Carbon Pricing Across Canada

The Pembina Institute has been working on public policy to reduce greenhouse gas emissions for more than two decades. We consistently emphasized the need

for a price on carbon emissions that would enable the market to decide on the best means to reduce overall emissions. This policy effort has gone through many ebbs and flows over these two decades, but I will focus on the period during which I led the Pembina Institute and my role in this policy advocacy campaign.

During this period, our policy objective was to establish a Canada-wide price signal on carbon dioxide emissions that would help drive Canada's national GHG emissions down to levels in line with our internationally fair share of action. Our primary strategy was to sustain public pressure on governments to take meaningful action to reduce emissions while presenting carbon pricing as the most effective policy to do so. We were deliberately agnostic on whether the price signal came through a carbon-tax or a cap-and-trade system, since different political parties aligned themselves with each and both could be made to work.

Our three-person "climate change program" team was responsible for the day-to-day media responses, lobbying in Ottawa, and policy research, while I played a role in ensuring our strategy was sound and the range of tactics we deployed were successfully executed.

Our work helped lead to three significant outcomes, two of which are positive and a third that actually created a significant long-term barrier to moving a nationwide carbon price forward.

The two positive outcomes are the carbon pricing systems that are now established in British Columbia (a policy that now shifts $1 billion annually, but which we had to re-campaign twice to ensure it survived the full implementation and review/revise/maintain stages of policy change), and in Alberta (although the price signal is too low to have significant impact, the system itself is beneficial).

Our biggest setback in this policy advocacy campaign occurred during the 2008 federal election. On the one hand, our efforts helped lead to carbon pricing being a central issue within the campaign. We were asked by Stéphane Dion to review their "Green Shift" plan and did provide feedback. (Aside: our policy at Pembina was we would always provide feedback to any political party that asked, but would not accept financial remuneration for doing so).

However, we were not aware – nor prepared for – the carbon tax policy of the Green Shift to be "the" centerpiece of their campaign.

The policy also became the primary target for attack by the Conservative Party. As we all know, the end result (arguably for more reasons than choosing carbon tax as the policy centerpiece) was Stéphane Dion lost, and the policy option of a carbon tax was essentially removed from the table, despite the relatively wide support of this policy amongst economists and industry.

Although this setback was primarily out of our control, it is a lasting lesson on the risk of making your policy issue an election issue. My view now is that generally environmental policy is bad for elections, and elections are bad for environmental policy.

However, shortly after the election, at a Conservative Party networking event that I had spoken at earlier in the day, the energy policy lead at the Prime Minister's Office asked me to organize a cross-sectoral discussion on the key design elements for a cap-and-trade system.

Unfortunately, within the five-month time period it took for us to create the multi-sectoral (energy, ENGO, financial, chemical, transportation) group, and facilitate the process of developing and securing consensus on a set of design principles, the key staff at the PMO had turned over and interest had waned. Fortunately, the effort was not entirely wasted as it paved the way for the same diverse group to recently come together again and develop a set of "no-regrets" policy changes in the energy sector.

Although it may feel we are a long way away from having a meaningful price on carbon embedded in our economy, I still believe it is only a matter of time before we see this in place. People understand that if you are responsible for a mess, you should be responsible for paying to clean it up: that polluters should pay.

Example #3: Cleaner Electricity Policies

The third major public policy campaign I oversaw during my leadership at the Pembina Institute was our work to improve the environmental performance of electricity production.

One of our larger organizational success stories at the Pembina Institute is the work we did leading to the "wind power production incentive". The formation of the Clean Air Renewable Energy Alliance (CARE) was a result of the Pembina Institute and Suncor Energy each attracting NGO and industry partners to come together and lobby for this federal public investment.

Overall, the production incentive helped catalyze Canada's renewable energy sector with over $1.5 billion of public investment. The approach taken was one of establishing a group of "unusual bedfellows," who held common interest in a particular policy. We will explore this more in Chapter 13.

The Leader's Role:

The Executive Director is ultimately responsible for an organization's policy advocacy work. Yet, rarely can or should an Executive Director attempt to take full credit for their organization having made any significant policy change occur. In most cases of successful policy change, a critical component of facilitating the process is enabling the right person (usually a politician) to take credit for the change.

The leader's role is to assist others in realizing the policy objectives by helping to develop strategy, prioritize tactics, solidify relationships, and constantly review and adapt the approach as external factors evolve. As a leader, you need to be constantly monitoring the strategy and tactics to ensure they are aligned with the stage of policy change.

If you really have your hands in the policy change game, expect to always be thinking about strategy, building cross-sectoral coalitions, handling media, having direct engagement with politicians of all stripes, testifying before Senate committees and House of Commons committees, doing endless speaking engagements at conferences, and having many sleepless nights. But your main role is to ensure your organization has the right ingredients for being best positioned to influence public policy.

Ingredients for Success

There is no magic formula for successfully improving environmental public policy, but there is a collection of ingredients that an organization should have to help maximize its chances for success. Even with these ingredients in place, improving public policy is not easy, it takes time and persistence.

Focus: Policies that Matter, Big Step Changes or Incremental Changes?

The first ingredient is focus. Good strategies start with focus – what are we really seeking to solve? What are the most important policy changes that move us in that direction? To start with, what kinds of policy options do we have?

Consider the range of policy tools available as a toolbox. They generally fall into the following categories as outlined in the table below: targets; education; regulated performance standards; fiscal; and research and development.

Policy Type	Role / Value
Education	For policy areas where there is insufficient public awareness and attention, efforts to raise awareness can be very helpful in building broader support.
Targets	Help clarify and define what success looks like. Once committed to, targets open the door to recommendations aimed at enabling the government to succeed in meeting its targets.
Regulated standards of performance	Setting limits on environmental impact are critical and should be the highest priority for ENGOs. Ensuring enforcement measures are in place is key. If designed properly (by regulating performance, not technology) standards can spur innovation.
Fiscal: taxes, incentives, programs, financing, procurement.	The movement of investment towards environmental solutions is critical and fiscal policy drives much of this. Annual federal and provincial budgets provide a key, regular opportunity to make incremental changes.
Research and development	A nice-to-have, but R&D should not be a priority for ENGOs. Business associations drive this agenda when faced with new performance standards and/or certain fiscal measures that impact their business.

One of the challenges of policy change campaigns is finding the focal or entry point for advancing policy improvements. The lack of clarity on a clear path for policy improvement has been one of the biggest struggles for the Canadian environmental movement with respect to dealing with greenhouse gas pollution.

On reflection, those involved in the Canadian environmental movement's efforts to deal with climate change have done a lot of things right over the past decade. However, the movement has failed to achieve real progress on addressing greenhouse gas emissions. The successes and pitfalls of this effort provide useful lessons for leaders designing policy change campaigns.

For starters, Canadian ENGOs have been very successful in raising the awareness and knowledge of policy makers and the broad public on climate change. Polling has shown that Canadians have heard about concerns related to greenhouse gas emissions, and do think about it. The issue has also been hotly debated in many elections, which is a sign that it is on the radar of both the public and politicians.

In short, the movement gets high grades for the first stage of policy change, "awareness and knowledge". However, the limitations of this phase are evident

in the fact that increased awareness has not been effectively coupled with meaningful reductions in GHG emissions. Arguably, the environmental movement has not been successful in helping Canada advance through the subsequent stages of policy change.

One challenging question for any policy change campaign is how much effort should be put on establishing government declared targets or goals. The obvious benefit of government declared targets or goals is that they provide a useful measure of progress. Moreover, setting an effective target (see below for further discussion on this point) creates a political problem that acts as an incentive for change: a government must find ways to reach the target in order to live up to its political commitments. Established targets can therefore be helpful as they open space for discussion on possible solutions that will enable a government to demonstrate success.

With respect to encouraging governments to set targets for reductions in greenhouse gas emissions, the Canadian environmental movement has done reasonably well. Every province has some kind of target, nationally we were part of the Kyoto protocol and its targets (meeting the reduction target was even put into law), and our 2050 target is even in line with the scientific recommendations of the Intergovernmental Panel on Climate Change (IPCC).

But the Canadian experience provides a cautionary note: targets that fail to result in real action will not deliver the desired end goal of environmental protection.

Part of the challenge of setting effective targets is contained in the debate over whether "incremental changes" or "big step changes" is more effective in improving environmental protection.

I can't recount the number of times I have heard the debate on how best to reduce greenhouse gas pollution. The debate generally goes something like this:

> "Climate science is clear, we are running out of time! We need to put a $100 per tonne tax on greenhouse gas emissions starting immediately if we are going to meet the necessary reductions."
>
> *"Realistically no politician will do that, let's start with $5 per tonne and get it started."*
>
> "You say 'realistically'? Well realistically $5 per tonne will do nothing to change behavior according to every economic model and there will be constant resistance to ever increasing it at all. We have to be honest with people, this requires big changes!"
>
> *"But the full package of changes required is just too much and too fast for people; we will get stuck in status-quo."*

"Well we can agree that one way or the other we need the government to commit to meeting science-based reductions in pollution right?"

"Yes."

"Okay, well let's push the government to adopt science-based targets and let them figure out how to do it."

"Okay, let's do that. Good idea."

The intention of encouraging governments to set science-based targets is sound: targets should drive action towards a desired outcome, in this case a significant reduction in GHG emissions aimed at minimizing further impacts of climate change. Yet, in the effort to reduce Canada's greenhouse gas emissions, we have consistently witnessed the weakness of targets as a policy tool.

More often than not, targets have been set so far into the future that they do not create any real accountability or pressure for the government currently in power. The political cycle reduces long-term targets to a "not in my term" problem.

Targets are more effective when they require the current government to be accountable because failing to meet a target can become a political risk in upcoming elections. As a result, setting interim targets or milestones that occur within the current term of a government is critical for driving action.

In short, targets are an important policy tool and should be part of any policy change campaign. However, targets need to be politically relevant as well as scientifically meaningful in order to advance environmental protection. In addition, targets should be considered as only part of the effort, with campaigns placing a much stronger emphasis on the two most powerful policy mechanisms – regulating performance and fiscal instruments.

Performance-based regulations that limit negative environmental impacts are critical to our future. Effectively designed regulations that focus on the desired environmental performance, rather than being technology prescriptive, can unleash a great deal of innovation. Engineers and entrepreneurs are likely to seek innovative solutions to challenges if regulations provide flexibility on how to meet regulations. Overly prescriptive regulations often lead to companies directing resources into the efforts of lawyers and lobbyist to seek exceptions rather than investing resources into improving practices to achieve regulatory compliance. Regulations that are tough on compliance but flexible on approach will be more successful in fostering the innovation required to solve our biggest environmental challenges.

Fiscal instruments are an equally critical component as regulation to any policy change effort. For me, a critical indicator of whether or not we are going to

solve an environmental challenge is the amount of public and private money moving to solve the problem. The annual budgets, federally and provincially, are a particularly important opportunity to move policy incrementally and step-wise. There is a wide range of fiscal policy instruments available: changes in taxes, pollution levies, incentive programs, financing mechanisms, and government procurement. It is important to pick the instrument carefully, but also to remain flexible as your chosen instrument may not be politically feasible at the time of implementation.

As with setting targets, it will be a tough debate on whether to seek incremental improvements or big changes. My own view is that a budget comes every year, so an incremental approach aligns well with fiscal policy instruments, whereas with regulatory mechanisms, the cycle of review and passing legislation can be very slow and only comes around once and a while, hence it can be more important to "go big".

One way or another, once you have a focus in mind for your desired policy improvements, the hard work begins to ensure you have the other ingredients necessary to roll out a successful campaign. The illustration below outlines the key ingredients for successfully advancing policy change over an extended period of time.

Building Credibility

If you want access to decision makers, you need credibility.

Policy makers are inundated with requests to meet. Politicians, especially Ministers, maintain busy schedules that require them to constantly prioritize their meetings. In order to get in the door, the first ingredient you need is organizational and personal credibility.

