

The Peter F. Drucker
Foundation for
Nonprofit Management
is now the

**LEADER
to LEADER
INSTITUTE**

2002 IN REVIEW

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"I am delighted that the Leader to Leader Institute is now successfully underway. When we started the original Drucker Foundation 12 years ago, our intent was to create an advisor to the social sector in leadership, management, innovation and other key areas. Many of our goals have been achieved, and now it's time to move forward with the new Institute."
—Peter F. Drucker

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Vision

The social sector as equal partner of business and government in developing responsible leaders, caring citizens, and a healthy, inclusive society.

Mission

To strengthen the leadership of the social sector.



Message from the Chairman and the President

This is a time for leaders. This is a time for redefining the future. On January 1, 2003, the Drucker Foundation became the Leader to Leader Institute. With a newly defined mission and three major goal areas we will continue to focus on social sector leaders and their organizations, while appreciating that our presence and resources meet the needs of all three sectors: business, government, and the social sector.

As we evolve, we celebrate twelve years of Peter F. Drucker's inspiration as the Honorary Chairman of the Drucker Foundation. Peter was always near, though he lived thousands of miles from our offices in New York. He was our inspiration and our partner in helping the social sector see itself life-size. We celebrate his ninety-three years of contribution, of leading by voice, of inventing the world of management. We acknowledge his singular mind and voice, his intellect with no peers, and his compassion without bounds.

As we begin the Leader to Leader Institute, no one can predict what tomorrow will bring, for we are living in times of great uncertainty. Yet, our focus is on leadership and the bright future—the future of leaders and organizations across society. How can ambiguity, not knowing what the future

holds, be seen as portents of a positive tomorrow? While there are great challenges ahead, these challenges offer even greater opportunity. Leaders of change, leaders of the future will seize the opportunities and respond to them, and thus help to define the future. Leading from the front. That's what leadership is all about.

When we gather with leaders from the social sector and business and government, and bring thought leaders to meet with them, the learning is circular. As we learn from authors, speakers and conference leaders, they are learning from people in the room, from amazing organizations and initiatives, in communities where the people are. Leaders speak a common language, and meet on common ground.

We hope to meet you five or ten years from now and see you and your organization as viable, relevant, indispensable partners in changing lives, building the healthy, diverse, inclusive, and cohesive society that cares about all of its people. This is the bright future we share—if we have the courage, initiative, passion for mission and the heart to embrace all who share the dream with us. This is a time for leaders. We hope you will join us.

Frances Hesselbein
Chairman

Rob Johnston
President

About the Leader to Leader Institute

The Leader to Leader Institute has its roots in the social sector and its predecessor, the Peter F. Drucker Foundation for Nonprofit Management, which in January 2003 transferred its ongoing activities to the new identity.

The Leader to Leader Institute furthers its mission “to strengthen the leadership of the social sector” by providing educational opportunities and resources to leaders.

Continuing the work of the Foundation since its founding in 1990, the Leader to Leader Institute serves as a broker of intellectual capital, bringing together the finest thought leaders, consultants, and authors 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 Leader to Leader Institute works to strengthen social sector leaders of the United States and of nations around the globe.

What We Believe

The Leader to Leader Institute 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 changing lives. It accomplishes this mission by addressing the needs of the spirit, the mind, and the body—of individuals, the community, and society. The social sector also provides a significant sphere for individuals and corporations to practice effective and responsible citizenship.

What We Do

The Leader to Leader Institute is a 501(c)3 charitable organization. Its offerings include:

