

Demystifying Ends

Presented by:

Nina Johnson

and

Michael Healy

Chapter 1

Governance = Accountability and Empowerment

Chapter 2

Understanding Ends and their Role in Policy Governance

Chapter 3

How to Write an Effective and Compelling Ends Policy

Chapter 4

Effective Ends Policies: “Before and After” stories

Chapter 5

Summary and Resources

Chapter 1

Governance = Accountability and Empowerment

Accountability and Empowerment Chain

Member-Owners



Board



General Manager



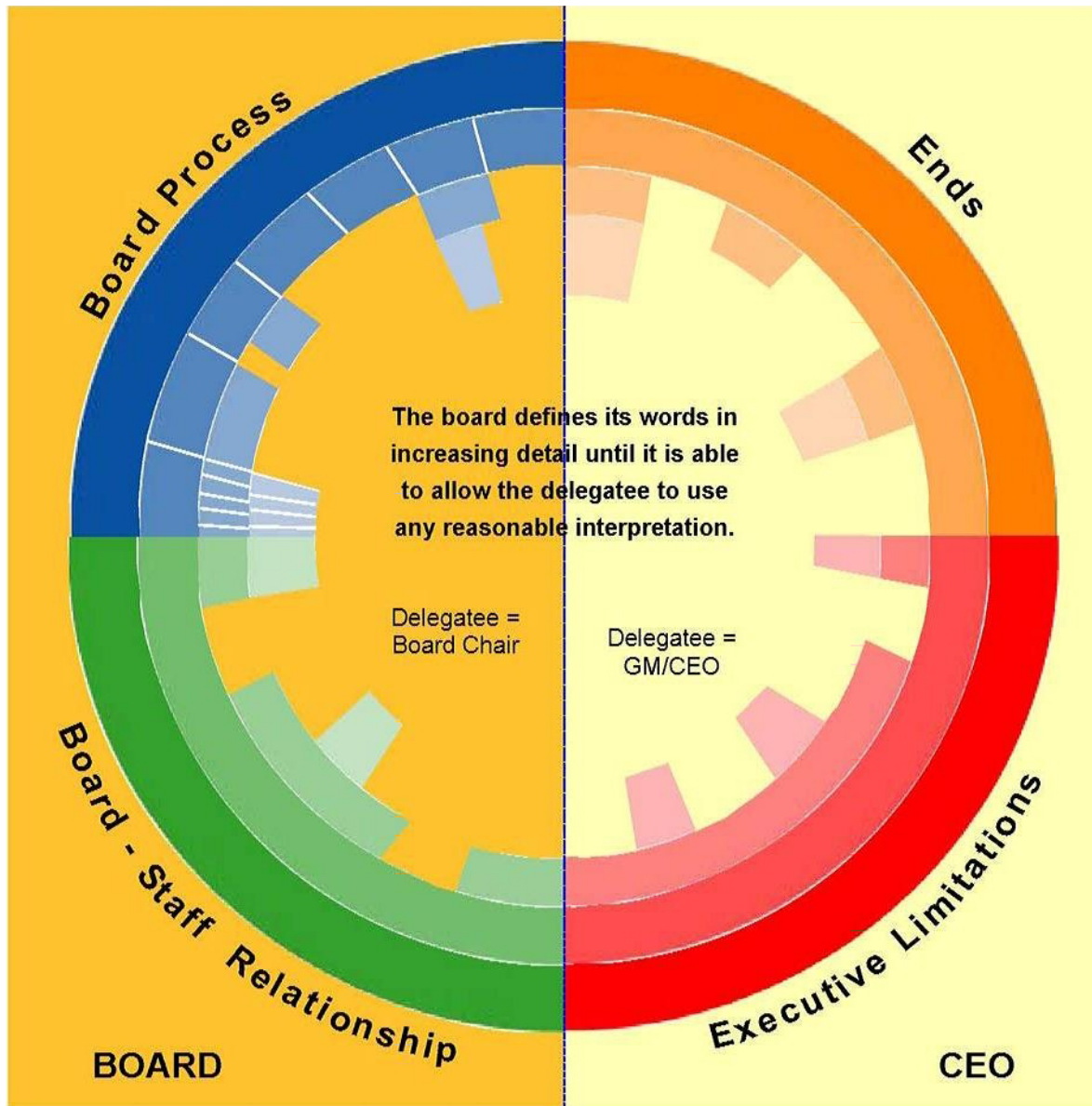
Staff

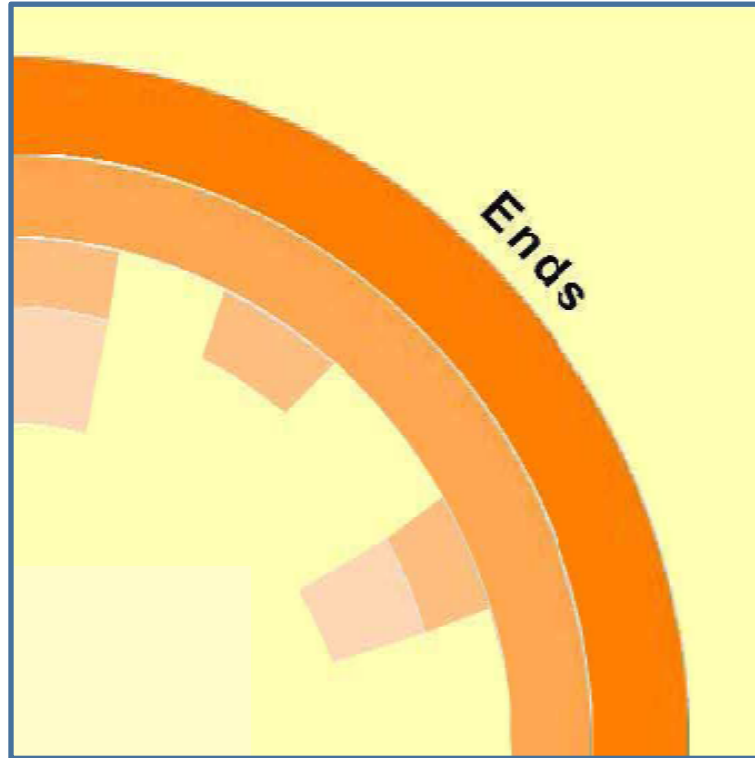
empowerment

accountability

Chapter 2

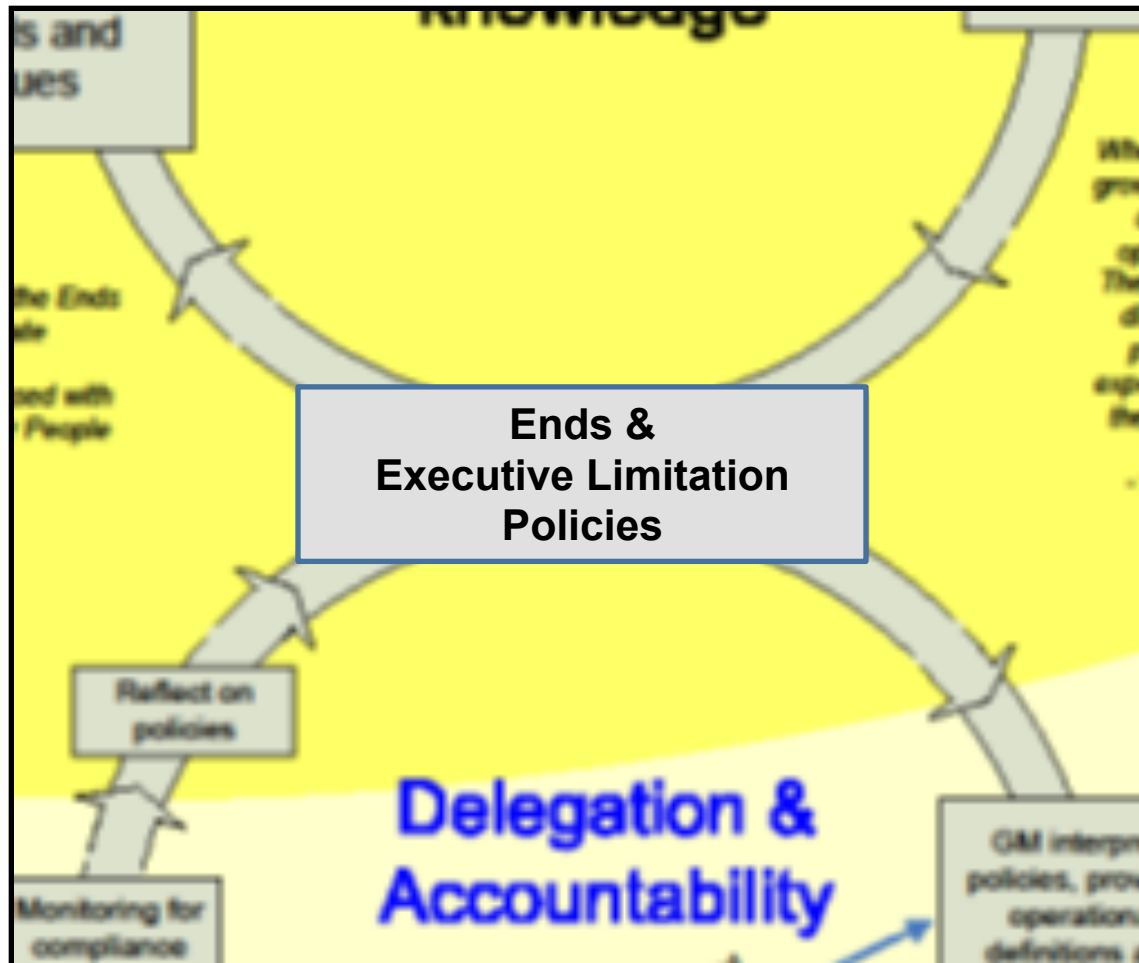
Understanding Ends and their role in Policy Governance