Gaining credibility is not as difficult as one might first think. Writing a punchy, well-researched and timely report that gains media coverage can often be just enough to catch the attention of at least a politician's advisors.

I also find that participating in roundtables or debates where you have an opportunity to coherently present your case in a respectful manner and show you are a reasonable person helps build credibility.

Relationship Building

If you want to move policy, you need to move people. It really is a process of selling your ideas and that requires building relationships with a wide range of people.

Who are the 25 most important people to build very strong relationships with that can help move your policy efforts forward? Plan on having 4-5 meetings a year with each of these 25 in order to build the kind of trust you will need to see your idea get traction.

Strong Evidence, Facts, Arguments

If you are going to be able to sell your policy idea, you better have done the research to build a strong analytical case.

What facts and figures matter on this file? What are your strongest arguments? Be sure to cover the economic, social and environmental side of your case.

A wide range of bureaucrats will scrutinize your numbers, so for your idea to have a chance, make sure the numbers are based on solid research. It can be helpful to compare Canadian numbers against other jurisdictions showing how others have already done this – most politicians are risk adverse and don't want to be caught on the bleeding edge. They would rather improve something that has already been shown to work elsewhere, as long as the context is sufficiently similar in Canada.

Strategic Partners and Unusual Allies

You might think you have the best policy idea ever. But does anyone else agree?

Politicians get an ear full from a range of people from all sectors. If you want your idea to resonate, you need to show that others are behind the idea.

The most powerful impact comes when you are joining with an unusual, non-intuitive ally. For example, an ENGO partnering with a for-profit company to present a common policy ask gets attention.

This was the approach the Pembina Institute utilized when seeking to advance a renewable electricity production incentive. By partnering with a rather unusual ally, Suncor Energy, we garnered political attention and were successful in kick starting Canada's renewable energy sector with an incentive program worth more than $1 billion.

Compelling Narratives

Politicians, good ones, tell compelling stories.

You may have all the facts on your side, all the power allies you need, access to the right decision-makers, but if your policy idea does not help the politician tell a good story, you are unlikely to win.

Your job is to help the politician tell the story you want to be told. You need to show how your policy idea fits into their broader narrative of what is important to them. If they care about jobs, you need to find a compelling way to connect your policy idea to a good story about jobs.

Tell your story about the policy idea to as many people as possible to test what resonates, what connects with peoples' values.

This does require you to stay on top of the politics of the day and understand where each politician you are engaging with is coming from.

Tactically Adaptive

Moving public policy is anything but a clean linear process. It is chaotic. The common saying is "a week in politics is a lifetime." Things change quickly, new information is always emerging, priorities are always evolving as a result of current events. This requires an ENGO to be very adaptive tactically.

When opportunities arise, you need to be able to capitalize on them. However, there is one regular opportunity that I would like to caution ENGOs about pursuing, and that is elections.

Elections are tempting opportunities to push your policy ideas and agenda forward. But in my view and experience, as stated earlier, environmental policy is bad for elections and elections are bad for environmental policy. Why is that?

First, people say they care about the environment, but they don't vote on it. Election campaigns are short in Canada, and in that 6-8 week time period, you can count on some combination of the following happening: an economic issue of some kind – jobs, productivity, trade; a profile crime – youth, gang related; and an international issue of some kind – military, trade, immigration.

More often than not, when these occur during an election campaign, they become a focus for the campaigns and dominate the discourse. They are issues that people feel strongly about and are concerned about.

A politician's response to these emerging issues shapes the way a voter votes. The chances of an environmental crisis occurring during an election campaign are slim. Getting your particular policy idea on the radar for an election happens either out of sheer luck or because you had significant resources to get it there.

But there is also a significant risk in actually getting your policy idea on the radar for an election.

Elections are about differentiating one party from another. If your idea rests with one party, and that party loses, more likely than not you have little chance of seeing your idea survive the new government. This is especially true if they specifically countered it during the election.

Furthermore, if you are a charity, there are increasing risks that being active during an election campaign will put you in the cross-hairs of Canada Revenue Agency for engaging in non-permissible political activity (more on this in the next chapter). Unless you can sell your idea to every party's platform, and it becomes a quiet commitment from all sides during the election, my advice is to avoid the use of election periods as an opportunity to advance your policy solutions.

Although there are numerous tools or tactics in the policy-change toolbox, it comes down to building personal relationships with the right people and maintaining a strong organizational reputation. This combination builds respect, trust and access.

At Pembina, we were always "tough but fair" with every political party. It is our job as ENGOs to drive for policy changes with whichever political party is in power. This requires adapting one's language and approach to different political values.

We must continue to pursue a non-ideological, non-partisan approach to lobbying for policy change. As a movement, we must bring together strong

analytical evidence with diverse and often unusual allies in order to connect to common values that tend to transcend political affiliation.

And most important, we must do what it takes to start winning more and more public policy efforts. At the time of writing this notebook, the Conservative government was literally tearing up 30 years of Canadian environmental laws and watering them down. The movement must work together to turn this around and further strengthen our environmental protections.

Many leaders in the ENGO sector have significant experience in driving public policy. If you are new to the sector and new to policy change, reach out to them: they will be more than willing to share their ideas on how policy change occurs and what the movement has to do to help improve our environmental laws and policies.

Chapter 9:

"Are You an Outlaw? A Radical?"

> "You have been calling for a carbon tax for years! Now you have a candidate leading a party that is going to do it, why won't you support us?"

During the 2008 federal election, Stéphane Dion ran on the "Green Shift,", which was the first time the issue of climate change and carbon tax rose to the forefront in a federal election.

I am sure I was not the only person and organization approached to provide an endorsement. We could not do this, for two very simple reasons:

1. The law that governs charities does not allow it;, and
2. For reasons of integrity, environmental NGOs should be strictly non-partisan.

We clearly can, and did, express support for putting a price on pollution, in this case carbon, and could point to more than a decade of demand for a price-based mechanism. But we could not, and did not, support any particular candidate.

Protecting the environment by upholding and improving environmental laws is charitable work. Charitable environmental organizations are working on behalf of current and future generations to ensure we have the basic needs for human life – clean air, clean water, and sustainable landscapes.

However, if your environmental NGO is a registered charity, then you must ensure you are intimately familiar with the laws and rules related to activities targeted at changes in public policy and laws. Know what you can do, and know what you cannot venture into.

There is a significant amount of confusion and lack of understanding regarding what ENGOs can and cannot do as a charity when it comes to matters related to environmental laws, regulations and politics. There are various reasons why

these confusions persist, key among them being there are very few tested court cases, no clear metrics for measuring and reporting different kinds of activities, and our work often enters right into the grey zones of the rules and guidelines.

If in doubt, get legal advice!

Canadian charitable laws and regulations are so dated and mucky that even the top lawyers in Canada can have difficulty giving clear guidance, but they will help mitigate your risk.

The Board of Directors of a charitable ENGO is responsible for ensuring its organization is working within charitable laws. As the leader of a charitable ENGO who is answerable to the Board of Directors, you must be familiar with these laws and work to ensure your organization's activities are permissible.

At a minimum you need to:

1. Understand the classification of the different types of activities your ENGO undertakes; and
2. Have in place a means to measure and report the proportion of resources utilized for each classification.

The table below is an adaptation of a very useful guide put together by the Calgary Chamber of Voluntary Organizations (CCVO) (www.calgarycvo.org/our-work/policy-issues/federal-government/advocacy-rules-charities) to include examples relevant to ENGOs, and a summary of key things to know.

Classification	Description	ENGO Examples	Key Things to Know
Prohibited Political Activity (Partisan)	Any partisan political activity that singles out support or opposition for a candidate or party.	• Endorsing a candidate based on their environmental platform; • Reporting the voting pattern of an individual politician;	Do not endorse a party or candidate: just say no to those wanting your endorsement. You can promote a public policy that a party or candidate supports, but you can't support the candidate. Bottom Line: Don't do partisan activities!
Limited but Permissible Political Activity (Non-Partisan)	You can only use up to 10% of your resources on permissible non-partisan political activities. Such activities include: • Explicitly communicating a call to political action (i.e., encouraging the public to contact an elected representative or public official and urging them to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country). • Explicitly communicating to the public that the law, policy, or decision of any level of government in Canada or a foreign country should be retained (if the retention of the law, policy or decision is being reconsidered by a government), opposed, or changed. • Explicitly indicating in its materials (whether internal or external) that the intention of the activity is to incite, or organize to put pressure on, an elected representative or public official to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country.	• A call to action campaign that asks people to contact a government official/ representative to change a law or policy in any way.	How to measure and report the use of resources dedicated to non-partisan political activity to the CRA remains unclear and to date the courts have not provided clarity on the issue. To be on the safe side, explicitly track both staff time and any financial expenditures that fall into this category. Demonstrating these activities constitute 10% requires you to keep accurate accounts of all resources. Note: It is not clear how volunteer time would be treated in the accounting process.

Classification	Description	ENGO Examples	Key Things to Know
Unrestricted Charitable Activity	In carrying out their mandate, charities often need to communicate with the public or with public officials. Acceptable communication as part of the charitable purpose includes: • Public awareness campaigns to help the public make informed decisions related to the work of the charity. The information must be connected and subordinate to the charity's purpose and cannot be primarily emotive. • Communication, whether invited or not, that occurs with an elected representative or public official. Such activity should be subordinate to the charity's purpose, and all representations should relate to issues that are connected to a charity's purpose, be well-reasoned and not contain any information the charity knows or ought to know is false, inaccurate or misleading. • Sharing the entire text of a representation to an elected official or public official provided there is no explicit call to action within it.	• Writing and publishing a report outlining the pros and cons of different policy options to solve an environmental challenge. • Distributing that report to politicians. • Testifying before a government committee • Participating in a government-led policy development task group. • Upholding the law – taking a government or other entity to court to ensure a law is enforced. • Presenting a report at a news conference.	The vast majority of the work we need to do in the environmental movement falls into this category. It is key to ensure that what we publish and say is based on solid evidence, preferably from published research.

There are a few additional things to consider in how you structure, fund and govern your ENGO.

On structure, many lawyers in the field recommend a multi-entity structure that includes a registered charity and a non-charitable organization. This can provide additional flexibility and can reduce the risk of having not sufficiently tracked and reported permissible political activity. It is about mitigating the risks of an audit, which are increasingly common in the environmental sector.

But I urge all organizations to seek legal advice on their structure in order to answer questions such as:

- Must we have two separate boards, or can there be overlap?
- Where should the staff reside, in the charitable entity or the non-profit entity?
- What kinds of contractual agreements need to be in place between the two organizations? What financial relationship can exist between the two organizations?

In summary, the three key things to keep in mind to stay out of trouble are:

- Don't be partisan, full stop.
- Have research on your side for the policy changes you are calling for.
- Have a defensible means to calculate amounts of resources allocated to "political activity."

Despite my cautionary tone, recognize that there is an incredible amount of unrestricted activities that can effectively move environmental public policies and laws to make changes that will leave our kids with a basis of hope. In other words, don't hold back too much: the environmental voice in our democracy is critical.

Resources: You should review all of the Canadian Revenue Agency (CRA) guidelines, which provide a number of examples outlining what you can and can't do.

CRA. "CRA Policy Statement on Charities and Political Activities (CPS-022)" http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cps/cps-022-eng.html

The Calgary Chamber of Voluntary Organizations (CCVO) has also published some useful summaries of the CRA guidelines:

CCVO. "Advocacy Rules for Charities". http://www.calgarycvo.org/our-work/policy-issues/federal-government/advocacy-rules-charities

Chapter 10:

"Evaluation, Schmaluvation"

"What is the point of this effort? What are we trying to achieve?" These questions tend to be natural leadership questions that we can't help ourselves from asking. We tend to quickly answer them and move on to getting the work done.

In their most basic form, these questions are a form of evaluation. We also know that at the other end of the spectrum, we have foundation funders and government agencies demanding a complex system of metrics for "outputs," "objectives,""impacts" and what not. This end of the spectrum of evaluation can start to feel like "paralysis through analysis" or "administrivia".

