

- [Host] This is the Craig Groeschel Leadership Podcast.

- Hey, welcome back to another episode of the Craig Groeschel Leadership Podcast. We are crazy passionate about building leaders. And I couldn't be more excited about this episode and next month's. Today we're gonna talk about part one on a subject that I think can really impact your leadership and your organization. If you're new with us, I'd love to invite you to subscribe to this podcast. Then every first Thursday of the month there will be a new one dropped. If you have a moment to rate this podcast, or write a review on it, that's very very helpful. And I just wanna say a very sincere thank you to those of you who are sharing this on social media, inviting other team members to listen or to watch with you. I'm gonna do my best to bring you high quality content and when you invite others it really does mean a lot to me. If you would like to receive show notes, we'll send detailed notes to you every single month. You can just go to life dot church slash leadership podcast. You can give us your email and then we'll send those to you every single month before the podcast drops. If you have questions, comments, or ideas email anytime at leadership@life dot church. Let's dive into some new content for this episode part one. What I wanna do is talk about a vital subject for all leaders. This is a challenging topic that's rarely ever discussed. And it's one of the most important tools that we can have as a leader to build our organization. In all of the conferences that I've been to I have never heard a direct talk on this subject. I've read extensively on leadership and organizational development, and I've only found one book that talks at length about this subject. I tried to research it online. There's a little bit written about it. It's very academic. Often difficult to understand. The technical term for this idea is not interesting. The technical title probably won't make you say, oh my gosh, I can't wait to listen to this. But it's more important than I have the ability to express. The title for this podcast is investing your resources the right way. Investing your resources the right way. The technical term for this idea is resource allocation, or asset allocation. What is resource allocation? Let's make it really really simple and let's define the two words. What is a resource? A resource is going to be the time, the money, the material, the staff, the assets you have to build your organization. It's everything from the cash on hand to the assets you can borrow against, your team, perhaps your volunteers, the energy that you have. Any tool at your disposal to reach your goals. What does it mean to allocate? You know this. It means to direct or to distribute. So therefore, what is resource allocation? This is the definition that I made up for this. Resource allocation is investing your available resources in the present to accomplish your goals and objectives in the future. Let's say it again and internalize it. We wanna understand it. Believe in it. And live this. Resource allocation is investing your available resources in the present to accomplish your goals and objectives in the future. Margaret Rouse defined this idea this way, she said, "Resource allocation involves balancing competing needs and priorities and determining the most effective course of action in order to maximize the effective use of limited resources and gain the best return on investment." I like the way she says it's balancing competing needs and priorities. Because we as leaders have to answer the question how do we distribute our limited resources amongst competing groups of programs, ideas, and opportunities? We only have so much time. So much manpower. So much money. So much energy. So many different places to put it. How do we put it in the right places to get the best return? I wanna talk about this not just in our businesses or non-profits, but also just how do we lead our families? Think about this. In your family how do we balance the competing priorities? You'd love to pay off your student loan debt but you gotta kid that needs braces. What do you do? You've gotta balance. And you've gotta determine where to put your resources. You want to spend Saturday organizing your garage because it's a mess but

your marriage is struggling and there's a marriage class available. Where do you invest your time? You'd love to veg out and binge watch Netflix but you probably should work on your budget or maybe you need to spend some time with your teenager. Where do you invest the assets, the resources, the time, the energy you have for the best return in your family? For those of you that are leading maybe a church you might deal with these issues. Your worship pastor says, "We need HD video projectors." Your youth pastor needs money for a mission trip. And you want to add a second location. You cannot do it all. How do you balance, where do you put your resources? For those of you in business, your marketing department wants to spend more on digital marketing. Your R and D wants to invest more in a product idea. Your IT department needs an equipment upgrade. Your HR director reminds you if you don't expand your offices you don't have the room to grow and bring in new people. And you want to expand regionally. What are you gonna do? You've got so many opportunities. So many ideas. But limited resources. How do we invest our resources in the right places? So, what I wanna do is start by using a very common term but using it more often in this context in discussion. For example, we often use the word spending, or using. We're gonna spend our time. Or we're gonna use this or whatever. What I wanna do is replace those words as often as we can with the word investing. Investing. We're not gonna spend or use, we're going to invest. How does this play out? Well, most leaders decide how to spend money. The best leaders agonize on how to invest money. Most leaders wanna use people to get a desired result. The best leaders though invest in leaders, helping them get better, and ultimately the whole organization gets better. Most leaders spend their time doing tasks. The best leaders intentionally invest their time to achieve desired results. Investing not spending or using. What do you do when you spend? When you spend, you're making an even trade. We're spending money for an experience. We're spending time for a result. The definition of spend is to use or to pay out. We're trading this for that. The definition of invest is to devote, expecting an exponential return. I don't want an even trade. I want to invest, and I wanna get a better return back on my investment. This goes all the way down into our language. For example, let's say you have a budgeting meeting. Well, the title leads people to think, well how are we gonna spend our money in the upcoming year? Literally, you could change the name from a budgeting meeting to an investing meeting. Where are we gonna invest our resources to get the highest return? Now, before we start allocating, before we start determining where resources go, let's talk about some things that we wanna do. What do we wanna do? The first thing, and this is very important, number one, is we wanna clearly define your win. W I N. What is the win? Clearly define the win. What are we as an organization trying to accomplish? Because you cannot accomplish what you don't define. And we're not just talking about departmental wins, like what's the win for the marketing team, or your HR team, or your missions department. We're talking about whole organizational wins. If you do not know your win, you will spend your resources. If you do know the win, you can invest what you have in the right direction. We want the whole team investing for the win. What is defining the win do? Defining the win impacts what you do daily. Defining the win directs what you do daily. For example, in your home, your family, if the win is paying off the student loan debt then instead of going out to dinner and out to a movie, you may stay home and eat in and watch TV instead. Because the win directs your action. If the win is having dinner with your kids. Instead of working out in the evening, you might move your workout to 5:30 in the morning because the win directs your actions. If the win is taking your family on a vacation each year, you might drive an older car rather than upgrading because the win is directing your action. In your business, if you wanna pay off 25% of your debt by the end of the year, you're gonna make different decisions than if your win is to open three new store locations by

