

1999 in Review



The Peter F. Drucker Foundation
for Nonprofit Management

“The 21st century will be the century of the social sector organization. The more economy, money, and information become *global*, the more *community* will matter. And only the social sector nonprofit organization performs in the community, exploits its opportunities, mobilizes its local resources, solves its problems. The leadership, competence, and management of the social sector nonprofit organization will thus largely determine the values, the vision, the cohesion, and the performance of the 21st century society.” **Peter F. Drucker**

The Peter F. Drucker Foundation for Nonprofit Management

Vision for the Foundation 2010

The Drucker Foundation will chart the future path for the social sector to become the equal partner of business and government in developing responsible leaders, caring citizens, and a healthy, inclusive society. The Foundation will bring the best leadership and management voices from across the world to people of the world with a focus on providing social sector organizations with the ideas and tools that enable them to better serve their customers and communities.

The Drucker Foundation will realize this vision by:

1 Spotighting social sector innovations and teaching the generic lessons of leadership and management to all three sectors.

2 Packaging knowledge and experience into tools for social sector leaders in critical areas such as: fund development, marketing, volunteer management, collaboration, self-assessment, innovation, and measuring results.

3 Focusing social sector leadership's attention on the customer's best interest as the sector consolidates, collaborates, and evolves into new organizational forms.

4 Persuading organizations to adopt the imperatives of collaboration, diversity, and working together as the means to realize their full potential.

5 Tracking the evolving state of social sector leadership, and communicating progress and the opportunities and challenges that lie ahead.

*Approved by the Board of Governors,
May 15, 2000*

Mission

To lead social sector organizations toward excellence in performance

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Message from the Board of Governors



Frances Hesselbein



Richard F. Schubert

The Vision 2010 of the Drucker Foundation and Peter F. Drucker's assessment of the role of the social sector organization in the performance of the 21st century society on the cover of this report are the best expression of the Foundation's philosophy, direction, and results in 1999.

From January to year's end, we worked across the three sectors, across our own country, and around the world, and every experience validated common leadership and management language that has become one of the most powerful influences of our Foundation. Leadership is leadership, management is management. The basic concepts are fundamental and generic to all three sectors, from the U.S. Army to the Salvation Army, from ServiceMaster to America's Promise. This common language is helping the public, private, and social sectors "lead beyond the walls" in a new openness—a new inclusiveness.

Highlights of 1999 included: co-hosting with Claremont University, Peter F. Drucker's 90th Birthday at the Getty Center in Los Angeles. Four hundred great leaders, old friends, Peter's family, former and present students—all of us who sit at Peter's feet—celebrated the achievements of ninety years, the contributions of the father of modern management, and the quality and character of the man. Peter's thirty-first book, *Management Challenges for the Twenty-First*

Century, was published in his ninetieth year.

Communicating the value of collaborations, alliances, and partnerships—for us a ten-year priority—was the motivation for our participation in the development of Dr. James E. Austin's *The Collaboration Challenge*. Chairman of the Harvard Business School's Initiative for Social Enterprise, Jim Austin developed the book following his presentation at the 1997 Drucker Foundation Fall conference and it was published early in 2000. His contribution brings a new level of engagement to our "leading beyond the walls" initiative.

A passionate focus since the beginning days, organizational self-assessment and the Drucker Foundation *Self-Assessment Tool*, reached more people in more locations in 1999. With the support of Target and the Foundation's self-assessment training team, over sixty self-assessment workshops were offered to more than 3,000 nonprofit leaders and facilitators.

The Drucker Foundation Web site welcomed more than 350,000 visitors and received four stars as "cool management" Web site. The Nonprofit Innovation Discovery site and the weekly Innovation of the Week email notice were launched.

International opportunities included presentations and visits to Mexico City, Oxford and

Ditchley Park in England, and Hong Kong. With telecasts, video transmissions, and Web site interaction, the Drucker Foundation and its thought leaders moved far beyond the old boundaries. Foundation publications are now in sixteen languages.

The Drucker Foundation publications continued to be a major endeavor, with our books, journal, *Self-Assessment Tool*, and video and audio tapes growing. In 1999 we published four issues of our journal *Leader to Leader*, a book collection of *Leader to Leader* articles, and a new book *Leading Beyond the Walls*.

