

Inside Outreach

From Good to Great

December 2004

Dear Colleagues,

Do you know with crystal-deep clarity, first what should not change, so that you can change everything else?

--Jim Collins

It's been over a year since Outreach has aligned its organizational thinking with the concepts outlined by Jim Collins in *Good to Great*. During those 18 months, Outreach has been faithful to the Collins philosophy, integrating it into our Outreach culture, and making it much more than the management "flavor of the month"-our Outreach organization has demonstrated "unwavering faith amid the brutal facts." The integration of Collin's work into our day to day culture is not about new slogans or chest thumping, rather to truly benefit from the research about companies moving from good to great demands each day that we rigorously advance our work like a tenacious, persistent, focused hedgehog.

It has also been ten years since Collins first identified a group of 18 visionary companies that were highlighted in his book, *Built to Last*, companies that consistently outperformed their competitors for decades. As we bring the semester to a close and prepare for the coming new year, I feel this is a good time to step back and take stock of Collins' principles that we have all worked so hard to integrate into the culture here in Outreach. How do these tenets hold up over time? Are we pursuing a philosophy that, ultimately, will take Outreach from Good to Great?

A recent article by Jennifer Reingold and Ryan Underwood in *Fast Company* (<http://www.fastcompany.com/magazine/88/built-to-last.html>) assessed the accomplishments of the *Built to Last* companies in the decade since the book was published. Although the reputation of a few of the visionary companies has declined somewhat since 1994, the article reports that, overall, many of the companies have turned in stellar performances and, "most, if not all of Collins' and Poras' picks do actually seem, well, built to last." All of the companies are still in business, and the total shareholder return of the companies was 206 percent between 1994 and 2004, compared with 132 percent for the S&P. But it's not just stock performance that sets these companies apart from the crowd. The top performers have seized leadership roles in their industries, dared to take risks with innovative products, and preserved the core while stimulating progress and change. Collins sums up the reason he feels these companies have consistently outperformed their competitors: "To be built to last, you have to be built for change."

I feel that Outreach has taken great strides toward becoming a sustainable, successful

organization and truly embracing and integrating the concepts of Good to Great into the fabric of our organization. For example, when we talked with Jim Collins at the beginning of our strategic positioning process, he drilled us for close to an hour regarding the core purpose of Outreach. As a result of that relentless questioning, he helped us formulate our "hedgehog concept" to focus all of our resources to serve as a matchmaker or connector between Penn State's considerable academic strengths and the pressing needs of our various communities. This "matchmaker" focus met Collin's hedgehog charge it was something that Outreach could be first, passionate about; second, world class; and third drive a sufficient return on investment. As a result, much of our disciplined thinking and actions over the past year have concentrated on how to refine our hedgehog concept and ensure that our decisions aligned with this precept.

The book stressed that long-term successful organizations found that getting the right people in the right seats on the bus was THE absolute most important element in moving from good to great. As a result, this past year has led to the creation of many new positions within Outreach and moving a number of our colleagues into new roles in the Outreach organization. This will continue as we refine our team. The Outreach focus on people will be further solidified with the filling of our new Training and Professional Development Manager position and the development of a complement of training programs. Outreach also has set about the difficult job of confronting the brutal facts-knowing what absolutely must not change (our core), and then changing and improving everything else. In the spring, Janet Conner will take on the responsibility with Jeff Smith to develop a system to monitor our key metrics to ensure that we consider our future actions based on facts not anecdotal comments.

Building on our hedgehog concept, Outreach has preserved our core and stimulated progress by using the strategic positioning teams to identify our focus. With a strategic action plan in-hand, the three thematic initiatives identified by the teams-K-12 education, health care, and economic and workforce development-have allowed us to set our Outreach flywheel in motion. Through disciplined people and disciplined thought, we are seeing disciplined action take hold. I believe Outreach is well on the way to becoming a built-for-change, built-to-last organization.

Motivated by his *Good to Great* findings, Jim Collins is now working to extend his research to the social sector, including public education. Collins maintains that we still need to learn more about the application of *Good to Great* ideas in the education sector, which he feels is much more complex than the corporate sector. But in his research and writing, Collins is steadfast in affirming that every institution, whether profit or nonprofit, must answer the question: what should change and what should never change? As with the *Built to Last* companies, the successful nonprofit organization must distinguish between enduring core values and operating practices. This may be particularly challenging for social sector organizations.

One of Collins' observations concerning the social sector is the great difficulty in saying no. Because we are in the business of doing good, it is sometimes a daunting challenge to decide what to *stop* doing. Yet Collins underscores how crucial it is for effective social

institutions to say no to the "inappropriate-for-our-organization" opportunities to do good. As Outreach advances and integrates the tenets of the *Built to Last* and *Good to Great* organizations, I look forward to gaining more insight into these principles as applied to higher education.

I have often noted how lucky we are in Outreach to have people who are passionate about what we do and how we transform lives. In his work in the nonprofit sector, Collins has pointed out that the education sector has a great advantage over the for-profit companies: "I have yet to meet anyone who said they went into public education for the stock options. It is by and large a field that attracts people who are in it for the cause" I agree wholeheartedly with Collins. Outreach is fortunate to have faculty and staff who care about our mission and the lives of those we touch. Let me give you just one example of how passionate Outreach employees are about their work.

Recently the first round of scholarships made possible through the World Campus Student Fund has recently been awarded. This annual Fund is supported entirely by gifts from staff and faculty and provides another financial aid avenue for our adult part-time learners who have demonstrated need. The first recipients include a single mother, two incarcerated students, and a missionary in Africa. The Fund is a wonderful example of the generosity of our Outreach family and demonstrates how our work clearly attracts those who are "in it for the cause."

Have a wonderful holiday and be sure to enjoy the break to the fullest, the absolute fullest.

Craig

"We make a living by what we get, we make a life by what we give."

-- Sir Winston Churchill

"I am officially the world's happiest human..."

John Carfagno, Outreach Marketing and Communications on the birth of his new baby girl, Molly last week.