


## The Three Rs of Leadership: Relationships, Relationships, Relationships

When a relationship isn't working, what do you do? You know you can't change the other person. So, change the relationship.


That's the wisdom embodied in *The Elephant in the Room: How Relationships Make or Break the Success of Leaders and Organizations* by Diana McLain Smith (published by Jossey-Bass, [josseybass.com](http://josseybass.com)). Here's a three-stage model to pave the way:

1. **Disrupt** relationship patterns that aren't working.
2. **Reframe.** Create new, more flexible ways of interacting.
3. **Revise** the relationship's foundation to make growth and change sustainable.

Using this model, you can use upsetting moments to learn, explore the relationship, and begin viewing the world differently — independent of the other person. As you change the relationship, your leadership will be enhanced. 

## Maneuvering through Workplace Politics

Every workplace has its politics. The key is to use politics to your — and your organization's — advantage. The *HBR Guide to Office Politics* (Harvard Business School Publishing Corporation, [hbr.org](http://hbr.org)) outlines ways to do so. It explains how to manage conflict constructively, conduct difficult conversations, build alliances, and work well with all types of people.


The most important aspect of working in a nonprofit organization is relationships, and that is what's behind politics. In addition to coworkers, we must deal with board members and other stakeholders. The best way to do so is to practice empathy and treat others with dignity — even when we think they don't deserve it. This book is an excellent reminder of the importance of relationship-building. It's a concise tool you'll want to keep handy, because, like it or not, you will encounter workplace politics in one — or, more likely several — of the forms considered in this book. 

—reviewed by Terrence Fernsler

## What the IRS Is Wondering

The IRS is interested in having nonprofits implement procedures to decrease fraud and losses while improving efficiencies. To this end, certain questions on the 990 tax return give clues about the governance controls the IRS expects. For example:

- Does the organization have a written conflict of interest policy?
- Are officers, directors, and key employees required to disclose interests that might give rise to conflicts?
- Does the organization have a written whistleblower policy as well as a written document-retention-and-destruction policy?
- Do the organization's leaders regularly and consistently enforce compliance with the organization's policies?

Sheila Shanker ([www.webshanker.com](http://www.webshanker.com)) explores these and many other helpful financial fundamentals in *Nonprofit Finance: A Practical Guide*. A consultant and CPA, she provides a detailed overview of what everyone interested in the fiscal operations of nonprofits needs to know. 

## Is It Time to Buy Your Own Place?


Real-estate expert Michael Rudder ([mrudder@rudderpg.com](mailto:mrudder@rudderpg.com), [www.866unplaza.com](http://www.866unplaza.com)) has helped many nonprofits find space of their own. He offers these tips to make ownership a reality for your organization:

**Find the break-even point.** Determine how long, at a minimum, your organization will occupy a space. Then evaluate how much that will cost as a renter, based on average office rents in your area. More often than not, you'll find that after five years, you'll have spent more on rent than it will cost to buy your own place — especially when you consider the taxes you'll save. Nonprofits that own property are exempt from real estate taxes. When renting, taxes are built into the cost per month and can consume 30-40% of the total rent.

**Check out tax-exempt financing.** Nonprofits are often eligible for tax-exempt bond financing, which traditionally has low interest rates and reduced upfront fees. This can save you a significant amount and isn't always an option if you secure financing for a month-by-month lease.

**Create a capital campaign.** Capital campaigns are a good way to raise the necessary equity to purchase property. Sophisticated donors often feel that renting space is throwing away money, so you'll find it easier to raise funds if the money is going towards the cost of owning your office space. To spur contributions, you can offer naming rights of conference rooms or other spaces to donors.

**Lay out a long-term budget.** If you move into leased space, you have to pay immediately for the costs of moving, buying furniture, and so on. With ownership, you can amortize upfront costs over a long period, allowing for more consistent budgets.

**Decide how much space you really need.** In projecting for future growth, it may make sense to purchase more space than you need right now. You'll then have room to expand. In the meantime, you can lease unused space to other organizations. 

For more on property ownership, see these articles at [www.NonprofitWorld.org/members](http://www.NonprofitWorld.org/members): "How to Use Real Estate as a Strategic Tool" (Vol. 22, No. 6); "A Strategy for Capital Campaign Success in a Tight Economy" (Vol. 22, No. 3); "Rent Or Buy? How to Choose a Place of Your Own" (Vol 16, No. 2); and "Making Real Estate Work for Nonprofits" (Vol. 22, No. 2).

