

## The Value of Slack

During a recent office clean-up, several dozen weighty strategic plans ended up in the recycling bin. These documents were forwarded to me by Executive Directors or Finance Directors so that I could better understand the organization. I confess that most of these papers didn't get much more than a cursory review. For me the value of strategic planning is in the process not in the product. And far more important than the strategic planning process that happens once every three to five years, is being able to think strategically regularly and continually.

Thinking in time is one of the characteristics of a strategic thinker. This is best described by the Hockey great, Wayne Gretzky. Upon being asked the secret of his incredible success, Gretzky said, "I skate where the puck is going; others wait for the puck to come to them." Another trait is having a system perspective. For most corporations this means understanding the supply chain. Nonprofits exist in a far more complicated system which I call a chain link fence which is the intertwined workings of nonprofits, government, and the private sector.

The trait I want to focus on is intelligent opportunism. This is a fancy phrase to describe being able to take advantage of things that just happen. In order to do this, organizations and the people that run them have to embrace the concept of slack. In economic terms, slack is the difference between budgeted capacity and the theoretical full capacity. Studies have shown that having slack actually increases productivity. Slack provides a buffer when things go wrong and allows the broken component to be fixed without jeopardizing deadlines. Slack provides the opportunity to take on unplanned profitable projects.

Executive Directors of nonprofit agencies abhor slack. A look at the average ED's calendar will confirm this. Every hour of the day is blocked out. If there is traffic problem on the way from appointment A to appointment B, the whole day collapses like a line of dominos. Even if a great opportunity such as a possible meeting with a funder should occur, there is no way to squeeze it in to the slack-less day.

Nonprofits eliminate slack in staff. Work is planned assuming that people will not only put in a 40 hour week but a 45 or 50 hour one instead. The results include burn out, frustration when problems occur causing work hours to stretch to 60, and lost opportunity. "We could have done a lot with that new government funding source, but there wasn't anyone to write the proposal. And even if we got the money, we don't have the staff to do the work." Tied closely to this is the lack of slack in nonprofit budget. It is almost a sin to have a surplus in certain organizations. These people don't understand that nonprofit doesn't mean you can't earn a surplus. Nonprofit means you can't distribute the profits but must retain them for the organization's use. Lack of slack means that when problems happen, such as the economic downturn in the fall of 2008, many organizations found themselves on the brink of failure. There was no slack to act as a buffer during a disaster.

Nonprofits are driven by mission and the prevailing position is that every available resource be it time, staff, or dollars should be used for program now. This may not be the most strategic use of resources. Although it may feel counter-intuitive, nonprofits need to accept slack. Just like those famous slackers, Bill and Ted, a nonprofit ED who embraces slack may find himself or herself on an Excellent Adventure.