- ▶ **Supporting social sector leaders of character and competence** (Publications, Communications and Workshops)
 - ▶ *Leader to Leader* Journal, books, tools and video-tapes
 - ▶ The *Drucker Foundation Self-Assessment Tool* workshops
 - ▶ *Meeting the Collaboration Challenge* workshops (in person and online)
 - ▶ Innovation Discovery site and Innovation of the Week email
- ▶ **Forging cross-sector partnerships that deliver social sector results** (Cross-sector Collaborations)
 - ▶ Joint Conferences
- ▶ Projects to aid outplacement of Army general officers to nonprofit leadership positions and to provide opportunities for senior Army leaders to speak to leaders of other sectors.
- ▶ **Providing leadership resources that engage and inform social sector leaders** (leadertoleader.org Web site)
 - ▶ Resources and *Leader to Leader* articles on Web site
 - ▶ Membership resources offered through email and Web
 - ▶ Email newsletters: *Innovation of the Week* (weekly); *Meeting the Collaboration Challenge* (monthly); *Leader to Leader Institute Member News* (monthly); and *Leader to Leader Leadership Action Guide* (quarterly)
 - ▶ *Meeting the Collaboration Challenge* online workshop

Supporting social sector leaders of character and competence

Crayons to Computers of Cincinnati, Ohio for its *Crafts with Conviction* is the recipient of the 2002 Peter F. Drucker Award for Nonprofit Innovation. *Crafts with Conviction* employs inmates from twenty-three prisons in Ohio to transform raw materials donated by businesses into useful classroom items and educational tools for needy children. The program also fulfills community service requirements of certain prison sentences.

Students benefit by receiving basic supplies that their families cannot afford. Teachers receive supplies without spending their own money. Schools benefit from improved student attendance, behavior, and grades. Businesses find a positive outlet for surplus or damaged merchandise that would otherwise be destroyed. Wardens find inmates easier to manage when they are not idle. Inmates benefit from the opportunity to help children, by staying busy and productive, and they appreciate the chance to give back to the community because they did not have some of the same supplies when they were students.

Crafts with Conviction exemplifies Peter F. Drucker's definition of innovation: "change that creates a new dimension of performance." It serves as a model of how an organization can turn surplus and discarded items into educational tools at no cost to students or teachers. Further, it gives prison inmates the opportunity to learn valuable voca-

tional skills while also giving back to the community. It truly is transforming lives.

2002 Special Recognition Programs

The Kauai Food Bank of Lihue, Hawaii was recognized for its *Hui Mea'ai* Program. *Hui Mea'ai* aims to



Frances Hesselbein, center, presents the Drucker Innovation Award to Shannon Carter, Executive Director, Crayons to Computers, and Dick Bere, Board of Directors, Crayons to Computers

end hunger through economic and food self-sufficiency for the former recipients of emergency foods on the island of Kauai. The program teaches individuals how to grow their own food and then sell their Grade A produce back to the Food Bank, thereby assisting small entrepreneurs, providing healthy and more nutritious foods to those in need, and making Kauai more agriculturally self-reliant.

The Keshet Dance Company of Albuquerque, New Mexico, was recognized for its *Nutcracker on the Rocks* Program. *Nutcracker on the Rocks* integrates youth with mixed physical abilities into a professional, main-stage modern dance adaptation of the *Nutcracker* Ballet with both professional dancers and community dancers of all ages. The program addresses the needs and challenges of community perceptions by serving disabled performers, able-bodied adult dancers, participating youth and audience members.

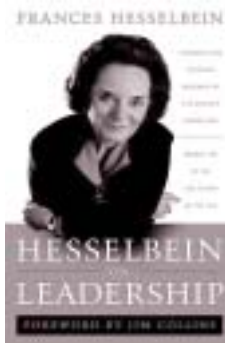
Hesselbein Fellows Program

The Frances Hesselbein Community Innovation Fellows Program provides accomplished social sector leaders with leadership learning opportunities. The 2001-2002 class of Hesselbein

Innovations delivered by Email

Each week the Nonprofit Innovation of the Week shares an example of nonprofit innovation in action, along with news of interest. In 2002 the Innovation of the Week annual circulation increased to 389,000. The weekly profiles are taken from the Innovation Discovery Site which holds 200 entries from 1999-2001. Visitors can search for programs by the field they work in, or the type of innovation they present. To subscribe, go to leadertoleader.org/subscribe/.