Somewhere between lies a place where evaluation of the work we do adds real value to our organizations.

Evaluation Lingo – Kinds and Levels of Impacts on the Continuum of Results

IMPACTS	Problem reduced Asset enhanced (community indicators level)
LONGER TERM OUTCOMES	Changes in target populations Changes in organizational practices Changes in policies
INTERMEDIATE OUTCOMES	Changes in attitude Changes in knowledge Changes in approach
OUTPUTS	Grants made Dollars distributed Reports distributed

PROCESS RESULTS	Capacity built Organized or reorganized for action People/Orgs brought together Collaborations established Networks created
INPUT RESULTS	Resources attracted / increased People attracted / supported Partners recruited

Source: McGill / McConnell course on Evaluation (no reference available):

References: Quinn Patton, Michael. *Utilization-Focused Evaluation: The New Century Text,* Sage Publications (1997).

Evaluation in the non-profit sector can be difficult. It is especially hard when your work involves moving public awareness, attitudes and efforts to protect the environment. It is even more difficult if success requires changes in public policy: what part of these changes in policy can you actually take credit for?

The first question to ask about evaluation is, "What purpose does this evaluation serve?" Are you evaluating to improve the design of a project? Are you evaluating in order to report to a funder what worked and what did not work as well? Are you evaluating the cost versus benefit of an effort?

If you are interested in going deeper into the world of evaluation, I strongly recommend starting with the work done by Michael Quinn Patton on "Utilization Focused Evaluation". Quinn Patton's work focuses on ensuring the evaluation systems put in place are useable for a practical purpose. Most practical is the differentiation made between "summative evaluation" where you evaluate "was that worth it?" and "formative evaluation" where you ask "how do we improve this?" The table below provides a summary of these two forms of evaluation.

Summative Evaluation	
Questions	***Process***
Did the program work? Did it attain its goals? Should it be continued?	Process should begin at early stages of program design. Select criteria of merit. Set standards of performance. Measure performance. Synthesize results into a judgment of value. Quantitative methods tend to dominate.

Formative Evaluation	
Questions	*Process*
What are the program's strengths and weaknesses? To what extent are participants progressing towards desired outcomes? What's happening that wasn't expected?	Collecting data for a specific period of time, usually during start-up and then using information systems to monitor program efforts and outcomes regularly over time to provide feedback. Mix of qualitative and quantitative data.

Source: Quinn Patton, Michael. *Utilization-Focused Evaluation: The New Century Text*, Sage Publications (1997).

Numbers Versus Stories

The engineer in me loves the numbers. How many times was it drilled into me – "We can only manage what we measure!" But the politician in me knows that in many cases the numbers become far less important than the stories that motivate people.

The best mix comes from a combination of great stories with some key facts and figures woven in. These are the stories that funders remember and appreciate when evaluating their investment in your project.

To bring together numbers and stories in evaluation of moving public policy, what I find effective is reporting the scale of dollars moved to solve problems. At the Pembina Institute, I always evaluated our success in terms of the scale of resources, both public and private, that we helped shift towards sustainable energy – both in cleaning up fossil fuel based energy and in growing renewable energy and energy efficiency.

Another useful tool to bring numbers and stories together, especially when evaluating one's organization as a whole, is surveys and interviews of people connected to your organization.

On an annual basis the board of the Pembina Institute would conduct a series of interviews with a dozen or more diverse stakeholders to provide feedback on the organization. This both served the purpose of helping the organization reflect on its work and was a very effective way for the board to be involved and deepen its understanding of the strengths and weaknesses of the organization.

In summary, yes, evaluation is important, but don't get bogged down in it. Probably of most importance is building a culture of constructively providing feedback to individuals and teams. Delivering feedback is an important skill to develop for our external work given that much of what we do in the ENGO movement is providing feedback to governments and industry. See the below for some basics on providing feedback to anyone – both internally or

externally, or heck at home. Properly delivered, people can really accelerate in their development through feedback. Improperly delivered, feedback becomes emotional and personal resulting in hurt relationships with likely very little progress on improvement.

Providing Feedback

A useful definition of "feedback" is "a response or reaction providing useful information or guidelines for further development". The key words being "providing useful information". Feedback should not be confused with "providing criticism" which is about judging.

Three principles of constructive feedback:

1. The other person must understand what I am saying.
    - Feedback should be specific.
    - Recent examples are better than old ones.
2. The other person must be willing and able to accept my feedback.
    - You need a foundation of trust and respect.
    - Style counts (sincerity, being generous, body language, tone).
    - Be descriptive rather than evaluative.
3. The other person must be able to use the feedback.
    - Focus on the changeable.
    - Don't overdo it.

In delivering feedback, try to eliminate the word "you" as much as possible. Focus on the issues, not the person, and create space to find solutions together, not be prescriptive of solutions.

Reference: McGill-McConnell Masters Program on Leadership in the Voluntary Sector – Lecture Notes

References:

Mintzberg, H. *Structure in Fives – Designing Effective Organizations.* Prentice Hall, N.J., 1983

Collins, Jim. *Good to Great.* HarperCollins Publishers, 2001.

Chapter 11:

"Leading or Managing Communications?"

Here is your wicked question for the day:

> "When your organization's reputation and credibility largely hinge on your public communications, how as a leader, with so many other responsibilities, do you maintain sufficient influence over your organization's public personality?"

When leading and managing an organization, how can you possibly have time to manage communications as well?

When it comes to effective leadership in the environmental movement, if you are not on top of communications you are not leading your organization. External engagement with the public, with influential people, with the media is a huge part of any effective environmental NGO.

Putting into practice an engaged role in communications is not always easy or fun for others in your organization who are keen to move quickly and do what they have been trained to – get the message out.

Here are the top five things the Executive Director, working with staff, must do with respect to communications:

1. Define, build and defend your organization's "public personality".
2. Implement and enforce checks and balances.
3. Empower your team to effectively tell the organization's story.
4. Select a winning playing field.
5. Identify your strongest mediums for communications for your target audiences.

1. Your Public Personality

Every organization has a "personality" of its own. Some organizations derive their personality from a charismatic leader or founder of the organization who tends to be the primary spokesperson. Others gain their personality through their actions that speak to their personality with multiple spokespeople. Either way, it is critical for the leader of an organization to help define, build and defend your organization's public personality.

New leaders hired into an organization as Executive Director often inherit a particular public personality of the organization. I think one of the most critical questions during the executive hiring process is: "Our current public personality is this, does that fit with you?" In these cases the leader is mostly focused on further building that personality and defending it.

Newer organizations or organizations going through a major transformation of who they want to be, need to focus time on defining the public personality they wish to live. This defining of personality needs to involve all staff and the board because the only way it will truly emerge is if the personality of the team aligns with the personality the organization wishes to convey.

At the Pembina Institute, we often felt a bit confused about just what our public personality was, as we were, at the same time, strong advocates for serious changes in how the oilsands should be developed and working with various industry players to improve their environmental performance.

Over time, with constant discussions with staff and highlighting examples of our public personality in action, Pembina has been able to consistently be "tough but fair," focused on thorough analysis, and avoiding hyperbole.

Every year, during the organization's all-staff retreat, we had sessions on communications and who we were and who we were not. I met with every new staff person joining the organization with the primary intention of discussing who we were as an organization and how we juggled the multiple roles we played, while maintaining a consistent public personality. Today, the Pembina Institute is consistently known as a non-partisan and independent environmental think-tank focused on energy issues.

And then there is the constant effort required to defend your public personality from outsiders who either just don't know better or maliciously wish to smear you.

Defending Your Reputation

The Executive Director's job is to defend the organization's reputation always.

In the seven years of leading the Pembina Institute, I don't think a week went by when I didn't have to spend some time responding to misinformed individuals,

politicians, journalists, or corporate executives to defend the organization's public personality. For me this was not a negative thing, but an opportunity to further inform people of exactly who we were and what we stood for.

In some cases I engaged in numerous email exchanges with individuals to probe into their assumptions (helping me understand what we were not effectively communicating ourselves to be) and provide frank responses on just what the Pembina Institute is. Other cases required writing letters to editors, opinion editorials, or blogs in response to a potential hit to our reputation.

These are great learning opportunities and engagement opportunities, and if you are serious about protecting and building your reputation, you have no choice but to engage. Take for example when John Baird, then the Federal Minister of Environment, in 2007, insinuated that the Pembina Institute was partisan:

> Minister John Baird: "I do know the Pembina Institute is a very well-respected group with a lot of very smart people. I also know that they helped write the Liberal plan. They're naturally going to defer to the plan they helped author."[2]

Critical to our reputation and public personality was to remain objective and non-partisan, so we had to react and immediately through a press release to correct the record:

> May 30, 2007: "It is extremely disappointing to see Minister Baird try to dismiss our objective analysis with cheap insinuations," said Marlo Raynolds, Executive Director of the Pembina Institute. "The Minister was given many opportunities to respond to our substantive concerns. His failure to do so only reinforces the credibility of those concerns."
>
> The Pembina Institute affirms that it is a strictly non-partisan organization. The organization conducts extensive research and analysis to identify the policies that will best protect the environment. Pembina makes its conclusions available on request to any political party or government.
>
> Pembina was consulted on the Liberal party's plan for industry regulations, Balancing Our Carbon Budget, and provided substantive input. "We were pleased to see some of our key suggestions reflected in that plan. Had we been invited to engage with the government in a similar way before its recent announcement, we would certainly have done so," added Dr. Raynolds.

2 http://www.parl.gc.ca/content/hoc/Committee/391/ENVI/Evidence/EV2977081/ENVI

Through this rapid response, we made it clear to the government in power that we would not let them define for us who we were, and we were able to generate another media cycle on the very issues that matter – taking action to reduce greenhouse gas emissions.

2. Checks and Balances

To be an active player in the public debate of environmental issues and solutions, you have to be constantly active. There really is no end, and rarely a pause. At the Pembina Institute we were averaging 10 media interviews a day, at least a press release a week, and numerous blogs and opinion editorials monthly. Fortunately for me, our public personality was built around the work we did and so we had many spokespeople.

Our approach was to put our experts forward in the spotlight to talk about their work. In order to maintain consistency in our public persona while having multiple spokespeople, it was critical that we had a number of checks and balances in place. This is especially true in the heat of the moment where it might feel good to be on the attack, to be aggressive, to be punchy, but if that is not your organization's personality, you need to ensure there is discipline in tone. It is also critical that your system of checks and balances is efficient, as timeliness can be the difference between getting out your side of the story or not.

The questions and answers below provide a set of questions every organization should answer and demonstrate how Pembina ran its communications.

Q&A on Pembina's Communications System

Q: Who was allowed to speak to media?

A: Anyone with two conditions: first the person had to be an expert on the topic or thoroughly briefed, and second the person had to have media training.

Q: Who signed off on media releases and opinion editorials?

A: The expert on the particular file, the Director of Communications, and the Executive Director.

Q: What was your goal with respect to how quickly you would respond to a corporate or government announcement connected to your work?

A: The goal was to have a "Pembina Reacts" release out within two hours of an announcement we felt we had to react to. If we knew the announcement was coming, we would prepare a few draft versions of a response in anticipation of different scenarios and let journalists know we would be available for comment.

Q: Did you maintain a "communications/events calendar?"

A: This question should not even be asked: absolutely.

3. Story Telling is Not Just for the Kid's Bedtime

Anyone with kids knows that story time is precious time. And what have you noticed about all those kids' stories you have read, especially the ones you have read some 100 times? Quite simply, great characters, great plots, and a memorable moral message.

In the environmental sector, if we are going to punch through with our messages, we need to become better storytellers.

I would characterize much of our movement's communications efforts as either "dry milquetoast" or "fizzy artificial flavoured pop candies" (another favourite of my kids).

