

# Dollars & Sense...



## ABOUT THE AUTHOR...

### LARRY JOHNSTON

Larry has spent over 40 years working on behalf of non-profit organizations. A well-known development and organization development consultant, coach, and mentor, he holds an M.A. degree in Organization Development and a Ph.D. in Human and Organizational Systems from the Fielding Graduate University.

Being passionate about “transformational development,” Larry’s doctoral research resulted in the creation of Donor Value Mapping® -- a research process to help organizations increase donor satisfaction, loyalty, and lifetime value.

Having consulted internationally with clients in Canada, Europe, and Latin America, he has a special interest in fundraising, strategic management, and organizational health and effectiveness. In addition to helping design and build sustainable, high-performance development programs, much of his work entails equipping leaders and managers to successfully manage organizational change. Larry and his wife Rebecca live in Colorado Springs, Colorado.



## Managing the Moments of Truth

by Larry F. Johnston, Ph.D.

In a world of hourly shocking headlines, here’s an admittedly un-shocking truth: the field of development isn’t overrun with philosophy majors.

You see, by and large, development folks are generally activists at heart. That means most of them *won’t* fit the definition of a conservative that I love: “Someone who sits and thinks, but mainly sits.”

I won’t bore the philosophically disinclined with nuanced distinctions between all the various flavors of correspondence and constructivist epistemologies. That would understandably be a cause for great yawns. But in a nutshell, the correspondence crowd generally believes that “truth” exists as a sort of monolithic “given,” an external “objective” reality entirely independent of our perception.

Constructivists rightly recognize that *all* reality outlooks to varying degrees are “constructed” and thus they’re generally less inclined to confuse the map with the territory, the symbol with the reality.

What’s the relevance? Simply that from the perspective of your stakeholders, there is no such thing as *the* reality of your organization.

Instead, there is only the highly subjective mental *image* your stakeholders have of your organization and its work, and this image is simply the cumulative sum of all the impressions they have been exposed to, along with the ways these have been mentally (and idiosyncratically) processed, stored, and recollected.

In other words, “moments of truth” matter. What exactly are moments of truth? They are all the impressions stakeholders have of your organization along with the “service encounters” they experience as they interact with you.

That’s why for many years I’ve advocated an understanding of the “image bank,” exhorting staff from nonprofit organizations to recognize that *every* contact with donors and other stakeholders either makes a deposit in their image bank (a good thing), or a withdrawal

(something to strenuously avoid).

Albrecht and Zemke, in their book, *Instilling a Service Mentality: Like Teaching an Elephant to Dance*, make a point that all of us would do well to grasp:

***“From many of our everyday experiences...we can draw a fairly mundane conclusion, one that we believe can be stated as an out-and-out principle of service management: When moments of truth go unmanaged, the quality of service regresses to mediocrity”***

Although a great many nonprofit leaders and managers have yet to fully awaken to the significance of these moments of truth and the impact they have on an organization’s brand, here’s something worth pondering: The quality of *service* your organization provides to stakeholders -- along with the quality of myriad *impressions* your organization and staff make on them day-in and day-out -- will increasingly determine your future.

It’s sobering to recall that your stakeholders have *lots* of choices in a fiercely competitive environment. With limited resources, many donors are alert to opportunities to discontinue or reduce support when organ-

izations fail to measure up to expectations.

It’s also prudent to recall that moments of truth aren’t just about the big things. They include the way phone calls are handled, how timely and accurate receipts are, salutations on letters, and a host of other seemingly “minor” details.

With this in mind, here’s a question worthy of serious reflection:

***Have you mapped and are you proactively managing the moments of truth that define your organization in the hearts and minds of shareholders?***

If not, perhaps no need to panic yet. Many of your competitors aren’t either.

But still, I wouldn’t wait too long. The competition is awakening. Some much faster than others.

And as the title of one business book vividly puts it, “It’s not the big that eat the small. It’s the fast that eat the slow.”

McConkey • Johnston has had the privilege of helping leading Christian organizations to become bigger and better for nearly four decades. How might we help you?