2002 HIGHLIGHTS



Fellows concluded their year at the 2002 Fall Leadership Conference. Highlights of the Fellows Program included the individual mentoring program with mentors Richard Aft, Philanthropic Leadership; Robert Buford, Buford Foundation; Max De Pree, author and former Chairman, Herman Miller; Bart Harvey, Enterprise Foundation; and

Joseph Barnette, Bank One. Among other activities, the Fellows participated in a day of leadership and communications training with James Peterson, Senior Vice President, Leadership Development, Mutual of America.

The 2002-2003 class of Frances Hesselbein Community Innovation Fellows was introduced at the Fall conference in Philadelphia (see below).

Hesselbein on Leadership

Frances Hesselbein, Leader to Leader Institute Chairman and Co-founder of the Drucker Foundation, authored *Hesselbein on Leadership*. Peter F. Drucker noted, "In this book, Frances Hesselbein successfully integrates leadership with organization and society—something no one else has so far even tried to do." The foreword is by Jim Collins, author

of *Good to Great*, and the book was described by *USA Today* as "a small, eloquent book on the art of leadership." *Hesselbein on Leadership* includes nineteen essays that present the philosophy Frances Hesselbein honed throughout her life. At its heart is her belief that leadership is about character—a question of how to be, not how to do it.

Leader to Leader Guides

The Drucker Foundation published four *Leader to Leader Guides*, which offer insight from thought leaders from around the world.

On Creativity, Innovation and Renewal offers advice on how to become a 21st century organization through embracing change and innovation. Thought leaders such as Stephen Jay Gould, Gary Hamel, and Noel Tichy share insight on issues.

On High Performance Organizations includes chapters by Scott Adams, Philip Kotler, and others who share advice on how to lead organizations to high performance.

On Leading Change includes writing by William Bridges, Peter Drucker, Rosabeth Moss Kanter, Peter Senge, and many others offering strategies on how to prepare for change and seek different perspectives, as well as how to lead an organization through the challenges of transformation.

On Mission and Leadership focuses on the importance of mission for an effective organization. Thought

2002-2003 Hesselbein Fellows



Kathy Augustine, Executive Director of *Hard Hatted Women* in Cleveland, OH



Rosalie Cates, Executive Director of *Montana Community Development Corporation* in Missoula, MT



Michael Duggan, Executive Director of *Domus Foundation* in Stamford, CT



Julie Evans, CEO of *NetDay* in Irvine, CA



Paul Furrh, CEO of *Lone Star Legal Aid* in Nacogdoches, TX



leaders who contributed to this work include Warren Bennis, Daniel Goleman, and Dee Hock.

Leader to Leader Journal

Four issues of *Leader to Leader*, the quarterly leadership journal, were published. Contributors included: Kathleen R. Allen, W. Brian Arthur, Ron Ashkenas, James E. Austin, Nancy K. Austin, E.

Grady Bogue, Larry Bossidy, Patricia Bover, Yolanda Scott Brown, Gervase R. Bushe, John Carver, James Champy, Jonathan Day, Peter F. Drucker, Frances Edwards-Winslow, Marshall Goldsmith, Daniel Goleman, Gary Hamel, Michael Hammer, Charles Handy, Ronald A. Heifetz, Frances Hesselbein, Joseph Jaworski, Michael Jung, Adam Kahane, Steve Kerr, John Kotter, Michael Kroth, Marty Linsky, Jay Lorsch, David H. Maister, Sam T. Manoojian, Ikujiro Nonaka, Charles W. Robinson, Claus Otto Scharmer, Katherine Tyler Scott, Lorraine Segil, Peter M. Senge, Todd Siler, Ray Smilor, Robert Terry, Thomas J. Tierney, Dave Ulrich, and Lois J. Zachary.

Forging cross-sector partnerships that deliver social sector results

Conferences

The 2002 Leadership and Management Conference *Leadership Essentials: Charting Paths, Changing Lives*, was held in November in Philadelphia, Pennsylvania attracting leading speakers and 386 participants. Speakers included: Peter Drucker by video, Alfred Babington-Johnson, Sally Helgesen, Frances Hesselbein, General Robert R. Ivany, the Orpheus Chamber Orchestra, and Michael Useem. Participants hailed from business, government, and the social sector, from the United States and eleven other countries. The major sponsors were: Bright China Management Institute; Jossey-Bass/John Wiley; Mutual of America; The Nonprofit Times; and Yamazaki Baking Company.

