

Goodwill Industries

The greater San Francisco Bay Area is one of the fastest-growing areas in the U.S. However, an influx of immigrants, the high cost of living, and a steadily declining job market has impacted many individuals' and families' ability to thrive in the nation's fifth-largest metropolitan area.

Not surprisingly, Goodwill Industries of the Greater East Bay, a non-profit agency that offers job training, employment experience, and life skills development to disadvantaged and disabled individuals, expanded significantly between 1999 and 2003. To ensure that the agency was providing the best possible service to the community, its board of directors decided to create a five-year strategic plan.

By assessing the needs of the community and Goodwill's operations, Next Step established clear goals for the plan.

To improve communications and understanding between staff, management, and the board, the Next Step team facilitated seven- to ten-person groups that defined what it would take to achieve corporate objectives.

Growth Starts with a Strategic Plan

After an extensive search, the board chose Next Step to create the new plan. Its decision was based on Next Step's practical, collaborative approach, breadth of services, and dedication to Goodwill's success.

By assessing the needs of the community and Goodwill's operations as a whole, Next Step established clear goals for the plan. To improve communications and understanding between staff, management, and the board, the Next Step team facilitated seven- to ten-person groups that defined what it would take to achieve corporate objectives.

This process took six months and culminated in a day-long retreat attended by staff, management, and the board. The retreat enabled discussion, buy-in, and assignment of the accountabilities necessary to drive this challenging, comprehensive plan for growth.

"This was an amazing growth process for our organization. By working closely together through Next Step's process and with their consultants' excellent facilitation, the result is a more dedicated team within Goodwill, a more committed board AND a comprehensive plan for growth."

John Lindstedt, Goodwill Chairman of the Board

Successful Implementation Requires Action

Management next developed business plans to drive implementation and achievement of key objectives within six months after approval of the strategic plan. Next Step facilitated completion of these plans and board approval.

Challenges arose when the plans were presented to Goodwill's professional staff. Both the strategic and business plans required significant changes in business processes, operating procedures, and the performance of 75 professional staff members. These staffers were assigned more responsibility

and required to approach their work in new and different ways. Resistance was heard throughout the organization.

Managing Change Accelerates Growth

To deal effectively with resistance to change, Goodwill's vice president of retail operations recognized the need to better prepare professional staff for the next phase of growth.

Working closely with Goodwill's Workforce Development department, Next Step created a six-month training and development program. Its goal was to equip employees with the skills, practice, tools, and confidence needed to manage change, perform at a higher level, and accept responsibility for their growth and the agency's success.

The *Managing Change for Growth* series included a series of workshops, hands-on small group sessions, and pre- and post-workshop fieldwork in:

- Embracing change
- Communicating with impact
- Accountability and goal setting
- Delegation
- Teamwork
- Coaching

Program Results

Prior to the *Managing Change for Growth* program, many Goodwill employees had worked tactically to meet basic job requirements. Fear of change and lack of confidence often prevented them from taking on new challenges. After the initial six-month program, all 75 professional staff members acquired the skills they needed to achieve agency, department, and their own individual goals.

As a result of *Managing Change for Growth*, professional staff members understood the need for change and how they could successfully adapt their behaviors. The program provided practical techniques and tools to allow them to more fully embrace change and accept new responsibilities and accountabilities.

Managing Change for Growth has been so successful that it has become a part of Goodwill's management practices. The program is presented several times a year to more effectively integrate new hires into the organization.

"Within eight months of initiation of the program, there were very noticeable changes in behavior. Managers and employees were solving problems on their own, setting goals and holding one another accountable for their actions. The improvement in performance and engagement of all employees was quite astonishing."

Patricia Salmon, VP of Retail Operations.

Another result of *Managing Change for Growth* was that communication skills improved. Goodwill saw a new commitment to active listening and setting clear expectations. In addition, professional staff to delegate tasks, which enabled them to accomplish their goals more easily, and to develop their direct reports. Productivity increased across the organization.

