

Coming Up in Nonprofit World

- What Should You Focus on During Challenging Times?
- Unlock Fundraising Potential with Affinity Marketing
- Take Your Training into Your Hands
- Nested at the Heart: A New Approach to Nonprofit Leadership
- Executive Presence: What It Is & How to Get It
- Creating Miracles in Fund Development
- How to Create a Board that Gets Things Done
- Should You Let Members See Personnel Documents?
- Nurturing the CEO-Board Chair Relationship
- Leadership Tactics You Can Use Today
- Must You Report Stolen Funds?



Nonprofit Execs Face Many Challenges

The recession has amplified the chronic instability of many organizations and thrown nonprofit leadership challenges into high relief. Boards and executives are neglecting many critical practices needed to sustain their organizations, according to a new report. Key findings from “Daring to Lead” (www.daringtolead.org):

- Two-thirds of executive directors plan to leave their jobs within five years, yet most boards are under-prepared to select and support new leaders. Only 17% of organizations have a documented succession plan. Only a third (33%) of executives are very confident that their boards will hire the right successor when they leave.
- While 52% of execs are “very happy” with their jobs during their first year, only 37% feel the same way in the following years when job fulfillment and satisfaction with the board drops and they report disillusionment with what boards contribute in terms of support, resources, and strategic thinking.
- Nearly half (46%) of respondents say their organizations have operating reserves of less than three months of expenses. Three months is the minimum level of reserves suggested by experts.
- Coaching is ranked as the most effective professional development strategy, yet only 10% of executives work with a coach.
- 33% of current executives followed a leader who was fired or forced to resign, indicating the frequency of mis-hires and unclear expectations.
- Almost half (45%) of boards haven’t reviewed the executive’s performance within the past year (one of the board’s most essential duties).

Boards and executives are neglecting many critical practices.

Calls to action and helpful articles (www.snpo.org/members):

- Be prepared to hire the right executive when the current one leaves (“Planning for Leadership Succession,” Vol. 22, No. 4; “How to Hire the Ideal Executive,” Vol. 12, No. 5).
- Solidify a partnership between the board and executive (“How to Create a Strong Board-CEO Partnership,” Vol. 27, No. 1).
- Be sure the board reviews the executive’s performance on an ongoing basis (“Evaluating the Top Administrator,” Vol. 15, No. 4). Provide executive coaching, which is highly effective but rarely used (“Is Hiring a Coach a Good Investment?,” Vol. 29, No. 2).
- Increase the financial expertise of executives and boards, and find ways to engage the board in successful fundraising (“The Yin & Yang of Operating Reserves,” Vol. 17, No. 1; “Getting Comfortable with the F Word: Fundraising & the Nonprofit Board Member,” Vol. 20, No. 4).
- Enhance your board’s composition and performance (“Defining Your Board’s Needs,” Vol. 26, No. 1; “What’s the Key to Raising Money in a Tough Economy?,” Vol. 26, No. 4; “How to Assess and Improve Your Board’s Performance,” Vol. 24, No. 1; Leading and Managing Governance Change, Vol. 26, No. 3; “35 Questions that Will Transform Your Board,” Vol. 24, No. 3; “How to Prepare Board Members to Govern Effectively,” Vol. 25, No. 6). □



Mastering Management

Management isn't a science (there's no one best way to manage), nor a profession (because it's not teachable). It's a practice learned from experience and rooted in context, according to *Managing* by Henry Mintzberg (Berrett-Koehler Publishers, www.berrettkoehler.com).

Mintzberg observed 29 managers to develop a model of management. Good managing, he found, is characterized by an unrelenting pace, a variety of quick activities, and much informal communication with colleagues—in other words, calculated chaos. The best managers move from concepts to action, passing information on to others to generate solutions.

Although many people make a distinction between leaders and managers, Mintzberg believes leading is a component of managing. Managers use their leadership abilities to engage, connect, and support others to leverage their natural inclination to cooperate.

As organizations grow, they often forget the cooperative, integrative nature of working together. Nonprofits can benefit from Mintzberg's understanding of management practice to become more authentic, productive, vibrant organizations. □

—reviewed by Terrence Fernsler

Good managing adds up to calculated chaos.

Are You an Effective Manager?