Our milquetoasts use too many numbers, we believe facts will carry the day – that they actually matter to people. People don't remember numbers, they don't relate to numbers, they hardly trust numbers. Remember the saying: "90% of statistics are made up on the spot" (including that one).

Our fizzy pop candies are full of exaggeration and hyperbole – they get people excited and all riled up – but the fizz never lasts and the artificial flavor of it wears on people.

Somewhere between dry and artificial is the sweet and savory spot the movement needs to find, a place where we effectively weave well-researched facts and figures into compelling stories that connect with people's values but don't sensationalize or over exaggerate.

There are oodles of books and papers on what makes good storytelling; when you can, find the time go read some or attend a seminar on the topic. In the meantime, here are some key points from the work of Marshall Ganz at the Kennedy School that I believe provide an excellent summary for you to work with when next thinking about the story you need to tell your staff, your funders, your constituents, and the public.

WHAT IS PUBLIC NARRATIVE?

(2008) Marshall Ganz, Kennedy School

Extraction of key points:

1. Leaders draw on narrative to inspire action.
2. Public narrative is composed of three elements: a story of self, a story of us, and a story of now.
    - **Story of self** communicates "who I am" – my values, my experience, why I do what I do. Built around your own life experience of having to make choices that impacted you personally.
    - **Story of us** communicates "who we are" – our shared values, our shared experience, and why we do what we do. The story of us overlaps with your story of self and a collective identity with your audience.
    - **Story of now** transforms the present into a moment of challenge, hope, and choice. It articulates an urgent challenge, or threat to the values we share and that demands action. What are our choices, risks, and sources of hope? We are the protagonists and our choices will shape the outcome. Included in the story of now is a strategy and hope with specific choices that need to be made to arrive at a positive outcome.
3. A story is made up of three elements: plot, character, and moral. The setting of the story lays out who tells the story, who listens, where they are, why they are there, and when.
    - **Plot:** Consists of three elements: a challenge, a choice, and an outcome.
    - **Character:** The plot only works if we can identify with a character. By having an empathetic identification with a protagonist, we experience the emotional content of the story and is how we learn what the story has to teach both our hearts and minds. It is this empathetic identification that differentiates how stories persuade in comparison to arguments that persuade with evidence, logic and data.
    - **Moral:** We use stories to make point, to teach something. The moral of a successful story is emotionally impactful.

4. Framing: Define the playing field

One of the skills, I believe, the environmental movement has not mastered well enough is consciously establishing and maintaining the frame on which we want to build our overall message.

We also have to realize that some frames have a shelf-life, need to be used and then moved on from. The risk of utilizing a frame beyond its shelf-life is that your opponents will eventually make the next move to redefine the frame.

Let's play with a definition of "frame" and look at a concrete example.

Unfortunately, the word "frame" is overused and, therefore, people can have completely different ideas of what the word means. For me, I think about the frame as "the playing field" on which we want the debate and discourse to occur.

As an example, let's consider the oilsands campaign effort. Early on, the public discourse was about "what an amazing new industry is emerging for Canada"; it was all about being a business story. The playing field was "business".

We deliberately, and very effectively, moved the discourse to our desired playing field of "large industrial environmental harm". On this field, the environmental movement held a natural advantage of being the most trusted voice on environmental issues.

We drove the debate very effectively. Businesses and governments were forced to respond on our playing field. Some modest steps were made in environmental performance, albeit still too small to solve the major environmental challenges.

And then the oilsands campaign lost control of defining the frame and failed to shift to a new playing field; in fact, it was forced to play on the government's and the oil sector's playing field – jobs and the economy.

How did this happen?

When the 2008 recession hit, the environmental movement, and especially the oilsands campaign, failed to reframe the narrative or move to modify the playing field to one that connected with the key rising public concerns of "jobs and economy". As a result, the oil industry, led by the Canadian Association of Petroleum Producers, effectively worked with the federal and Alberta governments to move the debate and discourse to a playing field where they had a natural advantage – jobs and the economy. The environmental movement did not adapt fast enough and lost the natural advantage, forced to respond and play in a playing field that the movement is not well accustomed to.

Even now, in 2012, the movement is working to figure out how to re-shift the playing field back to a place of natural advantage for the movement. It will

find that playing field but it will require retooling many of the narratives as it will need to connect with a future outlook that can help people envision living fulfilling lives without oilsands – a world where environmental protection, jobs, and a strong economy come together.

Fortunately, the movement is slowly adapting by bringing in a wide range of non-environmental players from the renewable energy sector, trade unions, and other non-profits to build a positive vision for Canada's economy based on sustainable energy.

5. Your Strongest Mediums of Communications for Your Target Audiences

Along with your public personality, it is important to identify and nurture your strongest mediums for communications and outreach. The options are endless and it is unlikely you can be the best at all of them:
Twitter, blogs, opinion editorials, talk shows, public speaking, Facebook, news releases, email newsletters and appeals, action websites, pod casts, video casts, regular newspaper columns, advertising, rallies, direct action and stunts, report releases, conference hosting, etc.

Every organization should focus on no more than five primary mediums of communications and be the best they can be at those five.

Another important consideration for all our organizations is the role of online social media communications versus on the ground face-to-face organizing.

Increasingly, I believe, many organizations are overly relying on online media while our adversaries are more effectively directly engaging with their target audiences.

Although the Pembina Institute's primary role was never on the ground community organizing, I agree with Matt Price in his paper *Revenge of the Beaver – Building Power in the Age of the Canadian Culture War,* that moving forward, the environmental movement has got to truly build an emboldened constituency by getting in the field and organizing people. We cannot rely on on-line social media techniques to drive the changes we need at the pace necessary.

Edited excerpt from "Revenge of the Beaver" by Matt Price

Many of us still cling to the Enlightenment ideal – if we simply keep telling the truth, we will ultimately win. This is why so many of us are still writing reports and holding press conferences, and in this modern time writing blogs, tweeting, and posting on YouTube and Facebook, all to get the truth 'out there.'

And then what happens?

If our truth even gets noticed for more than a day in the newspaper, then some vested interest comes forward with its competing truth, accuses us of hating jobs and people, and ups its lobbying of decision makers to ensure that nothing changes. And, so long as trashing the planet remains profitable, we cannot match the advertising budgets and the lobbying budgets of those who stand in the way of change.

But, while we may be cash-poor, we have the potential to be people-rich, and another word for people is "voters," those who ultimately control what elected decision makers do. Our challenge, though, is developing relationships consistently with enough voters such that working together we can make a decision maker understand that it is in his or her *interest* to act, not just because we are telling the truth, but because his or her constituents demand it.

Here's the critical point though: this will only happen at scale and with consistency if those relationships have been deepened with face-to-face contact such that trust and common cause can be properly built. Put another way, this will not happen if we stay behind our desks in our offices.

As a result, I am increasingly convinced that over the long haul we are going to see much more value from face-to-face engagement with people – at their doorsteps and at events. There is no doubt in my mind that social media is a powerful tool to keep people informed, engaged and to identify interested people, but we are ultimately having to change human behaviours in what we produce and consume which needs personal engagement and creating experiences and success of a more sustainable life. The environmental movement needs to be out speaking at events more, it needs to create our own events that are fun and engage people where they live, and we need people to start knocking on many many more doors.

As an organization, you need to make choices: which mediums will you focus on? How will you really become effective? This should be guided by the mediums that work best for your target audiences. But that requires you to be able to clearly articulate your target audiences. Who are your target audiences?

And don't ever say "the public" is your target audience. That is not a target at all; there is no such thing as "the public" because society is made up of so many different personalities, backgrounds, demographics, cultures and values. You need to define which parts of the public you feel are most important to engage and influence.

This requires some tough discussion within your team because there will surely be differences in opinion on who is most important to reach. Some might even believe that "we can reach everyone.". Bull. You might reach them, but are they listening to your message? Is your story really connected to their everyday life? If you have more than five target audiences, you don't have a target at all.

It is the Executive Director's job to ask the tough questions of the team:

1. Who are our five target audiences? What are they like? What do they care about? What are the stories that motivate and resonate with them?
2. What are the five best mediums by which we can reach our audiences?
3. How do we begin a genuine conversation with our audiences that builds trust and respect leading to the changes we wish to see?

Resources and Tools

Best advice I have been given on media:

1. Do at least 5 minutes of prep before any interview: think about what kinds of questions might come from this media outlet/personality; write down your maximum of three key messages and three key words; visualize yourself responding.
2. During the interview: PAUSE, ANSWER, ADD A KEY MESSAGE, STOP.
3. Never say "no comment".

Most influential book on framing communications:
Don't Think of an Elephant"by George Lakoff, 2004.

Reference: Matt Price. Revenge of the Beaver – Building Power in the Age of the Canadian Culture War. January 2012.
Available: http://stonehousesummit.com/blog/revenge-beaver-matt-price

Chapter 12:

"The Fascinating Reality Show of Inter-ENGO Relations"

I don't watch a lot of TV, but I know a good show when I see one and I can assure any TV producer that there are all the critical ingredients for a fascinating reality show based on the interrelationships between ENGOs. All the characters are there, the distant histories and pasts, the rivalries, the juicy rumours and gossip, the traitors and the untouchables, the rich and poor, the media magnets, you name it.

After leading the Pembina Institute for a year, I realized that the environmental movement's organizations really did not connect with each other very often, in fact hardly at all, and almost never at the executive director level. As a result, I initiated meetings between the different groups and for seven years, I led what became known as the "Strathmere Group", which brought together the executive directors of 12 major Canadian ENGOs directly engaged in public policy.

There was outside pressure to make this group the strategic centre for the movement, but the primary purpose was to start by building stronger personal relationships between the leaders of the very different organizations in the movement. Over the years, there has been an increased level of genuine collaboration across the participating organizations.

The Pembina Institute partners with all kinds of ENGOs on various campaigns in a wide range of capacities. Here are my five tips to help ensure collaboration between organizations is successful:

1. Have a clear and shared vision of the goals of working together. It should be a "coalition of the willing" that forms a genuine partnership, not a forced one due to a funder's desire for partnership (those rarely work).

2. Ensure there is clarity, preferably in writing, of the resources each party will contribute.
3. Clearly define who is leading the effort for each organization and make sure there is one overall manager of the collaborative effort, and establish a decision-making process.
4. Not only respect diversity of voices and tactics, strategically utilize the movement's diversity. The sweet spot is having a shared vision with multiple tactics.
5. Schedule quality time for regular debriefing and evaluation to continue to build the relationships and improve future partnerships.

The one tip that might trump all the above is: have fun working together! It really is important to build in social time together and recognize efforts. Few organizations and coalitions do this enough.

Some Thoughts on ENGO Marriage

The Pembina Institute never went through a significant merger with another organization. However, over the years I was approached in three cases to see if there was interest in an organizational merger. My assessment and recommendation to the board of directors in each case was to not proceed with the merger. In all three cases, the end result could very well have been successful and strategic, but the timing was never right. Organizationally we were going through significant growth and evolution of our own infrastructure systems, and implementing a merger, which can never be taken lightly, was simply not feasible.

The text box below has a collection of questions I found useful to reflect on when considering merger options.

"Formulating and Implementing a Merger Strategy in the not-for-profit sector: some considerations"

<Lecture Notes McGill-McConnell Program>

➔ **What type of merger are you exploring?**

- An amalgamation where two organizations join to create a third new organization? (1+1 = 2)
- An absorption where one organization is absorbed within a second?

➔ **What are the primary driving forces behind seeking or considering a merger?**
- To enhance organizational capacity building?
- To improve and enhance service delivery?
- To diversify funding?
- To increase membership?
- To build a larger network?
- To increase visibility?
- To proactively or reactively respond to external pressures?