2002 Organization of the Future Conference:

The Foundation co-sponsored with The Conference Board the 2002 Organization of the Future Conference in February in New York, with 150 participants from all three sectors, and 50 percent from the social sector. Participants were pleased with the speakers, the actionable ideas presented, and the materials shared. Speakers at the conference included Alex Brigham, Jay Conger, Alfred Babington-Johnson, Sidney Harris, Frances Hesselbein, and Rob Johnston.

2002 Investment in America Forum: The Foundation co-sponsored the 2002 Investment in America Forum with the U.S. Army and The Conference

Board. Thirty leaders from business, nonprofits, and the U.S. Army met at the United States Military Academy at West Point for an off-the-record summit to share their experiences and visions of the future. A report by The Conference Board detailing the discussions and conclusions of the conference is available on the Leader to Leader Web site, at leadertoleader.org.

2002 Eisenhower National Security Series: The Foundation was one of six sponsors for the 2002 Eisenhower National Security Series and its conference: *National Security for the 21st Century: Anticipating Challenges, Seizing Opportunities, Building Capacities*. Frances Hesselbein addressed the conference in a plenary session on managing change. The Drucker Foundation also organized a panel addressing the



Ronnie Bauch, Managing Director, and the Orpheus Chamber Orchestra demonstrate an organization with many leaders.



Frances Hesselbein and General Eric K. Shiweki at Investment in America Forum.

need for building successful collaborations between the military and nongovernmental organizations. Panelists included: Ambassador Peter W. Galbraith, National War College, moderator; General Montgomery C. Meigs, U.S. Army; Ambassador Robert B. Oakley, Distinguished Fellow, Institute for International and Strategic Studies, National Defense University; and Roy Williams, President and CEO, Center for Humanitarian Cooperation. Following the conference, Frances Hesselbein was named as

the first recipient of the Dwight D. Eisenhower National Security Series Award.

Self-Assessment and Collaboration Workshops:

The organizational Self-Assessment training effort continued with enthusiastic support of communities across the country. In 2002, twenty-two *Excellence in Performance: The Courage to Lead* sessions were presented. Approximately 2,400 nonprofit leaders participated.

With the generous support of the Mandel Foundation, an additional 155 facilitators were trained during *Excellence in Performance: The Skill to Guide* workshops. There are now 800 trained facilitators listed on the Institute's Web site.

The *Meeting the Collaboration Challenge* curriculum was completed in 2002, and thirteen workshops were held across the United States. 500 nonprofit leaders attended, and an online version of the course was launched in January 2003.



Meeting the Collaboration Challenge workbook and video are available for purchase from leadertoleader.org.

Providing leadership resources that engage and inform social sector leaders

leadertoleader.org Web site

The Institute Web site, leadertoleader.org, contains 1500 pages and presents more than one hundred articles by respected thought leaders along with information and tools on planning, innovation, and collaboration. A resource for leaders worldwide, it had nearly one million visits and more than 2.5 million pageviews in 2002.

Peter Drucker: An Intellectual Journey (documentary video)

The Drucker Foundation, working with writer and director Ken Witty, developed a one-hour documentary to present Peter Drucker's intellectual journey, and how his thinking has shaped the world as we know it today. The



documentary aired on CNBC in December 2002 and January 2003, reaching more than one million viewers. The video was developed with support from Robert Buford (Halftime.org); The Humana Foundation; W.K. Kellogg Foundation; and Yamazaki Baking Company.

Membership

Building the base of individual leader support, the Institute's membership program has attracted more than 800 members in its first two years. The annual membership fee allows members to receive a range of email updates, discounts on publications, and other benefits. See page 10 for details. Leaders can join online at leadertoleader.org/join/ or by returning the membership application by mail.