In early January 2000 the *New York Times* published a column by Fred Andrews with the headline "Thinking Great Thoughts Without Great Money." The *Times* description was evocative of our "virtual foundation" in 1999—small staff, small Board, surrounded by over 200 great thought leaders. These leaders write for us, speak for us, and travel with us—all as their contribution to our mission and work. They and those we served made 1999 a very good year.

Frances Hesselbein

Frances Hesselbein

Chairman and Founding President

Richard F. Schubert

Richard F. Schubert

Vice Chairman

Honoring Nonprofit Achievement

The Drucker Foundation is pleased to spotlight the achievements of nonprofit organizations. Believing that good ideas can grow from recognizing the accomplishments of others, each year the Foundation presents the Peter F. Drucker Award for Nonprofit Innovation and selects Frances Hesselbein Community Innovation Fellows to call attention to exemplary programs and outstanding leaders.

Awarding Innovation

The first Drucker Award was presented in 1991 and in 1999, the Foundation received a total of 262 Award applications. As in the past, the 1999 Award



Left to right: David Beatty, Frances Hesselbein, and Geneva Johnson presenting the 1999 Drucker Award to California Emergency Foodlink's John Healy and Ward Allen.

winner received \$25,000 and a video about the program that the organization can use for fund development and promotion. The 1999 Peter F. Drucker Award for Nonprofit Innovation was presented to California Transportation Training Institute (CTTI), California Emergency Foodlink, which trains unemployed men and women to become licensed truck and bus drivers.

California Emergency Foodlink's mission is to find sensible solutions to hunger that effectively address its root causes: poverty and unemployment. CTTI serves a two-fold purpose: it expands California Emergency Foodlink's ability to pick up and distribute donated food throughout the state, and it helps people overcome the poverty that causes hunger by giving them skills and experience to find gainful employment in the transportation industry.

The program is a collaboration of the California Departments of Social Services, Youth Authority and Corrections, a local school district, and The International Brotherhood of Teamsters. Virtually all of the students at CTTI enter the class unemployed, many as welfare recipients, and two-thirds of the students are parolees. Since 1998, approximately 200 students have graduated and ninety-six percent have found employment, earning between ten and eighteen dollars an hour. The program's success at alleviating poverty and unemployment could easily be replicated in other communities.

Hesselbein Fellows Program

The Drucker Foundation's Board of Governors started the Hesselbein Fellows Program in 1996 to celebrate the innovative accomplishments of the Foundation's founding President and current Chairman. The program recognizes the accom-

Two Innovative Programs Awarded Special Recognition

California Emergency Foodlink received the 1999 Peter F. Drucker Award for Nonprofit Innovation. Two other organizations were cited for their innovative efforts. The Alaska Business Development Center (ABDC), in Anchorage, was recognized for its tax preparation and workshop program, the Volunteer Tax and Loan Program. The program helps Alaskan native fishers comply with the IRS Tax Code.

The Salvation Army Golden Diners, in Geneva, Illinois, was recognized for its Congregate Restaurant Meals for Seniors program. The program has formed partnerships with established restaurants to provide meals to younger, more active seniors.

For more information about all the honored programs visit the Drucker Foundation Web site, www.drucker.org.

plishments and supports the professional development of social sector leaders who have a demonstrated record of leadership and entrepreneurial performance, and who are engaged in programs that demonstrate community innovation. Fellows are selected from a worldwide pool of applicants from across the social sector.

During their year-long fellowship, Hesselbein Fellows are provided with intellectual resources, opportunities, and mentoring designed to encourage their vision of community innovation, enhance their leadership effectiveness, and support their pursuit of excellence in organizational and personal performance. (See the list of 1999–2000 Hesselbein fellows on p. 8.)

Communications

The Drucker Foundation does not make grants; rather, the Foundation provides intellectual resources to promote the growth of a strong nonprofit sector. In addition, the Foundation encourages the growth of collaborations among all three sectors: private, public, and not-for-profit. In 1999, the Foundation continued its longstanding association with Jossey-Bass Publishers to produce and promote important ideas about leadership and management through books, product brochures, and readers' guides. Over 500,000 copies of the Foundation's books have been published in sixteen languages worldwide.

