CASE STUDY

American Red Cross
How a Focus on Culture, Talent, Metrics and Technology Drives the American Red Cross’s Strategy

Every year, the American Red Cross responds to an average of 64,000 disasters, provides 40% of the country’s blood supply, trains nearly 5.9 million people in first aid and CPR, and offers more than 110,000 military families emergency assistance. It’s a lofty mandate continuously challenged by limited funding, increasing competition for charitable donations and a string of natural disasters. But thanks to a culture of agility, well-rounded talent, continuous measurement and innovative technology, the American Red Cross is stretching its resources—and donor dollars—to save more lives.

Develop and nurture a culture of agility

One key to the Red Cross’s successfully executing its mandate is its commitment to a culture of agility, which empowers its 20,000 employees and 300,000 volunteers to experiment and learn in an environment where it’s safe to quickly adjust strategies. For example, Gail McGovern, president and CEO of the American Red Cross, says that when Hurricane Harvey flooded Houston in the summer of 2017, the Red Cross loaded its volunteers onto Houston City dump trucks to help ferry residents to shelters. “That was quite a risk,” she says. “But when you’re in the business of disaster, you need to be able to constantly make fast decisions.”
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Gail McGovern
President and CEO, American Red Cross

By the end of 2017, the Red Cross had served more than 4.5 million meals and snacks, provided more than 414,800 overnight stays in shelters, and distributed more than 1.6 million relief items to Hurricane Harvey survivors.

Fast and agile decision making also requires the autonomy to take a “dynamic” approach to budgetary decisions, says McGovern. “We provide each division of the organization with a budget for a blue-sky scenario (meaning, no disaster). Then when disaster strikes, we increase the fundraising target and the division’s budget.” This financial flexibility ensures that the most pressing disasters, such as cities destroyed by flooding, receive the necessary funding quickly and efficiently without bureaucratic roadblocks.
Fail fast to learn fast

But not all fast decisions yield positive results. For this reason, the Red Cross encourages employees to learn from their mistakes, discuss challenges openly and accept failure as a valuable part of strategy implementation. “If you make a decision and it’s the wrong one, course correct really quickly,” advises McGovern. “I have seen more leaders fail and just stick to their strategy because they don’t want to admit they made a mistake.”

At the Red Cross, following a project failure, details are carefully dissected by team members and mined for valuable insights. “We are really proud of the fact that we’re a learning organization,” says McGovern. “After every disaster, you should see our conference room. We just whiteboard every single lesson learned and what we’re going to do differently the next time.”

Foster well-rounded talent with cross-unit cooperation

Well-rounded talent is another key ingredient in the Red Cross’s effective strategy implementation. In many organizations, managers are relegated to simply supervising individual projects, which can result in a “frozen middle” where line leaders feel unengaged and disconnected from strategic priorities.

To avoid this, the Red Cross exposes many of its 20,000 employees to a wide variety of tasks, continually rotating its workers and providing them with “different experiences” across the organization, notes McGovern. “We really try to cross-pollinate employees so they get to experience more than just one part of the American Red Cross,” she adds.

The Red Cross’s Campus LEAD Program is just one way the non-profit offers employees this range of experience. This dynamic initiative rotates participants through multiple assignments over the course of several years, which not only exposes them to the organization’s culture and operational management, but also helps diversify the Red Cross’s talent pipeline and prepare workers for leadership positions.

Another example is One Red Cross (ORC), an initiative designed to encourage a
shared commitment to successful strategy implementation. For decades, the Red Cross’s Humanitarian Services division and its Biomedical Services division, which collects 40% of the nation’s blood supply, functioned as independent entities. Yet since these two factions often work in the same communities, ORC was created to combine the sponsor-recruiting resources in Biomedical Services with the community-facing resources in the Humanitarian Services division. This not only delivers a higher quality of service to more communities, but it also allows disparate groups to learn from one another, share experiences and better collaborate.

Dismantling silos and sharing resources to better serve the community only makes sense, according to McGovern. During Hurricane Harvey, for instance, members of the organization’s Biomedical Services division helped hand out food and blankets to shelters. “We could have used the extra arms and legs, but we also wanted our team members who work in blood service to see what it’s like to help out in a natural disaster.”

Constantly measure results to incentivize employees

Convincing workers to take on more responsibility isn’t an easy task for any organization, especially a non-profit where most workers are volunteers. “We don’t offer stock options, we don’t offer big giant bonuses, and 300,000 of the people that work for us don’t earn a salary,” notes McGovern.

To compensate, the Red Cross must assure workers that they’re making a measurable difference. “Most people want a report card,” she says. “They want to know exactly what is expected of them, they want to be measured on a frequent basis, and they want to know how they’re doing.”

One area in which the Red Cross provides this feedback is through its Sound the Alarm campaign, which recruits volunteers to install free smoke alarms in vulnerable communities. By carefully tracking the precise number of smoke alarms installed (1 million as of February 2018) and how many lives have been saved as a result (348 so far), the Red Cross better engages its volunteer workers and boosts morale. “People love hearing the numbers,” says McGovern.

*Photo: ARC is set up in a community hard hit by the tornadoes, Florida, 2007. Credit: Mark Wolfe / Source: FEMA photo library*
Smart use of technology to gather information, communicate and make faster decisions

Yet while feedback and data are helpful, all this information is meaningless if it doesn’t reach those who can act on it. That’s especially true when providing support to families during a crisis. For this reason, the Red Cross relies on technology to help save lives. For example, RC View¹, an open-source mapping tool, leverages geospatial technology and satellite imagery to better understand disaster areas.

Since Red Cross volunteers are often the first to arrive at a disaster site, it’s critical that they share information with those who can act immediately.

Case in point: After the Baton Rouge floods, Red Cross staff shared their RC View maps—complete with water-level information, shelter mapping and road closures—with community partners as well as with FEMA, the U.S. Federal Emergency Management Agency. Collecting and distributing real-time information using innovative tools like RC View not only helped better coordinate relief efforts in this instance, but it also allowed Red Cross workers to consider changing conditions, such as rising water levels, and adjust their strategies accordingly.

Ultimately, by taking this dynamic approach to strategy implementation, the Red Cross is better able to serve the community. As it recognizes, strategy, like a natural disaster, is a living thing that evolves quickly, no matter how much you plan. But by focusing on culture, talent, metrics and technology, the Red Cross successfully mobilizes the power of its employees and its volunteers to save lives.

¹ RC View Mapping: Filtering a Layer’s Data  https://www.youtube.com/watch?v=nrmxslKhAP4
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