Leader to Leader Institute/Drucker Foundation Funders 2002

The support of generous partners, contributors, volunteers, and members has enabled the Leader to Leader Institute to bring the best of leadership and management thought and practice to social sector leaders. The Board and staff of the Institute are grateful to the following generous supporters and the many other friends who provide financial and volunteer contributions.

You are invited to join the Institute or make a gift to further its work.

Multi-Year Partners (2002)

Anheuser-Busch
Bright China Management Institute
ChevronTexaco
Communities Foundation of Texas/Robert Buford
Christian Science Monitor
eCareerFit.com
Edward D. Jones & Co.
Mandel Foundation
John A. McNiece, Jr.
Motorola

A Special Appreciation for In-Kind Support

The Leader to Leader Institute is grateful to all the individuals who wrote for, spoke for, served on a training team, volunteered, or otherwise provided a valuable contribution to its work. Each of these thought leaders provides the energy to make a difference in the lives of our customers and the communities they serve.

Mutual of America
SASCO/Larry Smead
ServiceMaster
Yamazaki Baking Co.

2002 Gifts

\$100,000 & Above

Mandel Foundation
Self-Assessment Tool
Mandel Fellow
Mutual of America
Donations
Fall Conference
In-kind Office Space & Services
Yamazaki Baking Co.
Fall Conference
Peter F. Drucker Documentary
Multi-Year Partner

\$75,000 to \$99,999

Bright China
Management Institute
Fall Conference
Multi-Year Partner
Online Collaboration
Challenge Workshop

\$50,000 to \$74,999

Communities Foundation of Texas/Robert Buford
Peter F. Drucker Documentary
Humana Foundation
Peter F. Drucker Documentary
Jossey-Bass
Holiday Party
Books & Publications
W.K. Kellogg Foundation
Peter F. Drucker Documentary

\$25,000 to \$49,999

Anheuser-Busch
Multi-Year Partner
eCareerFit.com
Multi-Year Partner
Christian Science Monitor
Multi-Year Partner
Frances Hesselbein
Donations
Honoraria
In-Kind

Edward D. Jones & Co.
Multi-Year Partner

John A. McNiece
Multi-Year Partner
Motorola
Multi-Year Partner
Tom Moran
Multi-Year Partner
SASCO/Larry Smead
Multi-Year Partner
ServiceMaster
Multi-Year Partner
Texaco
Multi-Year Partner

\$10,000 to \$24,999

GE Fund
Online Collaboration
Challenge Workshop

\$5,000 to \$9,999

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Leon E. Haynes, III
Sally Helgesen
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Bonnie McEwan
William L. Mills
Jane Polin

Join the Leader to Leader Institute

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

Individual memberships are \$75, and organization memberships (for up to 25 people) are \$1,500.

What Members Receive

- ▶ weekly email updates on organizational innovation and monthly updates on collaboration
- ▶ the Leader to Leader Institute's monthly email Member News
- ▶ access to over 275 national and international thought leaders
- ▶ 20 percent discount on all Jossey-Bass/John Wiley publications

The Leader to Leader Institute, formerly the Peter F. Drucker Foundation for Nonprofit Management, is a 501(c)3 nonprofit organization. Our strength does not come from funding reserves or endowments. Our work "to strengthen the leadership of the social sector" is made possible by your individual, corporate, and foundation gifts. As we serve those who serve, gifts to the Leader to Leader Institute also benefit diverse nonprofit organizations working to build strong

families, healthy children, and cohesive communities.

The Institute welcomes gifts of cash and securities for program support and general operations and is pleased to explore with you 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 Institute.

Your commitment to the Leader to Leader Institute will play a critical role in the Institute's efforts to serve countless nonprofit organizations by bringing together thought leaders from all three sectors to inspire, educate and mentor the leaders of today and tomorrow.

For more information about the work of the Leader to Leader Institute—both how you can benefit, and how you can help—please write, call, or email us. We welcome your inquiries, feedback, and involvement. You can contact the Institute to make a credit card gift by telephone or to request a donation envelope. You can also make a contribution at our Web site, leadertoleader.org.

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