Board Leadership





Policies are an important communication tool for Board and GM



So, what *are* Ends?

Means Decisions

– How

Ends Decisions

– Why

So, what *are* Ends?

“...all decisions about the differences, results, or outcomes to be created by the organization in the lives of the intended beneficiaries.”

—John Carver

Ends Policy “Recipe”

Ingredients:

- **What results**
- **For whom**

Season to taste:

- **At what relative worth
or priority**

So, what *are* Ends?

“Because Ends describe the organizations purpose in terms of outcomes, recipients, and relative worth, their accomplishment justifies the existence of the organization. Nothing else does.”

—John Carver


So, what *are* Ends?

How is Ends Policy different from a Mission Statement?

Chapter 3

How to write an effective and compelling Ends Policy

Chapter 3: Writing Ends Policies

 When to write (or re-write) policy

 “Ends” vs. “Ends Policies”

 Drafting language

 Checking your work

When is it time to write a new policy?

- No Ends policy
- Not specifying “What results? For whom?”
- You’ve learned from (3-10?) years of
 - successful monitoring
 - ongoing board education



“Ends” vs. “Ends Policies”



Writing policy is the Board's job

- ❑ Include others in ongoing education as desired or needed
 - Member-owners
 - Key co-op managers
 - Community members and leaders
- ❑ Do not include others in writing or “approving” policies.
 - Except: Make sure your GM is included in the drafting process so you know the policy makes sense from his/her perspective.



The “demystified” process

- ❶ The board writes the policy
 - Make sure it clearly answers the Ends questions
- ❷ Give the policy to your manager
 - Delegate responsibility!
- ❸ Wait!
 - Give your manager and staff time to implement and gather information about the policy’s goals
 - In the meantime, you’ve got other work to do...
- ❹ Learn from the monitoring report

If crafting policy from scratch...

