

URL: <https://stvp.stanford.edu/clips/no-incentive-to-change>

Nonprofits frequently do not have the external drivers necessary to cause required change, says Moore Foundation President Steven McCormick. Sharing a story from a colleague, McCormick illustrates how organizations differ when driven by internal versus external concerns.



## Transcript

When you think about it, foundations have no incentive to change.. There are no external influences that drive a for profit, to respond to changes in customer tastes or demand, supply chain perturbations, no external influences that drive a non-profit organization to think about how its soliciting or recruiting support and none of the external influences in the form save of legislature that a government agency has to deal with to make sure they get an appropriation every year.. No external drivers that impose that sense of urgency and a need to change.. I was talking with a consultant not long ago, who is very well known for his engagement with big business actually in driving strategy very fast in a rapidly changing external environment.. And I've heard him speak and I admire him enormously, I've read his books and I said, yeah, I'd love to have you come help me think about how I could position our foundation not as a grant maker, foundation that make grants as like this grant making machine, but as a change maker.. And using all the assets of our enterprise - our name, the connections we have, the ability to move fast, the ability to stay with things for a long time, I would love to have you help me position this foundation as like a whole new concept of philanthropy.. He said, you know I've worked with foundations and I'm not going to do it anymore because they don't want a change.. So when I go to work with the CEO at a company, large or small, I ask them what are the three, maybe, five things that you worry about in the next five years that could really disrupt your business.. And they start there and then they work off of that and start thinking about, okay, looking ahead to have foresight to come back to insight so they can take action.. He said foundations like - I ask him what they're worried about and it's like job security..

Its internal things that they're concerned about...