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Bad News is Good News

Always listen for and even seek out signs of trouble.
Bad news is good news if you do something about it.



Nonprofits are in the business of tackling tough challenges— addressing poverty, improving education, and protecting the planet. The passionate, smart, and good-hearted people who work in the sector are filled with optimism. This can make it uncomfortable for them to acknowledge a looming crisis. But to be successful, a leader must master the ability to perceive, acknowledge, and respond to threats as well as opportunities.

At Applied Materials, we saw bad news as an opportunity for innovation or a strategic shift. We had a saying: “Good news is no news. No news is bad news. And bad news is good news— if you do something about it.”

Of course, it’s important to celebrate successes. But only up to a point. You can’t bury problems or refuse to address negative issues. Do you welcome early warnings or are you ignoring them?

Porpoising

I called my bad news early detection system “porpoising.” Think about a porpoise, repeatedly diving deep into the ocean and then rising to the surface; gathering information at all levels. As a manager, you should periodically “porpoise” beyond your direct reports to talk to diverse groups of people at every level in your nonprofit.

Porpoising is designed to unearth valuable information, whether in the short term or for the long haul. Porpoising expresses a culture of observant listening— and enables you to “hear” sounds of trouble before you learn about it through official channels. Seek to understand by visiting teams and asking simple questions: What is going on here? Is the organization in your way? Why are deadlines slipping? What would you do to fix that? The key is to listen respectfully so that your employees are comfortable sharing what’s going on and giving you actionable information. To maintain that trust you will need to act on the information given. Be present and visible. I would sometimes take a sack lunch and eat with employees or drop in and sit in the back row of a meeting to observe, listen, and learn.



Also, ask board members to speak up when they see problems developing. You can even porpoise with other nonprofits, community stakeholders, individual donors, and grantmakers to gain valuable insights and to leverage their knowledge and expertise.

But what if there's no news or if no one has news to report? Without feedback, even top leaders have trouble assessing what's going on. I've learned that no news can be a sign of bad news — it may mean people or things are not moving forward. There are always problems or issues of concern to address. If things are quiet for too long, it's time to porpoise and listen carefully. You'll always find something good or bad. You just need to know which is which.

And if it's bad news? Bad news is good news because it gives you a chance to address problems before they spiral out of control.

Building a culture that embraces values such as “bad news is good news” doesn't happen overnight. And it needs to be reinforced by rewarding early detection. Everyone within your organization should encourage frank discussions of bad news. You must identify problems and then emphasize finding solutions, rather than assigning blame. Celebrate the solutions! Bad news is good news if you do something about it.

Bad News is Essential for Boards

Chief executives understandably like to highlight their successes to their board. But openly sharing bad news is an effective method for building mutual respect and trust. While it may be difficult at first, sharing bad news will help form a strong partnership with your board, important for bad times.

Inviting board member questions and listening to their feedback enables you to understand their concerns and to have an opportunity to learn from them. I like to say — speak once, listen twice.

By including bad news as part of board meetings, the chief executive, senior staff, and the board can explore ideas and learn together. You need to hash out what isn't working or what's keeping your top executive up late at night. In creating a greater shared understanding, your board can help to improve your nonprofit's productivity and performance. By brainstorming new paths of opportunity together you will build an organization that you can all be proud of.



Conversation Starters

For Chief Executives

1. In what ways do you currently “porpoise” within your organization, making sure that you’re hearing from all departments at all levels? How have you made staff comfortable with sharing bad news when you porpoise?
2. How do you ensure that bad news is a focus at every board meeting? How do you integrate the board’s advice and counsel into your actions and communicate outcomes back to the board?

For Staff Team Members

1. How comfortable are you sharing bad news with your manager? In what ways do you see porpoising as being different from being micro-managed?
2. How do you and your colleagues work together to turn bad news into good news? What practices could strengthen your teamwork even more?

For Board Members

1. At board meetings, what process is in place to enable the chief executive and senior staff to comfortably discuss bad news and seek out constructive advice? How will meeting agendas shift to accommodate these discussions?
2. How does feedback from clients, employees, key stakeholders and donors influence the board’s planning and implementation work?

For Individual Donors

1. How do you go about “porpoising” to learn about a nonprofit before making a donation or deciding to volunteer?
2. How might hearing a bad news story about the nonprofit sector impact your behavior as a donor?

For Institutional Philanthropies

1. How do you “porpoise” with grant applicants when conducting due diligence and in-person site visits?
2. How do you encourage grantees to share bad news with you? How does bad news from grantees impact your funding commitments?