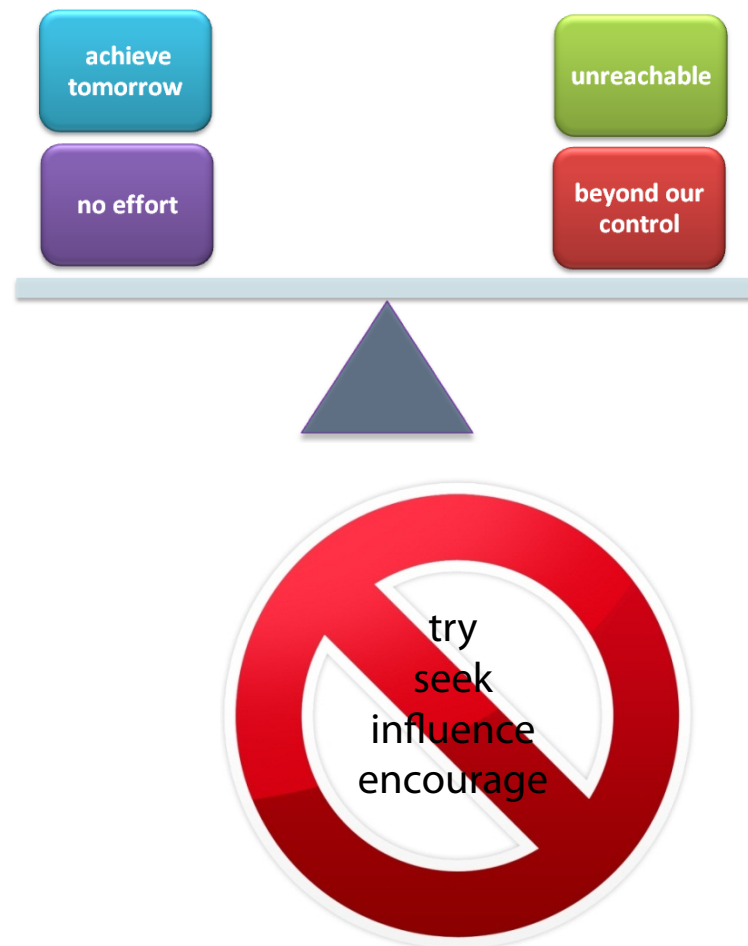


If starting from existing policy or mission/vision/values statement ...



What a useful Ends policy will look like:

- ❑ “Ends policies, while they should be ambitious and long-term in perspective, have to actually be possible.” - Carver
 - Fixing the whole world is not an End.
- ❑ Specifically address what benefit for which people
- ❑ Avoid words like *try*, *seek*, *influence*, *encourage*, etc.
- ❑ Keep it brief and succinct, not descriptive
- ❑ Clearly expressing what the Board expects the GM to be accountable for.
 - The audience is the GM, not the public.



The Board decides

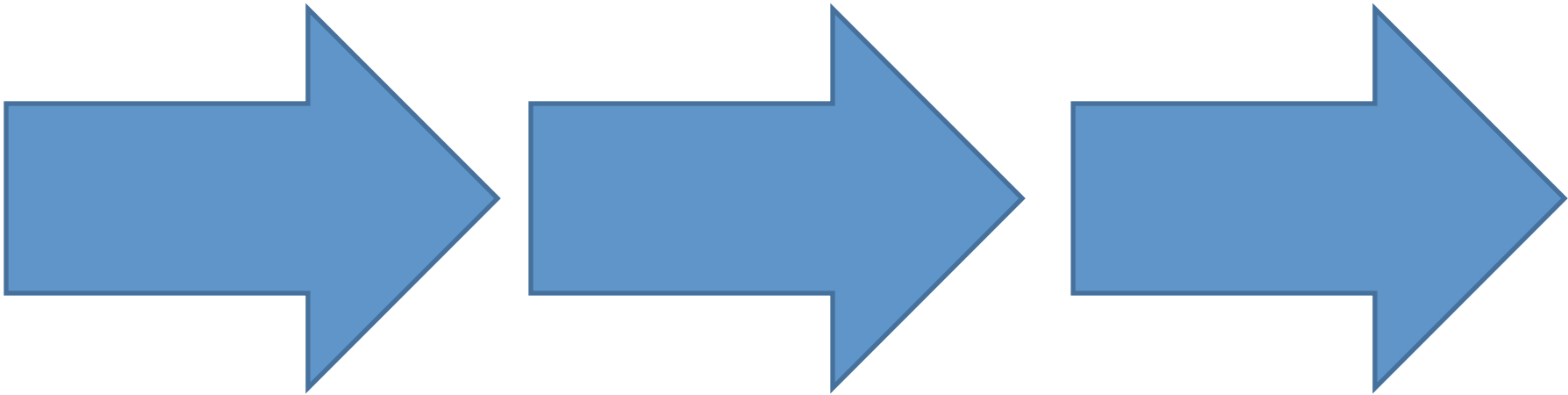
- ❶ The full Board reviews and responds to the draft.
- ❷ Avoid group word-smithing or editing
 - Too many “voices” can quickly transform clear language into muddled policy.
 - Let your one skilled writer incorporate the feedback into further drafts.
- ❸ The full Board adopts the final product.

What about mission statements, etc?

- ❏ Distinguish between PR documents and policies that guide the GM.
- ❏ Typically, the Board delegates responsibility for public relations (marketing) to the GM.
 - If the co-op needs a public mission statement, the GM (operations) can craft one that is aligned with Board policy.
- ❏ Ends policies can be used in place of mission statements. Just remember:
 - That is not their primary role
 - Don't try to write them with this use in mind
- ❏ If the Board wants to have a board-level agreement about values/vision, this belongs in your governance process policy agreements.

Coming up in Chapter 4...

 Two stories from co-op boards who have “demystified” their Ends.



Chapter 4

Effective Ends Policies: Before & After

Chapter 4: Two co-op stories



Sacramento



- ❶ From a draft policy based on mission and vision statements...
- ❷ To a new draft using Ends language...
- ❸ To a focused Ends Policy.