July. What happens? The win directs our actions. Now, the win must be very, very, very clear. And I believe in many organizations it's simply not. Let me give you some context to the organization that I lead. I currently lead an organization that has 27 churches in different cities. What is our win? Well, most people would say that our win, leading a church, is reaching more people. That's what most people would say. Some version of that. And that is true, but it's incomplete. If our win is to reach more people, then that raises the question, well how are we gonna reach them? That's a more specific win. Are we gonna reach them digitally? Through social media? When they come into a physical church building? Or is it reaching more homeless people and helping them have a better life? How do we reach the people? It also raises the question, who are we trying to reach? Is it everybody? Or is it teenagers? Is it single parents? Is it people healing from substance abuse? Is it business leaders? Is it people from other countries that may not have been exposed to what we believe is a life changing teaching? The win must be very, very, very clear. So, in our model, and this is just my context, the best of what we do happens in local communities. When we start a local church, we impact the community locally. But then when we have multiple churches pooling our resources together, together we can impact the world globally. So local strength makes for global impact. So therefore, people would say, well our win must be opening up more church locations. Again, true. But that's incomplete. The win must be very, very, very, very clear. For example, in the upcoming year we plan to open up five new church locations in five different states. Now, as a side note, and I wanna just, give me a minute to talk to pastors, the goal is never to start a number of churches. "We're gonna start three next year." We're gonna start 20 by 2020." No, no, no, no, no, no, no, no. The goal is always to start the right ones. Never let a number drive you to do the wrong thing. Don't try to start five store locations. Start the right ones. For us the right number is five for a lot of reasons I could go into but I'm not. You don't let a numerical goal drive you to do the wrong thing. So, we believe it's right for us to start five new churches in the upcoming year in five different states. So, is that a clear win? Well, again, now quite yet. Because what if each of these churches only have maybe 200 people at each of them. In our model, we would be financially upside down. So if I started a lot of churches that are financially upside down for a long time eventually that boat doesn't float. So, to be even more clear, maybe a win is to start five new churches in five different states that are financially covering the bills and having enough people to serve the community within a six month window. That's getting closer to being very very clear on what a specific win is. You're gonna need to really really work hard to get, drill down deep, and define clearly what is a specific win. Maybe two, three, four wins. If you've got 10, you're never gonna accomplish them. You wanna be really narrow, really specific, and really focused. Clearly define your win. We have to start there. If, that's my win, if I'm gonna start this many churches that have the people engaged to make a difference in the community and are self-sufficient within a certain number of months, then I know approximately how many staff members we need to identify and to train. I know approximately how much money we need to get the buildings out of the ground. I know approximately how many church attenders we need to be serving and locally engaging the community. And then I have clarity on what to do with my time toward those results. So what happens? The win helps direct where we put our resources. So important. So simple. And yet, so many organizations miss it. Start with clearly defining the win. The second thing that we're gonna do is this, number one clearly define the win. Number two, we wanna talk inventory of what you have to work with. Take inventory of what you have to work with. And, don't limit your inventory to what is obvious. For example, again, I apologize for the multiple church examples, but this is my world, I was talking to a pastor who was telling me what he didn't have. "All we have, we don't have much at all. All we have is

