



WRITING ENDS POLICIES



By Todd Wallace and Joel Kopischke

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Ends Policies

Where we are headed matters. If we don't know where we are going any road will do. A primary responsibility of a board is to define the reason for the organization's existence. What are we here for? What should be different because we exist? For whom?

For a board that uses Policy Governance®, Ends are written policies which define a) **results, outcomes or benefits** that, as a result of all the work done by the organization, should occur for b) **specific recipients or beneficiaries**, at c) a **certain cost or relative priority** for the various results or the various beneficiaries.

These outcomes form the organization's purpose, or reason for existence (though they might not be all inclusive of the positive outcomes which could result from the organization's work). Success for the organization equals achieving these outcomes.

From a strategic perspective, the Ends policies *should be meaningful and clear enough to provide long-term direction for the management to plan and work towards.*



Guidelines for Writing Ends Policies

1. Ends have three main components:
 - a. The Outcome, Results, or Benefits produced by the organization (What impact do we want to have?)
 - b. A specific population (the recipients) who benefit from the stated outcome (For whom?)
 - c. An expression of the Cost or Worth of the Outcome (At what cost? Or In what priority?)

Note: For food co-ops it is often more important to clearly articulate the desired Outcomes & the Recipient(s). (See #4 below for more on cost/worth)

EXAMPLES of a global Ends policy (without Cost or Value):

XYZ Food Co-op exists so that our community has a thriving, local economy
"our community" = the recipient
"a thriving, local economy" = the outcome

XYZ Food Co-op exists so that our member-owners needs for local, healthy and organic food are met
"our member-owners" - the recipient
"needs are met" - the outcome



2. Some important factors to consider when writing Ends:
 - a. Ends are written to communicate organizational expectations from the board to the management. They are not written to be marketing documents or public relations tools.
 - b. Remember the principle, "Policies come in sizes, from the broad to the specific." Start broadly with the organization's outcomes and be more specific as needed.
 - c. To know if more specificity is required, "test the range of response" by imagining the range of *reasonable* responses to the policy, and then asking yourself if you could accept any of these. If the answer is "NO" than you may need to be more specific.
 - d. They should be achievable outcomes (not so broad or impossible as to be meaningless).
 - e. They should be ambitious outcomes (not so easy that they could be achieved quickly with little chance of failure).
 - Depending on the specific outcome, the phrase "access to" may or may not set the bar high enough. For example, providing access to information is a much lower bar than creating an educated population.
 - f. Strive for an economy of words.
 - g. Accurate & clear is more important than aesthetically pleasing.

- h. Make sure that the global policy is inclusive of all of the sub parts.



- 3. Beware of the following difficulties that tend to arise:
 - a. Avoid the temptation to include operational "means" when defining the organizational "Ends." Think of the Ends as the "destination," not "the car, or bicycle, or train."
 - Writing tip: "XYZ exists to..." often results in means language; "XYZ exists so that..." is more conducive to getting results-oriented language
 - b. Pay close attention to the use of verbs as these often represent activities and not the eventual outcome to be achieved (the recipient should be the subject).
 - c. Pay close attention to words that describe "effort" (support, endeavor, etc.) as these are often means. Consider the difference between the phrases: "Our co-op will SUPPORT member-owner education" vs. Our co-op will HAVE knowledgeable, educated member-owners."
 - d. Avoid process words (education, preparation, etc.) vs. outcome words (knowledge, preparedness, etc.)
 - e. Avoid agonizing over the words. Use the language you want, but remember that the policies will be interpreted by management.
 - f. Avoid agonizing over how difficult it will be to measure the outcome. It is far preferable to have an imprecise measurement of a meaningful outcome, than to have an exact measurement of a less meaningful one.



- 4. Expressing the Cost or Worth in the Ends Policy: An Interesting Situation for Co-ops:

The articulation of cost or worth of the Ends is a key item for non-profits and governmental organizations because they exist in a more muted market reality than a for-profit enterprise. To counteract this murky sense of market judgment, these organizations will often include very specific expressions of cost in their Ends policies.

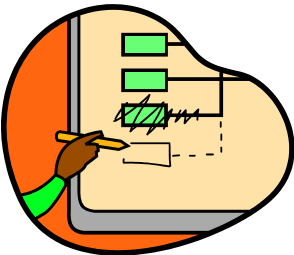
Co-ops, due to their dual identity as both member associations and business enterprises, exist in a context that is much closer to their for-profit brethren, at least in this regard. *It is not uncommon, for this reason, for co-ops to avoid explicitly articulating the cost or worth element in their Ends statement leaving the interpretation to management.*

When a co-op doesn't explicitly articulate cost or worth in its Ends policy, it is understood and implied that the worth or cost of organizational outcomes is directly impacted by the stark judgment of the marketplace, and thus in the continued health of the business. Executive limitations policies that control for fiscal health (financial condition, asset protection, and planning and budgeting) fulfill the need for board authority in this matter. This approach can work well for many co-ops' Ends policies.