SNFC **DRAFT** Ends Policy

The Sacramento Natural Foods Co-op exists to be a trusted source of natural foods and products, and a reliable resource for consumer information. Our vision is to provide the benefits of natural foods and products, economic cooperation, and sustainable practices to as many people as possible in the communities we serve, including our owners, staff, customers, and area food producers and consumers.

To these ends we strive to:

- Provide a broad selection of products at fair prices.
- Provide excellent customer service and consumer education.
- Succeed as a sustainable business that reaches as many people as possible.
- Be a great workplace.
- Model sustainable environmental practices in our business and in the community.
- Encourage owner involvement in decision making and governance.
- Honor the earth and cultivate the Co-op's relationships with the communities we serve and with the broader network of farmers, suppliers, manufacturers and cooperatives.

The values by which we operate are:

- Cooperation
 - We work together.
 - We strive to reach reasonable and mutually beneficial outcomes.
 - We make decisions based on the common interest of owners.
- Sustainable Practices
 - We operate as a sustainable business.
 - We respect the natural environment and act to preserve it accordingly.
 - We work toward a sustainable community and a fair and just society.
- Support for Healthy Choices
 - We provide healthful products.
 - We provide information about healthy choices
 - We respect diverse opinions about what is healthy.
- Belief in Cooperative Economics
 - We have voluntary and open ownership.
 - We encourage owner involvement.
 - Each owner has one vote.
 - Owner financial return is proportionate to patronage.
- Open, Honest and Trustworthy Business Practices
 - We are ethical in our business practices.
 - We encourage healthy debate.
 - We respect and invest in the professionalism of our staff.

SNFC **DRAFT** Ends Policy

The Sacramento Natural Foods Co-op exists to be a trusted source of natural foods and products, and a reliable resource for consumer information. Our vision is to provide the benefits of natural foods and products, economic cooperation, and sustainable practices to as many people as possible in the communities we serve, including our owners, staff, customers, and area food producers and consumers.

To these ends we strive to:

- Provide a broad selection of products at fair prices.
- Provide excellent customer service and consumer education.
- Succeed as a sustainable business that reaches as many people as possible.
- Be a great workplace.
- Model sustainable environmental practices in our business and in the community.
- Encourage owner involvement in decision making and governance.
- Honor the earth and cultivate the Co-op's relationships with the communities we serve and with the broader network of farmers, suppliers, manufacturers and cooperatives.

The values by which we operate are:

- Cooperation
 - We work together.
 - We strive to reach reasonable and mutually beneficial outcomes.
 - We make decisions based on the common interest of owners.
- Sustainable Practices
 - We operate as a sustainable business.
 - We respect the natural environment and act to preserve it accordingly.
 - We work toward a sustainable community and a fair and just society.
- Support for Healthy Choices
 - We provide healthful products.
 - We provide information about healthy choices
 - We respect diverse opinions about what is healthy.
- Belief in Cooperative Economics
 - We have voluntary and open ownership.
 - We encourage owner involvement.
 - Each owner has one vote.
 - Owner financial return is proportionate to patronage.
- Open, Honest and Trustworthy Business Practices
 - We are ethical in our business practices.
 - We encourage healthy debate.
 - We respect and invest in the professionalism of our staff.

The next draft...

- The Sacramento Natural Foods Co-op exists so that our community, including owners, employees, customers and food producers, has
 - A successful business cooperative, owned and used by as many people as possible
 - Access to a broad selection of fairly-priced, healthy and natural foods and products
 - Educational resources about cooperation, health, food and consumer issues
 - A model for sustainable environmental practices

The final (current) policy...

- The Sacramento Natural Foods Co-op exists so that our community has
 - A trusted cooperative enterprise and association owned and utilized by as many people as possible
 - Access to a broad selection of fairly-priced, organically grown foods and products that support healthy choices from a local network of farmers, suppliers, manufacturers and cooperatives
 - Educational resources about cooperatives, health, food and consumer issues
 - A model for cooperative and sustainable environmental practices

One director's perspective



 Sonny Eboigbe, Vice President

 The impact of this work

- Board is more focused and the GM has clearer direction
- Confident the board and GM will see a difference over time
- Reports should be more focused

 Continuous improvement, not perfection

- Whether a meeting agenda or a policy, focusing on what's important helps us move forward
- Learning from others and from our own experience
- Keep building on what you know

Bloomingfoods



Starting from scratch...

- Leaving behind an initial “mission statement” style policy
- Incorporating several years of board education

Using the kj technique at a board retreat...