➔ **Are the organizational cultures of the two organizations compatible?**

➔ **What will the new leadership look like for the new organization?**

➔ **Is there clear alignment between the organizations' strategic visions and strategies?**

➔ **Operationally are there resources to successfully execute the merger?**

Source: Lecture notes McGill-McConnell Program Management and Leadership in the Voluntary Sector

Some Thoughts on ENGO Divorces

Off and on there has been some pressure from funders for consolidation within the environmental non-profit sector, and in a few cases, that probably makes sense. However, there are often cases where it makes more sense to actually spin-off a portion of one's organization.

In the case of the Pembina Institute, we decided to spin-off our environmental education program "GreenLearning" into an entirely independent entity. In a second case, we decided to stop doing international work and transferred that program's knowledge and projects to another organization.

The first step is recognizing when it is time to start discussing the spin-off or divorce of a program from the organization. Here are some telltale signs that it is likely time to start a discussion about spinning off a program:

- The Executive Director really has no meaningful time for the program and realizes that the program is not a good fit.
- Management meetings rarely talk about the program.
- The program is not a naturally strategic fit with other programs.
- The program tends to be last on the list as a fundraising priority.
- People frequently ask "What is that program doing and how does it fit?"
- Program staff feel they are disconnected from the rest of the organization.

Probably the hardest part of the divorce is starting the conversation with those that have their hearts embedded in the program to try and explain that it might be best for the program to be spun off or merged into another organization.

With GreenLearning, there had been so many years of history of the Pembina Institute doing environmental education given the original founders were teachers and built the organization around education. In fact, my first approach on the subject with the board was unsuccessful, mostly because I had not effectively built my case for why it was best for both the GreenLearning program and the rest of the organization. Over time, approximately a year, the idea of spinning off the program began to make more sense to people and it was possible for those closest to the program to envision being on their own with an independent structure.

Probably the biggest trap for Executive Directors is in the execution of the spin-off. It is easy, as I did, to underestimate just how much time and effort is required.

In the case of GreenLearning there were negotiations and decisions on financial transition, administrative support transition, rights to certain brands, communication of the spin-off, timing, and establishing the new organization and board.

For the staff in the program being spun off, it is a very unsettling time. They have many valid questions, all of which need discussion and decisions.

My top advice to any leader working to spin off a portion of an organization – get good help! Look to a board member who may be willing to lead the effort. And make sure you carve out sufficient time of your own to help ensure the execution occurs as everyone hopes.

The environmental movement is made up of such a healthy diversity of organizations and people that make it resilient and exciting to be part of. The more the sector can find practical and meaningful ways to collaborate and work together towards common goals the more powerful it will be and the more success we will have in protecting the environment. At times it is not easy: working with other organizations and different organizational cultures is hard and like any personal relationship, it requires investing the time.

Chapter 13:

"Those aren't Pillows! Working with Unusual Bedfellows"

A significant part of Pembina's reputation was built around successfully working with unusual partners from other sectors, most notably the corporate sector, municipalities, and First Nations.

When one looks at the major Canadian environmental groups, all of them are willing to work to some extent with corporations, governments and other NGOs. Sure, the approach of each ENGO will be different. WWF, as a "dolphin", has a different approach than Greenpeace, an "orca", when it comes to collaborating with the corporate sector. But all strategic ENGOs know that working with unusual allies is a key part of moving forward the changes we need to see.

So how does one successfully collaborate with unusual allies? Here we will focus on the more counter-intuitive partnerships – environmental organizations working with corporations. Partnerships with municipalities, academic institutions, NGOs and First Nations are each different requiring their own unique skills and expertise.

First, let's briefly identify and describe five different types of formal ENGO and corporate collaborations:

1. Sponsorship
2. Memorandum of Understanding
3. Fee-for-Ideas
4. Joint Marketing
5. Joint Lobbying

Sponsorship

Sponsorship typically involves a corporation providing financial resources to an ENGO for a specific event, program, capital project or research effort. In return for the financial contribution, the corporation often receives some combination of participation in an advisory group and recognition for supporting the work.

There is a lot of experience out there in crafting sponsorship agreements and if it is a large ongoing effort, do seek legal advice as it could really help prevent future headaches. Hopefully it goes without saying, but make sure you are getting fair value in your sponsorship agreements.

Memorandum of Understanding (MOU)

Unfortunately in today's confrontational environment, too much "debate" between sectors occurs solely via newspapers and various media releases or in courtrooms of lawyers, opposed to creating spaces for genuine discussion and seeking greater understanding. A more productive path is to formally create space for deeper discussion.

At the Pembina Institute, we established MOUs with various oilsands developers prior to their formal project application process. The MOU spells out a process by which the two parties would engage in dialogue to seek resolution to environmental issues prior to a formal government hearing process.

Included in the MOU would be financial compensation for the time and effort Pembina staff invested in reviewing their application and negotiating solutions. This ensured we had the capacity to do a thorough review and, for the company, provided them early insight on what our issues would be prior to entering into the legal application and hearing process.

Key to the MOU is laying out the rules of engagement so there is a clear understanding and an ability for both parties to explain the relationship both internally and externally.

"Top Tips on Entering into a Memorandum of Understanding (MOU) with a Corporation"

Chris Severson-Baker, the Managing Director of the Pembina Institute, has had years of experience in drafting and executing MOUs with corporations. Here are Chris' most important "dos and don'ts" when it comes to considering, drafting and implementing MOUs.

Do understand why you are entering into an MOU. It should be because your only other alternative is conflict through the courts or a public media battle which you expect to be less productive than creating a space for constructive dialogue.

Do preserve your other options such as legal intervention.

Do be prepared to pull out of the MOU if it is not fulfilling expectations or making progress.

Don't allow the process to get bogged down and spin wheels; this will only frustrate your team.

Do make sure you are getting your costs covered. One way or the other, via the courts, intervenor funding, project delay, or extended hearings, the corporation is going to pay. It takes time and resources to create space for dialogue, so be compensated.

Don't enter into an MOU with a company that is not prepared to move on issues and genuinely attempt to solve problems. Use your other options – legal, media, etc.

Do have the right people involved who can negotiate well, stay firm on your goals, are creative thinkers, solutions oriented, and won't be sucked into fuzzy warm relationships.

Do understand the legal limitations of the MOU and the results emerging from dialogue. How binding will the agreements be? Who will hold the company to account for following through?

Do keep any partnering ENGOs actively involved and coordinated and ensure there is a mutual respect for the approach.

Fee-for-Ideas

As discussed in Chapter 7, ENGOs have great ideas for solutions that can help companies improve both their environmental performance and bottom line, but those ideas cost money to generate. Hence, the Pembina Institute engaged in fee-for-service work on a regular basis with the corporate sector.

It is important that the contracts clearly indicate the relationship is for a specific project and will not in any way prevent the ENGO from taking the company to task publicly or legally.

It takes a mature company and a mature ENGO to be able to work with what is often perceived as a conflict of interest – "working with the enemy." My response was consistently, "judge us on the results" and more often than not, we were able to show real progress in moving a company to better environmental performance through our fee-for-service work.

Joint Marketing

There is a wide range of experiences, both positive and negative, with cross sector marketing efforts. In most cases, this involves the ENGO endorsing a corporate product or process in a formal marketing agreement. The ENGO lends its credibility and logo to a particular product in return for financial compensation and the ability to ensure the product is living up to a particular standard.

This form of collaboration can result in real changes to product design and can be beneficial for all. Similar to all the forms of collaboration, ensuring the ENGO retains independence and can show environmental results is key.

Joint Lobbying

Some of the most successful collaborative efforts between ENGOs and corporations occur when there is mutual agreement on what kind of public policy will help achieve a certain environmental objective. If ENGOs and corporations can negotiate a specific public policy solution, it can quickly become of interest to a provincial or federal government. When politicians are presented a solution by two normally conflicting sectors, they take interest.

One of the more significant examples of this in Canada was the development of the incentive program for renewable electricity. As referenced earlier, the Pembina Institute and Suncor joined forces to bring together a group of companies and ENGOs to devise a program that would accelerate renewable energy investments across Canada. The coalition was called the "Clean Air Renewable Energy" (CARE) coalition and successfully lobbied for an incentive program called the "Wind Power Producer Incentive" which, over time, was expanded to include other forms of renewable power. The more-than-$1 billion investment over 10 years resulted in the true establishment of a low-impact renewable power sector in Canada.

A less successful example of joint lobbying occurred on carbon pricing.

Although the effort led by Pembina to bring together companies and ENGOs resulted in agreement on a framework for pricing carbon, an actual price on carbon could not be agreed upon and the government of the day had zero interest in anything to do with pricing carbon. Nevertheless, the process itself built relationships between the sectors and deepened the understanding of the core issues each sector faced.

Having engaged in a wide range of ENGO/corporate collaborative efforts, I can point to the following key factors for success:

1. **Clear Objectives:** Like any partnership process, be sure to have clearly articulated the desired outcomes of the collaborative effort. Part of this should also include being clear about the risks that each party faces in moving the effort forward.
2. **Balance of Power:** Dollar for dollar, most companies are going to have far more resources than any ENGO. ENGOs must realize that their power comes from their reputation, something they must always protect. To have a meaningful collaboration between an ENGO and corporate entity, there has to be balancing of power in how decisions are made and the financial resources to participate. As a result, in most collaborative efforts, there should be financial resources provided to the ENGO to ensure sufficient staff time can be dedicated to the effort. With respect to decision-making, both parties need to have equal say and authority.
3. **Rules of Engagement in Writing:** Memories can be short and people can change roles, so put your collaborative effort into writing. It is also critical that there is senior buy-in on both sides. There is nothing more frustrating than an effort making progress only to be shut down because the CEO did not know what was going on and did not buy into the objectives. Go to the top.

   Furthermore, not all efforts work out, so spend the time early on to discuss and articulate an exit strategy before you go too far. Both parties should understand how the collaboration will end, either at completion or prior if things go sideways.
4. **Build Trust:** Let's face it, organizations don't negotiate, humans do. And if there is going to be any form of meaningful discussion and collaboration to solve big problems, trust between individuals in each organization needs to be built. This takes time working through issues. It requires an incredible amount of patience and often hinges on individuals' communications styles and abilities. It might even be helpful, if the scale of the effort is big enough, for the individuals most involved in the process to go on a retreat and take an experiential

course together on interpersonal communications. Or heck, insist everyone reads the book *Getting to Yes.* Trust is built over time by getting things done.

It is also critical that time is regularly spent evaluating the collaborative effort to test the level of satisfaction with the process and outcomes.

Although collaboration between ENGOs and corporations is critical for advancing solutions in Canada, by no means should it be considered easy or always the right solution. Further, collaborative efforts should not be perceived internally or externally to imply the two parties agree on everything, or anything for that matter. On most things the two parties will not agree, but mature people from each organization can disagree on issues while agreeing that it is likely fruitful to seek deeper understanding of each other's primary issues and ideas for solutions. Both parties in all forms of collaboration should acknowledge that there is not going to be agreement on everything, nor should there be.

In absolutely all cases, the ENGO must be able to retain its independence and maintain its reputation amongst a broad range of stakeholders. It does raise the important question, then, of given limited resources and the energy required for meaningful collaboration, how should ENGOs select potential collaborative partners from the corporate sector?

Before Pembina formally engaged with any new corporate entity, we did a background check on the company to identify potential risks. The process was called a "corporate engagement evaluation" that focused on ensuring the company would be serious about its intent to take action, was positioned to affect broader change, and ensured we understood the kinds of dealings the company has had in the past with other ENGOs.

In summary, while leading the Pembina Institute, a normal day at the office had me right in the middle of what I called the "Bermuda Triangle" – receiving a balanced diet of positive and negative feedback from all three sectors: corporations, governments, and other ENGOs. Some days we had them equally pissed off at us, and other days equally pleased. It is not an easy place to work, but it is the space where we found many fruitful solutions in environmental protection.

Reference: Probably one of the most useful and concise book on interpersonal communications I have read is *Getting to Yes* by Robert Fisher and William Ury.

Fisher, R., Ury, W. *Getting to Yes – Negotiating Agreement Without Giving In.* Penguin Books, 1983, New York.