Four issues of the magazine, *Leader to Leader*, were published in 1999. The journal, which features insightful on management and leadership from important thought leaders, has over 7,000 paid subscribers and a pass-along rate of three or more people, suggesting a total readership of over 20,000.

The Drucker Foundation is uniquely positioned to dispense information about the many accomplishments of the nonprofit community to an increasingly wide audience. Through its books, the Foundation disseminates effective leadership and management ideas put forth by some of the most impressive thought leaders writing today. The Foundation also communicates with its constituencies through its newsletter, the quarterly *Drucker Foundation News*.

Coverage of Foundation activities in newspapers and magazines across the country extended its influence. In 1999, over 170 placements featured the Foundation, including a front-page article in the Business section of *The New York Times* which said about the Foundation, "Its work is impressively concrete and practical."

Innovation Discovery Site

The Drucker Foundation's effort to lead social sector organizations toward excellence in performance was enhanced by technology in 1999. The Drucker Nonprofit Innovation

Discovery Site was launched in July in the newly enlarged "Nonprofit Innovation" section of the Foundation's Web site. By the end of 1999, the accompanying Innovation of the Week email notice had grown to 1,500 subscribers. In total, nearly 20,000 copies of the Innovation of the Week email notice were sent, and approximately 10,000 searches of the Innovation database were conducted on the Web site. The Foundation is most grateful to Yahoo!

Broadcast, for making it possible to air the first nine years of Drucker Award videos online. The videos of Drucker Award recipients, with transcripts and photographs, can be viewed at www.drucker.org.

The Foundation's Web site has been used to supplement reading lists for MBA courses at Villanova and leadership courses at MIT. Through downloadable files, the site distributed nearly 6,000 copies of the *Drucker Foundation News*, 3,500 copies of the Foundation's paper on *Emerging Partnerships*, 1,600 Hesselbein Fellow applications, 5,000 Drucker Award applications, 3,800 Reader's Guides, and 1,800 Year-End Reports. Total visits to the site exceeded 350,000, a 397% increase over 1998. Thousands of questions and email requests have been answered via the site.

"The problem is never how to get new, innovative thoughts into your mind, but how to get old ones out. Every mind is a building filled with archaic furniture. Clean out a corner of your mind and creativity will instantly fill it" On compensation: "Money motivates neither the best people nor the best in people. It can rent the body and influence the mind but it cannot touch the heart or move the spirit; that is reserved for belief, principle, and ethics."

Dee Hock,

Founder and Coordinating Director of the Chaordic Alliance, and Founder and CEO emeritus of VISA USA and VISA International, in *Leader to Leader*, Winter 2000

Enhancing Nonprofit Management Ability

Each year, the Drucker Foundation presents conferences and meetings that are important not only for what participants learn from presenters, but for what participants learn from one another. The February 1999 *Organization of the Future* conference, presented jointly with The Conference Board, was a very successful



Participants at a San Francisco Self-Assessment Workshop.

event, attended by 300 people, twenty-five percent of whom came from the social sector. One participant cited “the rich information, meeting other nonprofit leaders, and the renewed sense of purpose” as benefits of attendance. Another said the conference “was nothing short of life changing.”

Self-Assessment Tool Workshops

The Drucker Foundation *Self-Assessment Tool* is built around five simple, but challenging, questions posed by Peter F. Drucker:

What is our mission?

Who is our customer?

What does the customer value?

What are our results?

What is our plan?

As Frances Hesselbein writes in the foreword to *The Self-Assessment Tool Process Guide*, “Self-assessment is a process of organizational self-discovery. It is a discussion about the future and how your organization will shape it, an intellectual and emotional adventure—for minds and hearts.”

In 1999, the Drucker Foundation offered over sixty self-assessment workshops to over 3,000 nonprofit leaders and facilitators. *The Courage to Lead* is designed for nonprofit board members and executives. *The Skill to Guide* is especially for consultants and facilitators who work with nonprofit organizations.

In late 1999, Target Corporation: Target, Dayton’s, Hudson’s, Marshall Field’s, Mervyn’s California, and the Target Foundation—a National Drucker Foundation Self-Assessment Workshop sponsor—granted the Foundation \$150,000 for

“When I was growing up in the 1950 and 1960s, I thought that everything had been discovered. I wondered what it was like to be a pioneer, an inventor, a great explorer. Much to my surprise, I’m finding out now—not by sailing into space or mapping the human genome, but simply by participating in the world as it transforms itself into something it has never been before.”