To craft a new focused Ends Policy.

The starting place...

- ❶ A “mission statement” style policy
 - BCS encourages a healthy, local, national and global environment by operating sustainable (environmentally, economically, socially equitable) businesses which provide wholesome options to our members and community.
- ❷ Board Education
 - Local economy
 - Local and regional food systems
 - Co-op expansion

Using the kj or affinity diagram



One director's perspective



- ❶ Donna Stroup
 - Past president, current director
- ❷ Changing Ends policy was part of a larger commitment to clarifying all policies
- ❸ We'd begun getting more data-based limitations reports; became hungry for more ends-related data
 - Now Ends report is full of relevant data
- ❹ “A journey of discovery” for board and GM
 - This was one aspect of a longer conversation about policy, monitoring, overall board-GM relationship
- ❺ We think and talk differently now. Not just because of new policy, but because new policy was part of our commitment to build alignment between board and GM.

A manager's perspective...



- ❏ George Huntington, GM
- ❏ This is only 2nd year with new policy, so it may be too soon to draw big conclusions. Still... conversations seem substantively better
- ❏ Primary value in crafting new policy was the participatory process
 - Directors and GM together created something all understand and believe in
- ❏ Creating ongoing alignment through conversation about interpretations and the report data
- ❏ Related epiphanies:
 - Involve other managers in interpreting
 - Share Ends policy and report with all staff
 - Interpretation plus hard data provides a way to tell what seemed true intuitively
- ❏ The process, along with clear policy and reporting, “helps the organization row together in the same direction”

The current policy...

- ❶ Because of BCS, people in Bloomington and South Central Indiana will have
 - A market for local, organic and healthy products, meeting the needs of consumers and producers
 - Increased cooperative ownership that strengthens the local economy and community
 - A model of sustainable, profitable business
 - An increased understanding of the local food system and its importance

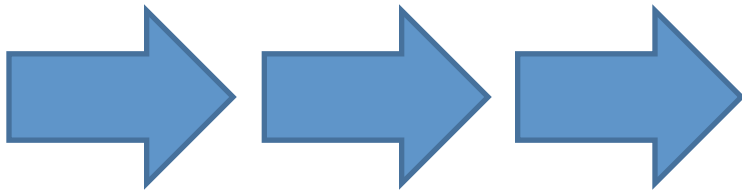
What worked for these boards?



Coming up in Chapter 5...

 Summary

 Resources for further exploration



Chapter 5

Summary & Resources

Make the system work for you

- ❶ ...don't make yourselves work for the system!
- ❷ Remember that whatever system you use is intended as a **tool**- make it useful to you.

Keep this work in its proper context

- ❶ Ends policies are a way for the board to communicate to the GM.
- ❷ In these policies, simply define what benefits various people should receive from the co-op.
- ❸ The GM then knows what he/she is accountable for – and what to *plan for*.

Writing Ends

An occasional task

- Most of the “tweaking” takes place within operations as GM and staff figure out how to accomplish the Ends and how to measure for success

A simple task

- As long as writing is separate from ongoing learning about
 - what’s happening
 - what’s actually possible
 - our member-owners’ needs and aspirations

Policy is part of a larger whole

- ❶ Empowerment begins with clear policy
- ❶ The *purpose* defined in the Ends provides a foundation for operational decisions, plans and activities.
- ❶ Reports about Ends accomplishment (or progress) provide a foundation for
 - further planning
 - data-based board decision-making
 - communication to members and community about the difference your co-op is making!

Resources

- ❶ CBLD Library: <http://cdsconsulting.coop/cbldlibrary> Field Guides:
 - Including members in the Ends dialogue
 - Acting on Ends Reports
 - Policy Governance FAQ
 - Writing Ends Policies
- ❶ Cooperative Grocer articles: <http://www.cooperativegrocer.coop/>
 - Gessner, Bill. “The Co-op Empowerment Stream,” Mar-Apr, 1996
 - Goehring, Mark. “Taking Policy Governance to Heart,” Mar-Apr 2009
 - Healy, Michael. “Measuring Ends, Telling Our Story,” Mar-Apr, 2012
 - Scholl, Marilyn. “The Board Role in the Accountability Stream,” May-Jun 2007
- ❶ Carver, John, and Miriam Carver. *Ends and the Ownership*. San Francisco: Jossey-Bass, 2009.
- ❶ Spool, Jared M. “The KJ-Technique: A Group Process for Establishing Priorities.”
www.uie.com/articles/kj_technique