## Everything You Need to Know to Lead Your Organization

Many books claim to tell you “all you need to know about running a nonprofit.” But few are filled with truly helpful, simple-to-implement, nuts-and-bolts guidance from experts in the field.

That’s exactly what you’ll find in *You and Your Nonprofit: Practical Advice and Tips from the CharityChannel Professional Community* (charitychannel.com). Here is a brief sampling of this comprehensive, 460-page, indispensable guidebook:

### Get rid of your nominating committee.


Instead, form a year-round board-resource committee to continually evaluate the board’s needs and develop a profile of the kinds of people needed to fill vacancies.

**Conduct a governance review**, bringing in outsiders to view your board practices with a fresh eye. Look at each aspect of governance, and ask if it helps achieve your vision and mission. Also ask questions about risk management, remembering that your biggest risk area is your reputation.

**Hang up your volunteer-manager cape.** It’s common for volunteer managers to try to do everything themselves, but it’s better for everyone if you promote your volunteers into leadership positions. When you maximize their contributions, you’ll retain them longer, improve morale, and save yourself from burnout.

### Integrate your strategic plan into the design of your Web site.

Build your navigation so visitors can clearly see the opportunities. Include a resource section. If relationship-building is one of your goals, be sure to keep your site fresh and updated. Include information about your financials, strategic plans, and planned giving. Complement your Web site with social media.

**Understand what donors want.** They want to know that you received their gift, you’re thrilled to get it, you’re setting it to work, and it is having the desired effect. If they know all that, they’ll keep giving. 

## Credible Information Rules! But How Can You Provide It?

Gresham’s Law states that low-quality, cheap information tends to crowd out high-quality, meaningful information. That’s especially relevant when you use social media to get your message across, according to Zach Friend’s book *On Message* (turnerpublishing.com). Gresham’s Law translates to mean that the first result in a search engine is the most convenient but probably not the most useful or reliable.

So, how do you break out of this trap and reach your audience with high-quality, helpful communications?


**Send out personal, emotional material** that people can relate to easily. Such messages crowd out impersonal data.

**Find blogs and social media sites** that are well-known and influential in your field. Link with these sites, and pass your messages on to them.

**Post online videos**, and provide a call to action. Let your kids or pets be the stars. Kid-centered and animal-centered videos are the most likely to go viral.

**Provide information via social media** that helps your audience infer your targeted message. Rely on your supporters to redistribute the message using their own examples and interpretations.

**Identify the “influencers”** among your supporters — those who have clout, good networks, and social-media skills. (Find them at sites such as klout.com and peerindex.com.) Let them know you welcome their help in spreading your message.

**Listen to social-media conversations** about your industry. Become the go-to source to repost credible information and link to blogs that help out your supporters. Concentrate on being a reliable, aboveboard, genuine voice that people can trust. 

## Coping With Innovative Disruption


The authors of *Big Bang Disruption*, Larry Downes and Paul Nunes, begin their book by exploring what such disruptions look like and why they occur. There are business innovations, such as global positioning systems (GPS) and mobile communication devices, that change all sectors. Such innovative disruptions are especially prevalent in the high tech subsector of business.

High tech and social media are bringing us much closer to the perfect information that traditional capitalist theory needs to function properly but which has yet to be achieved. Information over the Internet is changing the economic system to one that is much more demand-driven; consumers decide what they want and communicate with each other about it, critiquing products and services. It also drives bottom-up innovation, through the cloud and collaboration. These demand-driven behaviors are themselves disruptive, changing traditional approaches to strategy. For one thing, the bell curve denoting product life—and often the life of a business itself—is compressed, with a higher peak and shorter timelines.

A new generation of leaders, dealing with the world in their unique ways, is comfortable with these sudden disruptions and may allow them to define the nonprofit sector as well. Young social activists are more accustomed to rapid and, often, wholesale change in organizations. The new, compressed bell curve could begin to represent the life cycle of many nonprofit projects, and of organizations themselves. The book demonstrates how organizations can respond and create their own disruptions. The authors divide the new product or program life cycle into four stages, with three rules for coping with disruption in each stage.

While there are plenty of excellent examples of innovative disruptions in the book, it would be remiss to assert that all organizations are driven by big bang disruptions. Downes and Nunes explain that heavily-regulated organizations (including nonprofit organizations) are less impacted by such disruptions,

but may eventually be pulled into the trend by demand-driven economics and the fickleness of consumers. A question nonprofits will face more starkly than ever is: Which is more important—the objectives of our work or the methods we use to attain them? Organizations that prefer to market themselves rather than evaluate their social impact will quickly become irrelevant.