Michele Hunt,

Founder of Visions & Values, and author of *DreamMakers: Putting Vision and Values to Work* in *Leader to Leader*, Spring 1999

2000 workshops in seven to ten communities across the nation, to revise and refine workshop training and marketing materials, and to provide additional program development.

Expanding Outreach

At conferences and in publications, the Foundation continued to stress the importance of collaboration. *The Collaboration Challenge*, by James Austin, with a foreword by John C. Whitehead and Frances Hesselbein, focuses on the “collaboration imperative.” Professor Austin writes: “The twenty-first century will be the age of alliances. In this age, collaboration between non-profit organizations and corporations will grow in frequency and strategic importance. Collaborative relationships will increasingly migrate from the traditionally philanthropic, characterized by benevolent donor and grateful recipient, toward deeper, strategic alliances.” *The Collaboration Challenge* is a Drucker Foundation Leaderbook published by Jossey-Bass in 2000.

On behalf of the Foundation, Frances Hesselbein, gave speeches or presentations to forty organizations or settings. These events took her to over one hundred locations on two continents and included addresses to key leadership and nonprofit management workshops organized by universities, colleges, nonprofit



organizations, and women’s leadership groups. Among many others, she addressed the United States Army, the Eastman Kodak Network Conference, the Junior Achievement Leadership Academy, The Woman’s Club of Richmond, Virginia, Fordham University, the Society for Organizational Learning, the Texaco Management Institute, The Center for Strategic and International Studies, Leadership America, the Arizona Women’s Forum, and the Council of Independent Colleges.



In the years to come, the Drucker Foundation will continue to be a passionate advocate for the social sector, calling attention to the issues that matter most and helping nonprofit organizations and their private and public partners to discover the tools, perspective, and hope that is required to make a difference in the lives of citizens everywhere.

Left to right: The Collaboration Challenge foreword contributors, John C. Whitehead and Frances Hesselbein with author James E. Austin.

The capacity to recognize the need for change, to find the means for change, and to be committed to making change happen is the mark of a leader, someone who recognizes his or her role in the service of others. And service is the essence of a great and vibrant culture.

“The fundamental strategic issue for most organizations is, How do we create new value based on an e-business community? We used to view the economy as a number of traditional industrial sectors. But what does it mean to be in the retail sector when, by 2005, every mom-and-pop operator will be able to reach a billion consumers on the Internet? What does it mean to be in the financial services sector when transactions are an exchange of electronic data, not cash? What does it mean to be in the education sector when every organization is finding new ways of sharing, distributing, preserving, and enhancing the knowledge of customers and employees? What does it mean to be in government when we have private, non-profit, and public organizations working together to deliver services? The walls between sectors are breaking down, and every organization’s strategy is changing as a result... We need new leadership – with hope, wisdom, determination, and youthful spirit – to serve the common good.”

Don Tapscott,

Chairman of The Alliance for Converging Technologies and author of *The Digital Economy and Growing Up Digital* in *Leader to Leader* Summer 1999

1999 Leadership Gifts

The 1999-2000

Hesselbein Fellows

MAJORIE P. BUSH

Executive Director
St. Jude's Recovery
Center, Inc.
Atlanta, Georgia

VIVIAN CLECAK

Executive Director
Human Options: Alternatives
for Abused Women and
Their Children
Newport Beach, California

LEON E. HAYNES III

Executive Director
Hosanna House, Inc.
Wilkinsburg, Pennsylvania

ROBERT A. PEDERSEN

President & CEO
Goodwill Industries of North
Central Wisconsin, Inc.
Menasha, Wisconsin

MOUNIR W. SHAROBEEM

President & CEO
Judson Center
Royal Oak, Michigan

The Drucker Foundation is grateful to the following generous supporters, and the many other friends whose financial and volunteer contributions make our efforts possible.