Chapter 14:

"Organizational Culture"

What all the above comes down to is, as the leader of the organization, you are responsible for developing and maintaining the organization's culture. Every decision you make guides and reinforces the organization culture. The culture emerges over the course of your tenure as leader, as the team adapts to your style and the organizational norms, values and attitudes are established that influence individual behaviors within the organization.

I found a lecture during the McGill/McConnell program on organizational culture that presented work completed in the late 1990s by Cartwright and Cooper to provide a helpful frame around the different types of organizational cultures.

Cartwright and Cooper identify four types of organizational cultures that provide a useful reference to consider:

1. Power cultures,
2. Role cultures,
3. Task/Achievement cultures,
4. Person/Support cultures.

Of course, organizations can contain a combination of cultures, especially in large organizations with various sub-units or program areas, but let's briefly explore each type of culture to provide you with a frame of reference when reflecting on your own leadership style.

Power Cultures

The "power culture" is not normally attributed to the non-profit sector where we often pride ourselves on being democratic organizations, but there are ENGOs that are led by a founder or a highly charismatic leader that can demonstrate the typical attributes of this organizational culture:

- A single individual or a very small group holds decision-making power.
- Individual rather than group decision-making is the norm.
- Decisions tend to be based as much on intuition and past successes as

on logical reasoning.

- Individual members are motivated by a sense of personal loyalty to superiors, or by fear of superiors.
- Reward system is typically inequitable, and more likely to be based on personal preference of superiors than objective performance criteria.
- Managers are generally autocratic and suppressive of challenge.
- The typical employee does what he or she is told.

Within the ENGO community, it is very unlikely that a power culture is going to result in a successful organization in the long term, primarily because people will just leave the organization for other options where they are empowered by the decision-making process.

Role Cultures

A "role culture" tends to emerge in larger, older organizations that have become more or less institutionalized. Because we have a fairly young environmental movement in Canada, we have very few organizations that fit this culture. However, as certain organizations do grow in size, one would look towards the following attributes associated with this organizational culture:

- Guiding principles are logic, rationality and the achievement of maximum efficiency.
- The organization is viewed as a collection of roles to be undertaken rather than a collection of people and personalities.
- Things get done according to highly structured and articulated procedures. A good employee is one who recognizes protocol and sticks to the rules.
- Power is distributed hierarchically.
- Procedures offer security and predictability to the individual employee but often constrain innovative and risk-taking behavior.
- Employees act within the parameters of the job description.

In this organizational culture, the leader places a lot of emphasis on establishing organizational systems and ensuring they are followed.

Task / Achievement Culture

The "task/achievement culture" is the most common culture in the non-profit sector, and the ENGO sub-sector is no exception. One tends to see an organizational culture where:

- Emphasis is placed on accomplishing the task. What is achieved is viewed as more important than how it is achieved.
- A team culture is the norm where commitment to the individual task bonds and energizes the individuals.
- Relevant task expertise is highly valued and is frequently seen as more influential than personal or positional power.
- Operations are characterized by flexibility and high levels of worker autonomy.
- When things go wrong, there is a tendency for everyone to blame everyone else.
- The employee acts in the way he or she considers suitable for the task.

Here, the leader is very comfortable with distributed power and decision-making and focuses on creating an environment for staff to get things done. The leader has to frequently act as a facilitator between highly skilled and often independent staff to ensure the team does indeed work together effectively.

Person/Support Cultures

Although there are relatively few large ENGOs in Canada, when one observes larger organizations, especially those with highly trained professionals, a "person/support culture" can emerge in sub-units or programs which:

- tend to be egalitarian. Structure is minimal; the culture exists and functions solely to nurture the personal growth and development of its individual members.
- information, influence, and decision-making are shared collectively.
- the employee does his or her own thing.

For each of Cartwright/Cooper's types of organizational culture, the decision making process plays an important role. In fact, I believe the most significant means by which organizational culture is defined is through the established decision making process.

A formula I found useful (presented during a lecture at McGill University) is:

Effective Decisions = Quality Thinking X Acceptance

Of course the engineer in me appreciates a rational process of decision-making that might look something like this:

1. Define the problem.
2. Identify objectives and evaluation criteria.
3. Consider a wide range of alternatives through brainstorming and divergent thinking.
4. Discuss risks and potential adverse consequences.
5. Evaluate options against objectives and evaluation criteria.
6. Reach a decision.
7. Execute decision.
8. Evaluation.
9. Repeat….

But this is not reality. To bring it closer to reality, it must be coupled with strong interpersonal communications skills. To consistently make good decisions, the leader really needs to create the space for quality thinking and analysis while gaining broad confidence and acceptance of the decision. The stronger the acceptance, the more quickly implementation of the decision will occur. If people have not bought into the decision, more often than not, we experience frustrating delays in follow through.

Core to good decision making is the highest levels of interpersonal communications: strong active listening skills, asking open questions, focusing on the problem not the people, assuming others have useful ideas and input, and using "I" and "for me" statements to express your feelings as opposed to laying blame. If you are interested in good group decision-making, then regularly invest in interpersonal communications training across your organization. Every year at the Pembina Institute's annual all-staff retreat, early on in the agenda was a communications skill-building component. We cycled through a series of professional development sessions to have a shared understanding of different communication styles by gender, or generation, or experience level or personality type.

In short, work with your team to arrive at a decision making process that helps build the culture you want to see. Your decision-making style will ultimately define the organization's culture.

References: Cartwright, S., & Cooper, C.L. *Managing Mergers, Acquisitions, and Strategic Alliances: Integrating People and Culture,* Oxford, England, Butterworth-Heinemann, 1996. pp. 57-81.

Chapter 15:

"Organizational Life When You are Gone"

Dateline: Board Meeting, In Camera Session, Summer 2007:

"I would like to inform the board that it is my intention to step down from the Executive Director position…… on December 31, 2010."

After the board members caught their breath and were relieved that I wasn't giving them two weeks' notice only two years after taking the post, we had an excellent conversation about succession planning.

Ultimately the most important thing that the board of an ENGO does is hire, evaluate, and transition a succession of top leaders for the organization. But I do believe it is the responsibility of the current leader to make that process easier for the board, given the board rarely has the intimate knowledge of what the organization might need.

For starters, if the board hasn't asked for it, you should have a "hit by a bus" envelope for the board, outlining two internal options for an interim executive director.

For the long term success of an organization, it is critical to be thinking early on in your term as leader exactly when and how you envision moving on. An open conversation with the board on future transition planning helps ensure board members are engaged and committed to a successful transition when that time comes.

Probably the worst thing is to leave an organization with a two-week notice, leaving big uncertainty and turmoil – unless, of course, you are doing more harm to the organization and can't successfully lead the organization, in which case do everyone a favour and get out fast.

My four-year notice to the board might be a little extreme for most people, but let me share why I think it was a very successful approach.

First, it immediately allowed for some serious four-year thinking. For me, it

was very empowering to know I had a clear end date and would need to fulfill my goals within that time. This helped provide discipline in deciding what was a priority.

Second, it made it clear to senior staff that there was no doubt in my commitment for the four years, but beyond that, the organization had to be designed so that it was not dependent on any single person, especially not the existing executive director.

Finally, it put my attention to thinking about who might be developed internally as the next executive director. I hold a bias towards internal hires for the executive director position, at least for complex organizations such as the Pembina Institute where a solid understanding of the history and culture is so important. It was my goal to be able to provide the board with three options for executive director by the time I would leave, and of course they always had the option of opting for an external hire.

Every leader has an idea, more or less formulated, on how long they can see themselves staying in that role within an organization. My view is five to seven years of leadership in an ENGO is the approximate "shelf-life" for any leader. Less than five years results in too much turnover and makes it difficult to make a significant impact. More than seven years is potentially unhealthy for an organization. Organizations need regular refreshment of leadership to ensure they stay efficient and at the cutting edge of creating change.

So, if you are the leader of an ENGO now, start putting in place a plan for moving on.

Chapter 16:

"One Last Wave to Wrap it All Up"

I wrote this notebook as my personal reflections on ENGO leadership while on my self-earned sabbatical in 2012. My wife, Anya, and I decided we wanted take our kids to live abroad and try to learn some French, not to mention improve my surfing. For seven months of the sabbatical, I surfed on the Atlantic coast of France. By the end, I realized that the process of trying to learn how to surf had forced me to relearn all the key lessons of ENGO leadership that I had acquired over seven years of leading the Pembina Institute.

Surfing is a sport that combines many of the incredible elements of leadership in the environmental sector: an incredibly challenging and steep learning-curve, moments of complete adrenalin, moments of complete fear, times of literally being overpowered by forces around you, times of just barely treading water, times of making incredible moves very quickly, times of peacefulness in a beautiful setting, rarely being alone but most often being left to your own devices, and feeling part of a strong social network. Early on, I asked a very seasoned surfing friend of mine, "My biggest challenge is trying to paddle out through the waves to even try to get into position. I just keep getting crushed by the incoming waves. Any tips?"

His response:

> "Keep your eye on the horizon, at the top of the wave. You will be amazed how many times you will actually make it when you visualize yourself getting over it. Don't look at the bottom of the wave, you will surely get crushed."

In short, the CEO of an ENGO is the person that is entrusted in seeing over that horizon and paddling beyond the mess of waves we face. Like surfing, leading an ENGO is a roller-coaster of emotions. Your job is to lead the paddle through that.

Sports analogies are frequently used in leadership and organizational management. Well, here are my five analogies of ENGO leadership and surfing:

1. When paddling against the waves, always look at the horizon.
2. There will be a point where you will have to fully commit; otherwise, you will suffer a big fall.
3. There is frequently a small window to pull away: use it if you need it for self preservation.
4. When riding the wave, enjoy it! But don't become complacent. The waves are moving fast and changing all around you, and every wave is sure to come to some kind of end.
5. If you are not ready for a serious challenge and the risk of getting hurt, ask yourself if you really belong in the water. Be sure to get a good night's sleep and good meals: it significantly reduces the odds of drowning.

And finally, there is always another wave coming, just be patient and be ready. Now suit up and go save the world!

Appendix A

Mintzberg and Organizational Structure

There as many theories on organizational structure as there are researchers studying the topic, but Henry Mintzberg has stood out as a leader in the field. His work has significantly influenced business, governments and NGOs for the past 30 years.

Here is what I consider to be the key highlights drawn from his 1983 book: *Structure in Fives – Designing Effective Organizations* [Mintzberg, 1983].

Let's remind ourselves what organizational structure is all about. As Henry Mintzberg states:

> "Every organized human activity – from the making of pots to the placing of a man on the moon – gives rise to two fundamental and opposing requirements: the division of labour into various tasks to be performed, and the coordination of these tasks to accomplish the activity." [Mintzberg, 1983, pg. 2]

Mintzberg defines structure in this way:

> "The structure of an organization can be defined simply as the sum total of the ways in which its labour is divided into distinct tasks and then its coordination is achieved among these tasks." [Mintzberg, 1983, pg. 2]

The structural theory of Mintzberg centres around five coordinating mechanisms, five parts of the organization, and a number of design parameters. The five coordinating mechanisms are considered "the glue that holds organizations together" [Mintzberg, 1983, pg. 4] and explain the fundamental ways organizations coordinate their work, which are:

1. Mutual Adjustment where coordination is accomplished through informal communication,
2. Direct Supervision,
3. Standardization of Work Processes,
4. Standardization of Work Outputs, and
5. Standardization of Worker Skills.

It is worth reflecting on your own organization's approach to coordinating work and asking which parts of work are already or should be standardized. An obvious, and easy, example is the look and structure of a report or a press release. How well are informal communications providing mutual adjustment across teams or how dependent is coordination on direct supervision?