seven staff members. We only have a small building. Our budgets only about \$400,000 a year. We spend it all. There's nothing left. And, we don't have, we don't have, we don't have." I don't want it sound like I don't have compassion for this pastor. Because I've been in that exact situation before. And so I know what it feels like. The problem is, this pastor didn't realize everything that was available to him. And I tried to help point it out. One thing, just because he spends all the revenue that comes in, doesn't mean that he couldn't redeploy some of what he spends into another place. He may be spending it all, but if he spent some in a different place he might actually get a better return. He also has 24 hours a day. He's got time. If he reallocated his time into different places he might get a different result. He also has 300 people who attend his church very week. That's an incredibly big potential, volunteer pool of people who can use their gifts. He had a couple of leaders that are tremendous leaders in his church, some business leaders, that he could learn from that could come and consult him and to help him become better. He has 52 weekends a year to influence these people to do even more than what they're doing. He sits on four acres of land but he has 16 acres of undeveloped land in a prime location. This pastor has so much more than he realizes. The \$400,000 of revenue, that's just what's coming in. It does not mean that more could come in if he would inspire his people toward a vision and teach on generosity. That's just what's coming in. But that's not all that's available if he changes his perspective. What do you have? You've got your time. You've got your energy. You've got your team members. You've got potentially volunteers. The bottom line is, you have more to work with than you probably realize. We wanna clearly define the win. And then we wanna take an inventory of what we truly have to work with. Now, once we've done this. We've got the win. We've got our real inventory. Then this is where it gets fun, we wanna intentionally invest our resources in the direction of the desired result. We wanna intentionally invest our resources in the direction of the desired results. We're investing available resources in the present to accomplish our goals in the future. Now, what do I know about what you want to accomplish? Almost all of you, I can assume, you want growth in whatever area you're in. In business you want growing revenue. Growing market share. Growing ministry impact. Growing spiritual growth. Whatever it is. So what we wanna do is we wanna invest our resources in the places that we believe have the highest potential for return. What has the highest potential return on investment? Now, let's not just think about money. Let's think about our time. Incredibly valuable and limited resource. Knowing the win helps you direct your time. What you wanna do is when you clearly know the win then you can answer the question, what's the biggest win for my time today? This week? This month? This quarter? One of the first questions that I ask leaders that I admire is this, I ask them, what do you do that has the highest return on your time invested? And almost every great leader immediately has an answer for me. They say, oh this is the best return on my time. And average leader goes, hmm, that's a really good question. I never thought of that. What you wanna do is you wanna clearly know where your time is best invested for the return that you want to define for your business or your non-profit. Don't just think money. Don't just think time. Think talent. Where do we put our best people? And not just paid staff, but perhaps if you have volunteers, where do you put your best volunteers? Because all volunteer roles are not created equal. Sometimes you can redeploy talent into another place and have an incredibly high return. For some of you, moving a star player to a different role could make all the difference. So, what is a skill you wanna focus on becoming great at? Resource allocation. We don't spend. We are investors. What are we doing? We're investing our available resources today to accomplish our goals and objectives tomorrow. Getting this right is one of the most important things you can do as a leader. Let's review and then we're gonna talk about

application questions. What is resource allocation? It's investing your available resources in the present to accomplish your goals and objectives in the future. We're always balancing competing needs and priorities. So instead of spending or using we are investing. Before we start we must clearly define the win. You cannot accomplish what you cannot define. If you don't know the win, you'll spend your resources. If you know the win, you'll invest them in the right direction. Defining the win directs what you do daily. Number two, take inventory of what you have to work with. Don't limit your inventory to what is obvious. You've got time, energy, people, perhaps volunteers. You have more to work with than you realize. Once you've defined your win and taken inventory then you're going to intentionally invest your resources in the direction of the desired result. What has the highest potential return on investment? That's the question you'll wanna answer. We are different than most leaders. Most leaders decide how to spend money. We invest it. Most leaders want to use people to achieve their results. We invest in people. They become better, we all become better. Most leaders spend their time doing tasks. We intentionally invest our time to achieve results. What are we doing? We are investing intentionally, intentionally investing our resources today to accomplish our goals and mission in the future. Application questions number one, what are your three biggest organizational wins? Drill down deep. Answering this question, let me be honest with you, it might take some time. It might take a retreat away. But you have to answer this question to be successful. You have to answer this question in order to align what you have in the right direction. If you don't do anything else in your leadership clearly define, what are your three biggest organizational wins. Number two, what current program, project, initiative, or leader has the highest potential return on investment? What current program, project, initiative, or leader has the highest potential return on investment? What are you going to do about it? Now, next month we're gonna go into more detail. Really getting down in the weeds on how we do this. We're gonna get very, very practical. I wanna say thank you for subscribing. Thank you for sharing. Thank you for getting the word out. Thank you for leading with integrity and passion. Above all else as a leader be yourself. See you next month on the first Thursday. Be yourself because people would rather follow a leader who's always real than one who's always right.

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