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1999 Program Partners

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AT&T Foundation

*Frances Hesselbein Community
Innovation Fellows*
Andrew Fenniman
Frances Hesselbein
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Conference*
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Self-Assessment Tool Workshops
The GE Fund
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Marshall Field's, Mervyn's
California, Target, & the
Target Foundation



*Left to right, back: Mounir W. Sharobeem,
Robert A. Pedersen, Leon E. Haynes III;
Left to right, front: Vivian Clecak and
Majorie P. Bush.*

Foundation Board member Iain Somerville (far left) moderates a conversation about leadership during a “Practitioner’s Discussion,” that included from left to right: Claire Guadiani, President, Connecticut College; Rosanne Haggerty, Executive Director, Common Ground; Gordon Johnson, President and CEO, Hull House; and Bobby Austin, President and CEO, Village Foundation.



1999 Major Gifts

Joel Barker
 William R. Bonnell
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 Richard E. Cavanagh
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 Christina Gold
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 Patrick J. Waide, Jr.
 Josh Weston
 Cornelia & William T. Wolf

One hundred percent of the Board of Governors (see listing on inside back cover) made a financial contribution to the Drucker Foundation—one of the many ways they support the Foundation “to lead social sector organizations toward excellence in performance.”

Noel Tichy leads participants in a group exercise as part of “Redefining Leadership, Organizations, and Communities,” the 1999 Drucker Foundation Leadership and Management Conference..

In-Kind Support

William R. Bonnell,
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Pilot Consulting

Murray Dropkin,
Dropkin & Company

Jossey-Bass Publishers

Frances Hesselbein

Kenneth Kirschner, Esq.,
Kelley Drye & Warren

Mutual of America
 Life Insurance Co.

Patrick J. Waide, Jr.

Yahoo! Broadcast

...And over 200 thought leaders who contributed by writing, traveling, mentoring, and speaking for Drucker Foundation programs and resources.



How You Can Help the Drucker Foundation Further the Mission and Change Lives

If you share the Drucker Foundation's vision of a society that recognizes the social sector as the leading force in creating healthy and vibrant communities, and where the social, public, and private sectors work in partnership for a better tomorrow, please join us in our efforts.

The Peter F Drucker Foundation for Nonprofit Management is a 501(c)3 nonprofit, operating foundation. Our strength does not come from funding reserves or endowments. Our work "to lead social sector organizations toward excellence in performance" is made possible by individual, corporate, and foundation gifts. As we serve those who serve, gifts to the Drucker Foundation also benefit diverse nonprofit organizations that are working to build strong families, healthy children, and cohesive communities.

The Foundation welcomes gifts of cash and securities for program support and general operations and is pleased to help you explore special opportunities such as tribute and memorial gifts, bequests, and gifts designated for specific projects. Multi-year partnerships and endowment gifts help sustain and ensure the future of the Foundation.

For more information about the work of the Drucker Foundation—both how you can benefit, and how you can help—please write, call, or email us. We welcome your inquiries, feedback, and involvement.

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About the Drucker Foundation

The Peter F. Drucker Foundation for Nonprofit Management is named for and inspired by the acknowledged father of modern management. By providing educational opportunities and resources, the Drucker Foundation furthers its mission “to lead social sector organizations toward excellence in performance.”

The Drucker Foundation believes that a healthy society requires three vital sectors: a public sector of effective governments; a private sector of effective businesses; and a social sector of effective community organizations. The mission of the social sector is to change lives. It accomplishes this mission by addressing the needs of the spirit, the mind, and the body — of individuals, the community, and society. This sector also provides a meaningful sphere for individuals and corporations to practice effective and responsible citizenship.

Since its founding in 1990, the Drucker Foundation’s special expertise and role have been to serve as a broker of intellectual capital, bringing together the finest leaders, consultants, authors, and social philosophers in the world with the leaders of social sector voluntary organizations. By providing

intellectual resources to leaders in the business, government, and social sectors, and by fostering partnerships across these sectors, the Drucker Foundation aims to strengthen the social sectors of America and of nations around the globe.

The Drucker Foundation is a 501(c)3 charitable organization that does not make financial grants; rather, its offerings include:

- Conferences and video teleconferences
- Leadership and management resources and publications
- The Peter F. Drucker Award for Nonprofit Innovation
- Frances Hesselbein Community Innovation Fellowships

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*A copy of the Drucker Foundation’s 1999
financial report may be obtained by writing to
the Drucker Foundation.*



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