Mintzberg defines five structural parts of an organization [Mintzberg, 1983, pg. 9], which are helpful in thinking through the various roles people play in your organization:

1. **Operating core:** The operating core of the organization is the heart of the organization, which produces the essential outputs keeping it alive. Of course, organizations also need the administrative components described below of the strategic apex, middle line, support staff and technostructure, but the operating core performs the work directly related to the production of products or services.
2. **Strategic apex:** The strategic apex caries the overall responsibility of the organization. Its role is to ensure the organization is effectively serving its mission. In most NGOs, this involves the Executive Director, the senior staff and the board of directors.
3. **Middle line:** In Mintzberg's model, "the strategic apex is joined to the operating core by the chain of middle managers with formal authority." According to Mintzberg, an organization needs a chain of middle-line managers to the extent that it is large and reliant on direct supervision for coordination. The middle-line manager, like the top manager, is concerned with formulating the strategy for his/her unit, guided by the strategy of the overall organization.
4. **Technostructure:** Control analysts in an organization form the "technostructure" with the purpose of driving for standardization. These analysts serve the organization by affecting the work of others. They don't actually do the work, but may design it, plan it, change it, or

train the people who do. Their objective is to stabilize and standardize the patterns of activity in the organization.

5. **Support staff:** The support staff of an organization exists to "provide support to the organization outside its operating work flow." The support staff does not engage in the work, nor do they support it directly. They exist to provide indirect support. Examples of support staff include legal counsel, reception, payroll, a printing service, security, etc.

Among Mintzberg's design parameters, two stand out to be most relevant for environmental NGOs – "unit grouping" and "liaison devices".

Unit Grouping

Deciding how to group staff into units is a key decision for all organizations. For example, do you group by "function" or by "market/target audience".

Grouping by Function

When grouped by function (knowledge, skill, work process or work function), the focus is on process interdependencies. This focus often comes at the expense of the work flow. It encourages specialization, but detracts from the overall output. Individuals have an incentive to look after their own needs before they look after the needs of the overall organization.

Furthermore, grouping by function makes it difficult to measure performance. "The functional structure lacks a built-in mechanism for coordinating the work flow." [Mintzberg, 1983, pg. 59]. To make grouping by function work, especially where the work is unskilled, the organization tends to be more bureaucratic in order to formalize and standardize work functions.

For an ENGO, grouping by function could mean grouping all the technical engineering staff together, all the policy analysts together, all the education specialists together, etc.

Grouping by Market or Target Audience

Market-based grouping sets up relatively self-contained units to deal with particular work flows. As Mintzberg states:

> "Ideally, these units contain all the important sequential and reciprocal interdependencies, so that only the pooled ones remain: each unit draws its resources and perhaps support services from the common structure and in turn contributes its surpluses or profits back to it." [Mintzberg, 1983, pg. 60].

For an ENGO, grouping by market could be translated into grouping by target audiences of social change. For example, these audiences or "markets" could be corporations, communities, policy makers, etc. Alternatively, grouping could be done by market region, for example Western Canada, Central Canada, International, etc.

Liaison Devices

Given the organic nature of many ENGOs, complexity of the work, and high interdependence required, liaison devices are important to build into the organization's structure. Here, each of Mintzberg's liaison devices is briefly described.

Liaison Positions

A liaison position works between units acting as the communication channel between them. The position carries no formal authority, however the person gains power from his or her knowledge. "When a considerable amount of contact is necessary to coordinate the work of two units, a 'liaison' position may be established formally to route the communication directly, bypassing vertical channels." [Mintzberg, 1983, pg. 82].

Task Forces and Standing Committees

In any organization, meetings are the primary means to facilitate mutual adjustment. Meetings can be either spur-of-the-moment or formalized. To facilitate liaison between units, two devices are used to institutionalize meetings [Mintzberg, 1983, pg. 83]:

1. "The task force is a committee formed to accomplish a particular task and then disband."
2. "The standing committee is a more permanent interdepartmental grouping, one that meets regularly to discuss issues of common interest."

At the Pembina Institute, both task forces and standing committees are used as liaison devices. Examples of task forces include any given project, from organizing the annual all-staff retreat to delivering a service to a client. The Development Committee and Management Team are two examples of standing committees used at Pembina.

Integrating Mangers

A third liaison device defined by Mintzberg is the integrating manager [Mintzberg, 1983, pg. 83]:

> "When more coordination by mutual adjustment is required than liaison positions, task forces, and standing committees can provide, the organization may designate an integrating manager – in effect, a liaison position with formal authority."

Mintzberg defines the authority of integrating managers in this way [Mintzberg, 1983, pg. 83]:

> "The formal power of the integrating manager always includes some aspects of the decision processes that cut across the affected departments, but it never (by definition) extends to formal authority over the departmental personnel."

Examples of integrating managers in industry include brand-managers in consumer-goods firms who are responsible for both the production and marketing of particular products, or project managers at an oil company responsible for integrating a number of functional activities.

Matrix Structures

The final liaison device defined by Mintzberg is the matrix structure. In the matrix structure, the organization avoids the choice between grouping by market or by function and instead utilizes both. [Mintzberg, 1983, pg. 86] Matrix structures set up a dual authority and sacrifice the principle of unity of command: "Line managers become equally and jointly responsible for the same decisions and are therefore forced to reconcile between themselves the differences that arise." [Mintzberg, 1983, pg. 86].

It has been suggested that the matrix structure is for organizations "prepared to resolve their conflicts through informal negotiation among equals rather than recourse to formal authority, to the formal power of superiors over subordinates and line over staff." [Mintzberg, 1983, pg. 87]

Mintzberg defines two forms of matrix structure [Mintzberg, 1983, pg. 87]:

i. a permanent form where the interdependencies are relatively stable, and
ii. a shifting form which is geared for project work where there is frequent shifting of necessary interdependencies, market units and people.

The shifting matrix structure is common in consulting think tanks where project work is most prevalent and the outputs change frequently. This is quite similar at the Pembina Institute where the organization works very frequently as a set of project teams.

According to Mintzberg's work, the matrix structure is an effective device for developing new activities, for innovation, and for coordinating complex multiple interdependencies. Mintzberg also indicates the matrix structure "is no place for those in need of security and stability" [Mintzberg, 1983, pg. 88] and,

> "dispensing with the principle of unity of command creates considerable confusion, stress, and conflict, and requires from its participants highly developed interpersonal skills and considerable tolerance for ambiguity." [Mintzberg, 1983, pg. 88]

In addition, Mintzberg warns that the matrix structure also requires an increased cost of administration and communication because people have to spend time at meetings, as well as the need for an increased number of managers.

Reflective Questions for your NGO:

- What examples of the use of liaison devices exist at your organization?
- How might the organization best utilize liaison devices for coordinating work?
- What is the appropriate mix of the different liaison devices?
  - What liaison positions might the organization define?
  - How might integrating managers be utilized?
  - What might a matrix structure for the organization look like?

Structure as Configuration

Mintzberg describes the design of effective organizations as a process of appropriately configuring the five structural parts (operating core, strategic apex, middle line, technostructure, and support staff).

Mintzberg identifies five "pure" organizational structure configurations (of course no organization will neatly fit into one of these but will often be a combination). The table below summarizes these five configurations.

Configuration Type	Prime Coordinating Mechanism	Key Part of Organization	Main Design Parameters	Situational Factors
1. Simple Structure	Direct supervision	Strategic apex	Centralization, organic structure.	Young, small; non-sophisticated technical system; simple, dynamic environment; possible extreme hostility or strong power needs of top manager.
2. Machine Bureaucracy	Standardization of work processes	Technostructure	Behavior formalization, vertical and horizontal job specialization, usually functional grouping, large operating-unit size, vertical centralization and limited horizontal decentralization.	Old, large; regulating, non-automated technical system; simple, stable environment; external control.
3. Professional bureaucracy	Standardization of skills	Operating core	Training, horizontal job specialization, vertical and horizontal decentralization.	Complex, stable environment; non-regulating, non-sophisticated technical system.
4. Divisionalized form	Standardization of outputs	Middle line	Market grouping, performance control system, limited vertical decentralization.	Diversified markets (particularly products or services); old, large; power needs of middle managers.
5. Adhocracy	Mutual adjustment	Support staff in the Administrative Adhocracy; together with the operating core in the Operating Adhocracy	Liaison devices, organic structure, selective decentralization, horizontal job specialization, training, functional and market grouping concurrently.	Complex, dynamic, environment; young.

[Mintzberg, 1983]

A Look at a Few Configurations Most Applicable to NGOs

Below are brief descriptions for the "simple structure", the "professional bureaucracy", and the "adhocracy" configurations. A number of these descriptions fit very closely to how NGOs start out and evolve over time.

The Simple Structure

Most organizations begin with a simple structure. Consider the following descriptions from Mintzberg on the simple structure:

> "The Simple Structure is characterized, above all, by what it is not – elaborated. Typically, it has little or no technostructure, few support staffers, a loose division of labor, minimal differentiation among its units, and a small managerial hierarchy. Little of its behavior is formalized, and it makes minimal use of planning, training, and the liaison devices. It is, above all, organic." [Mintzberg, 1983, pg. 157]
>
> "Coordination in the simple structure is effected largely by direct supervision. Specifically, power over all important decisions tends to be centralized in the hands of the chief executive officer. Thus, the strategic apex emerges as the key part of the structure; indeed, the structure often consists of little more than a one-person strategic apex and an organic operating core." [Mintzberg, 1983, pg. 158]

Most NGOs start as a simple structure with a strong charismatic leader. As the key leader slowly is removed from the organization, a number of attributes of the simply structure often remain, such as minimal use of planning, training, and liaison devices.

The Professional Bureaucracy

The Professional Bureaucracy is common in universities, general hospitals, school systems, etc. It is included here because there are a few characteristics of this structure that relate to many of the staff attracted to the NGO sector – namely that the NGOs employ a number of professionally trained staff such as engineers, biologists, educators, economists, social scientists and other scientists.

Mintzberg describes this configuration in this way:

> "The Professional Bureaucracy appears wherever the operating core of an organization is dominated by skilled workers – professionals – who use procedures that are difficult to learn, yet are well defined. This means an environment that is both complex and stable – complex enough to require the use of difficult procedures that can be learned only in extensive formal training programs, yet stable enough to

enable these skills to become well defined – in effect, standardized." [Mintzberg, 1983, pg. 202]

As an example, at one point the Pembina Institute considered becoming a perfect example of a professional bureaucracy by defining the organization's primary objective and reason for existence as providing a platform for professionally trained people seeking to implement "holistic and practical solutions for a sustainable world." In this case, the strategic apex, administration and support staff would focus on creating this space and not be involved in setting social change strategy. The organization would have been similar to a university structure or pure research think tank.

The Adhocracy

The Adhocracy configuration is a structure which very closely resembles the Pembina Institute and many other ENGOs. It is a configuration intended for complex and dynamic environments where a high degree of innovation is required.

The Adhocracy structure is capable of bringing multi-disciplinary experts together into functioning ad hoc project teams. [Mintzberg, 1983, pg 254] Mintzberg summarizes the Adhocracy configuration as a:

> "highly organic structure, with little formalization of behaviour; high horizontal job specialization based on formal training; a tendency to group the specialists in functional units for housekeeping purposes but to deploy them in small, market-based project teams to do their work; a reliance on the liaison devices to encourage mutual adjustment, the key coordinating mechanism, within and between these teams; and selective decentralization to and within these teams, which are located at various places in the organization and involve various mixtures of line managers and staff and operating experts." [Mintzberg, 1983, pg. 254]

Many ENGOs have an adhocracy structure where the organization:

- is very organic, moving from project to project or campaign to campaign;
- depends highly on being innovative in a complex and dynamic environment;
- has highly distributed decision-making power among managers and non-managers;
- formulates strategy organically as project and campaign decisions are made;
- is facing increased staff discomfort of the ambiguity in decision-making and strategy;
- exists to solve a very complex and ill-structured problem such as "save

the environment"; and
- requires significant amounts of time for internal communications to be effective.

Reflective Questions for your NGO:

- What is the appropriate organizational configuration for your NGO?
- How closely aligned should the organization be to an Adhocracy, a Professional Bureaucracy, and the Simple Structure?