In the case of a co-op board desiring to make a more explicit expression of worth and/or cost in their Ends policies, it generally happens in one of two (less common) ways:

- a. Worth is expressed in a general, grand (and arguably rhetorical) statement related to value/efficiency. For example:
 - "Our member-owners will have x, y, and z, at a worth equal to/commensurate with the cost of a member-owner share."
 - "The community will have x, y, and z, at a worth sufficient to justify the cost."
- b. Cost or worth is expressed by the prioritization of various outcomes, or some other constraint is applied to Ends accomplishment. For example:
 - "Our member-owners will have x. That is the highest priority." (It's worth noting that if the board does not define the relative priority of the various Ends, then that task is delegated to the co-op's management and they will determine the priority).
 - "The community will have x, at a cost not to exceed 20% of the annual budget" or "...at a cost not to exceed \$1M."

A Process for Writing Ends Policies



A sound process for writing Ends policies includes time taken to generate, categorize, and prioritize ideas with the *top leadership team* (board and management). Then, to avoid the torture of large group writing, a smaller sub-group or individual should take that work and distill it into the desired draft language (using the guidelines above) and bring it back to the board for adjustment and eventual adoption as policy. Broken down into steps, the process might look like this:

- 1) Block off a large chunk of time (2-4 hours minimum) to focus only on Ends policy development. Gather your board and GM and others as desired, clearly explaining your overall goal and process. (**Desired Outcome: Clarity of the group's purpose and process.**)
- 2) Ideally, have an outside facilitator lead an activity that encourages the board to explore the ways that the co-op will impact the lives of its owners, its community, and the world. Build a list of these outcomes. (**Desired Outcome: Build a list.**)
- 3) After gathering a wide-range of ideas, categorize and prioritize the list. Group similar concepts then identify highest priorities. (**Desired Outcome: A list that has been organized by category and priority.**)
- 4) Once the top preferences are determined, hand the results of your work to a smaller group or individual to process the most important ideas into clear and concise statements indicating Results and Recipients. (**Desired Outcome: A draft version of the Ends Policy**)
- 5) Bring this draft back to the board for feedback and eventual approval using the board's decision-making process. (**Desired Outcome: Board approved Ends Policy**)



Evaluating the Ends Policies

Over time, as the board monitors the management's accomplishment of the organization's Ends (part of its fiduciary responsibility to ensure the health of the organization and its mission) it may also choose to evaluate the Ends policies themselves. This should happen at a reasonable frequency. If the Ends change too often this could disrupt the management's ability to plan effectively and make meaningful progress. If it never happens, the organization could risk becoming irrelevant.

Three factors come to mind when asking the broad question, "do we have the Ends policies that we want?"

They are: **clarity and internal consistency** ("internal" meaning within the context of the board's other policies), **organizational relevancy**, and **practical and strategic functionality** (as direction-setting outcomes).

In other words, based on what we now know from several Ends reporting cycles, knowledge-building, strategic conversations, etc:

- 1) Are our current Ends clearly and efficiently presented? Do they make sense (based on our understanding of the technical definition of an ends policy)? Is there redundancy (within the policy itself, or in relation to the board's other policies) that should be trimmed or components that need further definition or expansion?

- 2) Have we learned anything new about our world or our stakeholders' needs that has an impact on our organization's Ends? Will our Ends policies continue to be relevant to our organization and its stakeholders? Will they still reflect meaningful needs met or benefits produced on behalf of our member-owners?
- 3) Do our Ends function as meaningful outcomes that set the desired long-term direction of our organization? If not, why not? Do they consider long-term issues, topics and trends relevant to our industry sector? Do they give our co-op a strategic advantage in the marketplace?



Additional Resources

CBLD LIBRARY: <http://cdsconsulting.coop/cbldlibrary>

Field Guides

- Including Members in the Ends dialogue
- Acting on Ends Reports
- Policy Governance FAQ

Online Recorded Workshops

- De-Mystifying Ends

COOPERATIVE GROCER: <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

OTHER:

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Carver, John, and Miriam Carver. *Reinventing Your Board: A Step-By-Step Guide to Implementing Policy Governance*. San Francisco: Jossey-Bass, 2006.

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