According to Goodwill's Human Resources director, "Departments that previously were quite challenged working together collaborated on implementation of the strategic plan objectives. Overall, attitude has improved and less time is spent on problems than prior to the program."

Recruiting a CFO for the Expanding Financial Organization

As Goodwill continued to grow and focus on controlling costs, it needed to find a new Chief Financial Officer (CFO). Next Step's work on the strategic plan as well as its familiarity with the organization's many functional areas and its culture made the recruiting team's decision easy. Next Step was hired to identify and recruit the next generation of financial leadership at Goodwill.

Next Step identified the best outlets through which to attract potential candidates and conducted a detailed screening process, including interviews and assessments. Candidates were presented to the CEO, board Chair, and Director of Human Resources for final interviews. When a candidate was selected, Next Step negotiated the compensation and benefits package.

A highly qualified financial officer began work three months after Goodwill engaged Next Step. The new CFO brought proven financial controls and practices and significant non-profit experience the table. He hired new staff and energized the accounting department with skilled fiscal management and a community-driven outlook.

"Next Step provided us with a wide range of great candidates for this critical position. Their understanding of and commitment to support our organization really made a difference in this process."

John Latchford, CEO

Continuing Enhancement of Professional Skills

During its involvement with Next Step, Goodwill also saw a need to invest in professional development of director-level employees.

Next Step provided personalized, one-on-one coaching sessions to help these professionals become better managers and leaders. Coaching featured sessions that offered the following instruction:

- Advanced computer use
- Better memo-writing
- Improved time management
- More effective meetings

Next Step also worked with these employees to improve their project management skills. Coaching sessions taught them how to keep projects on track through improved communication with key stakeholders, the creation of schedules with timelines and milestones, and delegation of tasks.

Improving Retail Operations

Recognizing a need to continue to improve the operation of its stores, Goodwill's vice president of retail operations engaged Next Step to look at two key elements of retail operations: products and people.

Next Step created a brief presentation to store managers and operations leads that explained the business drivers of Goodwill's retail revenue. Our team also encouraged store managers to use one-on-ones to understand what motivates their direct reports—enabling them to link business and employees' personal objectives.

Within eight months of working with Next Step, the vice president of retail operations reported that an unprecedented 10 of 12 stores had achieved their individual plans, *an increase of 33%*. This executive also noted that she had successfully used Excel spreadsheets to demonstrate business results and that her staff meetings had become more effective and enjoyable. She now has a theme for each meeting. One month, for example, the theme was "The Price is Right," and store managers focused on getting the most from their merchandise.

Next Step has also provided one-on-one coaching, training, and skills development for newly promoted retail operations employees. Many of the employees have moved from store to area manager or from area manager to regional director. Next Step has helped them to develop the skills and confidence they need to tackle significantly increased responsibilities.

Project Management

During 2009 and 2010, Next step customized and facilitated a program designed to improve the project management skills of managers throughout Goodwill. This program is now part of Goodwill's employee development plan.

A Successful Partnership

In a growing operation that comprises some 240 employees and more than 50 stores, Next Step has been the go-to resource for integrated consulting and management programs. From strategic planning and implementation of departmental business plans through professional development training and recruitment, Next Step has facilitated true change at Goodwill. In recognition of the value Next Step has added to its operations, Goodwill recently engaged our team to assess its overall and retail personnel development programs.

About Next Step

Next Step, a global consultancy, has delivered revenue and digital business growth since 1998. Their 40 team members' hands-on commercial, digitalization and leadership expertise achieves real business results for Adobe, Autodesk, Avinor, Cisco, Google, LiveNation, Nevion, Opera Software, PaloAlto Networks, ShoreTel and Wilson Sonsini. For more information, visit Next Step at www.nextstepgrowth.com or call 1 650 361 1902 or (47) 902 30 982.