Getting Your Staff Involved

Critical to evolving an organization's structure is getting the staff and board deeply involved. Ultimately they are the "client" in the change process as they need to own and operate within the new structure.

Start with a series of individual and small group discussions around these questions:

- How would you describe our current structure?
- What does the current structure do well? Give me an example of where it has worked really well for you.
- Where does the current structure not serve us well?
- Where does coordination need to occur in the organization?
- What things could be standardized in the organization?
- What must our structure enable us to do?
- What criteria would we use to judge/evaluate our structure?

Armed with input from staff, you can then further engage in an organizational process to improve the organization's structure.

Appendix B

Example of Staff Survey

Here is an example of a staff survey we used at the Pembina Institute over the years to gather and act on feedback.

Pembina's Leadership

1. What is your overall level of confidence in Pembina's Executive Director? (low / moderate / high / very high)
2. What is your overall level of confidence in the capacity of senior Pembina staff to manage

	Low	Moderate	High	Very High
Content strategy				
Fund development & brand strategy				
Admin & operations				

3. What is your overall level of confidence in the Board's ability to meet Pembina's needs? (low / moderate / high / very high)
4. How would you rate the Institute Board's capacity to support Pembina's fundraising efforts? (Inadequate / Less than adequate / Adequate / More than adequate / Don't Know)
5. How would you rate the Institute Board's capacity to provide strategic guidance to senior management? (Inadequate / Less than adequate / Adequate / More than adequate / Don't Know)
6. Do you have any comments or suggestions with regards to Pembina's leadership or in relation to the Board?

Vision and Goals

7. How effectively are Pembina's current projects and programs contributing to Pembina's overall vision and goals? (Not very effectively / Generally effective / Quite effectively / Very effectively / Don't Know)
8. How would you rate Pembina's overall progress in realising its vision and goals? (Low / Moderate / High / Very high / Don't Know)
9. What level of priority would you currently place on clarifying (or revising) Pembina's overall vision and goals? (Low / Moderate / High / Very high)
10. Do you have any comments or suggestions in relation to Pembina's vision and goals?

Synergies and Cross-Coordination

11. In general, how effectively does Pembina capitalise on potential synergies within the organisation? (Not very effectively / Generally effective / Quite effectively / Very effectively / Don't know)
12. To what extent does Pembina's current structure help or hinder staff in capitalising on synergies? (Hinders a lot / Hinders a little / Has no net effect / Helps a little / Helps a lot / Don't know)
13. Do you have any other comments about synergies, coordination or organisational structure?

Size and Stance

14. Given your read of (i) opportunities for meaningful environmental change in Canada over the next five years, (ii) Pembina's ability to influence that change, and (iii) Pembina's "niche" or brand - what do you see as Pembina's ideal size? (Up to 50% smaller / Up to 25% smaller / Current size / Up to 25% larger / Up to 50% larger)
15. Feel free to provide the rationale behind your assessment of "ideal size".
16. Given your read of (i) opportunities for meaningful environmental change in Canada over the next five years, (ii) Pembina's ability to influence that change, and (iii) Pembina's "niche" or brand - how well do you feel Pembina is navigating the balance between responsive or reactive work and proactive work? (Far too reactive / A little too reactive / Just right / Not reactive enough / Not at all reactive enough / Don't know)
17. Feel free to provide the rationale behind your assessment of "reactiveness".

Change Management

18. What is your overall level of confidence in Pembina's strategy for managing change internally? (Low / Moderate / High / Very High)
19. How would you rate the robustness of Pembina's organisational model? (i.e. if 3-4 senior staff were to leave in a short space of time, would continuity be ensured?) (Inadequate / Less than adequate / Adequate / More than adequate / Don't Know)
20. Do you have any comments or suggestions in relation to Pembina's internal change management?

Internal Communications and Finances

21. How would you rate your awareness of Pembina's internal organisational policies and procedures? (Low / Moderate / High / Very High)
22. How would you rate your awareness about Pembina's content work outside of your area of expertise? (Low / Moderate / High / Very High)
23. How would you rate your awareness about Pembina's financial situation? (Low / Moderate / High / Very High)
24. What is your overall level of confidence in Pembina's financial viability? (Low / Moderate / High / Very High)
25. Do you have any comments or suggestions in relation to internal communications or finances?

Evaluation and Reporting

26. How effectively does Pembina evaluate projects? (Not very effectively / Generally effective / Quite effectively / Very effectively / Don't know)
27. How effectively does Pembina evaluate overall organisational success? (Not very effectively / Generally effective / Quite effectively / Very effectively / Don't know)
28. How effectively does Pembina communicate success internally? (Not very effectively / Generally effective / Quite effectively / Very effectively / Don't know)
29. How effectively does Pembina communicate success externally? (Not very effectively / Generally effective / Quite effectively / Very effectively / Don't know)
30. Do you have any comments or suggestions in relation to evaluation and reporting?

Staff Satisfaction Continued

31. How would you rate your level of work-related stress? (Low / Moderate / High / Very High)
32. How would you rate your overall job satisfaction at Pembina? (Low / Moderate / High / Very High)
33. How would you rate your work/personal life balance? (Low / Moderate / High / Very High)
34. To what extent do each of the following elements contribute to your job satisfaction at Pembina?

	Not at All	Somewhat	Quite a lot	Greatly
Physical work environment				
Benefits				
Contributing to social change				
Flexible work hours				
Colleagues				
Organizational Culture				

35. What is your top suggestion for strengthening personal and/or professional growth and learning opportunities in Pembina? (In other words, what one, concretely implementable measure would help you to better achieve something you hope to achieve by being at Pembina?)
36. Do you have any comments or suggestions in relation to staff satisfaction?

Open-Ended Questions

37. What are your top two suggestions for improvement at Pembina?
38. What excites you most about working at Pembina?

Appendix C

More on Scenario Planning

Scenario planning is a strategic thinking process tool. The process outlined here is designed for a multi-stakeholder workshop bringing together a wide range of people to focus in on one strategic question. External representatives (e.g., corporate, NGO, government etc.) attending the workshop contribute unique ideas and diversity of perspectives in the collaborative process of building the future scenario stories.

Facilitating this process does require some experience and skill, so it is likely wise to bring in some outside help, or at a minimum have experienced participating in such a process.

The steps taken in scenario planning are outlined in the flow chart below. Although many have adapted the steps of scenario planning in various ways, these steps were largely developed by Peter Schwartz's work published in his 1996 book "*The Art of the Long View: Planning for the Future in an Uncertain World*".

1. Identify business decisions

2. List key factors affecting the decisions

3. Identify the driving forces in the macro-environment

4. Rank driving forces based on importance and uncertainty

5. Select most important and uncertain driving forces

6. Build the scenarios

7. Determine the implication of each scenario to the decisions

8. Identify signposts for each scenario

The process of building scenarios starts with identifying the **focal question or strategic decision.** There are an infinite number of stories one could craft about the future; our purpose is to develop stories that are relevant and lead to better informed long-term decision making.

For example, your focal strategic question might be:

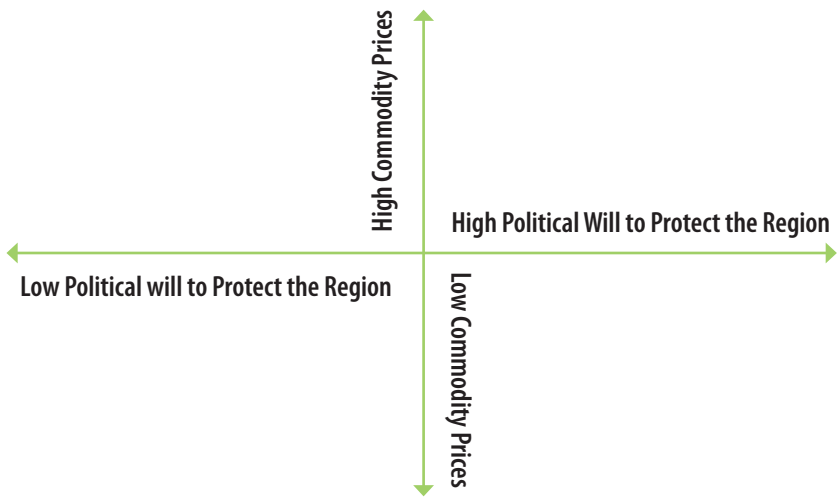
"How do we protect the Sacred Headwaters region of British Columbia?"

The next step is to identify the primary **driving forces** at work in the present. Driving forces roughly fall into the following categories:

- Social dynamics;
- Economic issues;
- Science and technology;
- Political issues; and,
- Environmental issues.

Once identified, the driving forces are categorized during a workshop based on their significance, relevance, and degree of influence on events. After exploring the driving forces, one identifies the **predetermined elements** - a force/ element completely outside of our control that will play out in any scenario. For instance, the number of high school students in Canada 10 years from now is more or less predetermined by the number of elementary school children now.

After identifying the predetermined elements from the list of driving forces, one is left with a number of **critical uncertainties** - uncertainties that are key to the focal issue. Once identified, uncertainties that have some commonality can be reduced to a single spectrum or axis of uncertainty. If the entire list of related uncertainties can be simplified into two orthogonal axes, one can define a matrix of four very different, plausible quadrants of uncertainty, or plot lines. Each of these four corners forms a logical future one can explore.



Following the workshop, the story plots for the scenarios will be fleshed out, reviewed by participants and selected external experts.

Once the scenarios are fleshed out, the team can return to the focal question to rehearse the future and explore questions such as:

- How does the decision look in each scenario?
- What vulnerabilities have been revealed?
- Is the decision or strategy robust across all scenarios?
- How could that strategy be adapted to make it more robust is the desired scenario shows signs of not happening?

Here is a little more detail on each of the steps of scenario planning guided by Peter Schwartz's excellent book on scenario planning.

Step one: Identify focal issue or decision

What are the decisions that have to be made that will have a long-term influence on the fortunes of the company?

Step two: Key forces on the local environment

Listing the key factors influencing the success or failure of that decision is the second step.

Step three: Driving forces

Listing driving forces in the macro-environment that influence the key factors. In addition to social, economic, political, environmental and technological forces, another route is the question: what are the forces behind the micro-environmental forces identified in step two? Some are predetermined and some are highly uncertain. It is very useful to know what is inevitable and necessary and what is unpredictable and still a matter of choice.

Step four: rank by importance and uncertainty

Ranking of key factors and driving forces on the basis of two criteria: first the degree of uncertainty identified in step one, second the degree of uncertainty surrounding those factors and trends. The point is to identify the two to three factors or trends that are most important and most uncertain.

Step five: selecting scenario logics

The result of the ranking exercise are, in effect the axes along which the eventual scenarios will differ. Determining these axes is among the most important steps in the entire scenario-generating process. The goal is to end up with just a few scenarios whose differences make a difference to decision-

makers. If the scenarios are to function as useful learning tools, the lessons they teach must be based on issues basic to the success of the focal decision. And those fundamental differences or "scenario drivers" must be few in number in order to avoid a proliferation of different scenarios around every possible uncertainty.

Step six: Fleshing out the scenarios

It can be accomplished by returning to the lists of key factors and trends identified in steps 2 and 3.

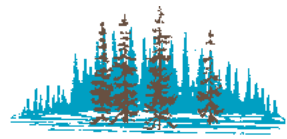
Step seven: Implications

Once the scenarios have been developed in some detail, then it is time to return to the focal issue or decision identified in step one to rehearse the future. How does the decision look in each scenario? What vulnerabilities have been revealed? Is the decision or strategy robust across all scenarios? How could that strategy be adapted to make it more robust if the desired scenario shows signs of not happening?

Step eight: selection of leading indicators and signposts

Selection of a few indicators to monitor the selected scenarios to assist an organization's awareness of evolving situations.

References: Schwartz, Peter. *The Art of the Long View: Planning for the Future in an Uncertain World,* Currency Doubleday, 1996.



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