Ask yourself these questions to see if you have the seven mindsets necessary for good management:

- **Are you energetic?** Managing isn't for the lazy. It requires a great deal of energy to connect with others, initiate change, and maintain stability.
- **Are you reflective?** The best managers explore options and ponder each experience to see what they can learn.
- **Are you analytic?** Effective managers are orderly and logical. Although they don't ignore their intuition, they balance it with formal, explicit structures to make decisions.
- **Are you worldly?** Today's managers must be familiar with other cultures, other organizations, the thinking of other people.
- **Are you collaborative?** Do you reach out to people to help bring out everyone's best energy? Do you make good use of your contacts?
- **Are you proactive?** Do you seize the initiative rather than just responding to what happens? Do you take steps to circumvent obstacles and act as an agent of change?
- **Are you integrative?** Perhaps the most essential quality of all is the ability to grasp the total situation in an instant, pulling together the thoughts, actions, and people necessary to respond.



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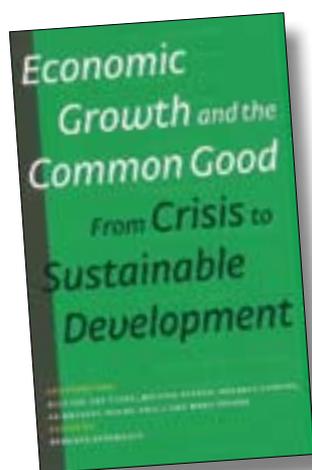
Are You Missing a Money-Saving Option?

A survey of small businesses, including nonprofits, shows that 48% don't deposit salaries into their employees' bank accounts, although most employees prefer it, it's "greener," and it saves time and money. To calculate the impact of switching your employees from paper paychecks to direct deposit, visit www.payitgreen.org/business/dirDepCalculator.aspx. For more on the survey, visit www.nacha.org, www.electronicpayments.org, or www.payitgreen.org.

Learning from the Economic Crisis

Now that the panic from the financial crisis is over, much needs to occur to prevent it from happening again, as *Economic Growth and the Common Good: From Crisis to Sustainable Development* (KIT Publishers, www.kitpublishers.nl) explains. The global economic structure must become more inclusive, as must economic participation at national levels. Values will play a huge role in decision-making, and nonprofits, as outlets for value expression, will be critical in applying lessons learned from the crisis. We play an important role in preventing fiscal irresponsibility that would further damage the economy, the environment, and society.

—reviewed by Terrence Fernsler



Ideas Wanted

An unparalleled way to harness your staff's creativity, boost morale, and improve efficiencies is to start a wild idea club. Here's what you need to make it happen:

The Right Mindset: The process begins with a forward-thinking person who realizes good ideas can come from anyone in the organization—and even people outside it, such as customers, vendors, distributors, and other partners.

The Right Reason: Wild idea clubs can be started to solve a problem, improve a project, or just to capture ideas and give employees an outlet for their frustration. There's no reason *not* to start one. If you're interested in increasing productivity, cutting costs, and making people feel important, do it. Just do it.

The Right Number: The ideal number is 12 to 20 members, though you can form a club with as few as four people.

The Right People: When choosing people to join the club, don't gauge their qualifications by their job titles. You want people who excel at whatever they do and who care about the organization. How will you know who they are? When you announce that you're starting a wild idea club that seeks suggestions from employees to improve the organization, they'll be the first to volunteer.

If you're interested in increasing productivity, cutting costs, and making people feel important, do it. Just do it.

The Right Place: Members can meet in person, by phone, or online. Using social-networking tools such as Facebook, LinkedIn, or Twitter to set up and run a wild idea club lets you tap into the ideas of people throughout the organization and even throughout the world. A number of companies can set up virtual meeting space for you, and online collaboration tools are excellent for helping people find agreement. (See "How to Reach Agreement in Your Organization," *Nonprofit World*, Vol. 28, No. 2, www.snpo.org/members).

The Right Time: Club meetings are best when kept under an hour, once or twice a month. Many meet during the lunch hour, because meetings should be short and sweet.

The Right Incentives: Recognition for the best ideas implemented is the spark that can fuel people's creativity. It's amazing what employees will do for a simple pat on the back, a piece about them in the organizational newsletter, or pizza for their team.

The Right Process: The key is the same as with any meetings: Focus on something specific, and gather as many ideas as possible before deciding what's worthy and what's not. When people have the freedom to brainstorm plus parameters to keep things focused, managers get the most usable ideas in the least amount of time. Most important of all, club members must trust that managers will listen to their ideas without judgment, help develop their ideas to make them workable, and then put those ideas into action.

—adapted from *The Wild Idea Club* (www.careerpress.com)