Downes and Nunes suggest that disruptions will transform most organizations into one of four kinds of specialists: inventors, designers, producers, or assemblers. For the nonprofit sector, we might rename these specializations researchers, creators, providers, or collaborators respectively. Whether or when this transformation occurs in the nonprofit sector, the authors warn that for any organization to survive (let alone thrive) in a big-bang-disruption future, its leaders must have an entrepreneurial spirit. 


—reviewed by Terrence Fernsler

## The Three Big Questions about Collaborating

Warren Buffet has a recipe for forming successful collaborations. Before he enters into a deal with anyone, he spends time meeting key people in the organization, observing their philosophy and how they treat their staff, suppliers, and clients. Then he asks himself three questions about these key people:

- **Do I like them?**
- **Do I trust them?**
- **Do I respect them?**


If any of these questions results in a “No,” the deal is off. It doesn’t matter how good the numbers look or how great the potential for growth.

These three simple, powerful questions are the foundation for all his relationships. Adopt them for your own. 

—adapted from *The Power of Focus* (Health Communications, Inc., hcibooks.com)


## Create Lifelong Bonds with Donors

If you want to retain your donors, you need to make the connections that lead to commitment. In *Retention Fundraising* (emersonandchurch.com), Roger Craver identifies seven key drivers that, according to research, most influence donors. In order of importance, they are:

1. **Donors see your organization as effective** in working to achieve its mission.
2. **Donors know what to expect** from your organization with each interaction.
3. **Donors receive** timely thank-yous.
4. **Donors have opportunities** to make their views known.
5. **Donors feel they’re part** of an important cause.
6. **Donors feel their involvement** is appreciated.
7. **Donors receive information** showing who is being helped. 

## Five Ways to Get More out of Social Media

A recent report (NonprofitSocialNetworkSurvey.com) shows that 93% of nonprofits are on at least one social media channel. Yet only 20% consider social media to be a particularly valuable tool. Getting on social media is easy; leveraging it is a whole different story. In a recent blog post by RelSci (Relsci.com), Hilary Young, owner of Hilary Young Creative (HilaryYoungCreative.com), describes ways to maximize results and turn social media into a main thoroughfare to fundraising:

1. **Stick to a schedule.** Social media is synonymous with immediacy, but a little activity goes a long way. Just one worker-hour in the morning and another in the afternoon each day—to “like” and comment on Facebook and retweet on Twitter—is all it takes to guarantee timely engagement with fans.
2. **Start with a blog.** The best foundation for a lasting social presence is with a blog. Both Tumblr (Tumblr.com) and Wordpress (Wordpress.org) offer great free template options and the bonus of a built-in community. Create questionnaires that tease out the work of people associated with your organization, then create a piece around their answers. You’ll get a nice read that far exceeds the effort expended.
3. **Use video to pull heartstrings.** Seeing is convincing in the fundraising world. Put another way, a powerful video (well-produced, no more than two and a half minutes, call to action at the end) is worth a thousand words. And before you decide this strategy is too pricey, hunt around for a discount. Services like those offered by Projects That Matter (projects-that-matter.com) can defray costs.
4. **Repurpose across platforms.** A blog post that’s also tweeted or a video that’s also posted on Facebook gets content to a wider audience. Really, all blog content should be repurposed—e-mail newsletters are another useful distribution channel—as you can’t expect most people to visit your blog each day.
5. **Get creative.** There’s no magic formula for viral content; figuring out what works on any platform takes trial and error. One way to goose engagement, though, is to deputize “social ambassadors” whose job is to share, post, and generate content on your organization’s behalf. Identify which of your fans, board members, or donors might have long reaches, then tap their expertise for new ways to connect with their audience and others. Social ambassadorships are the dream solution for resource-strapped nonprofits, providing the work without taking your organization’s dime or time. 

## Lessons in Creative Collaboration

To jumpstart innovative collaborations, it helps to know how creativity works. Jonah Lehrer shares insights in his book *Imagine*:

**Meet with other collaborators in person rather than electronically.** In several studies, people who got together face to face were able to solve difficult problems and find clever ways to cooperate while those exchanging e-mails never found solutions.

**Build as wide a network as you possibly can.** Research shows that your ability to come up with fresh ideas is enhanced by the number of acquaintances you have and the frequency with which you listen to them. Breakthroughs are often triggered by an acquaintance's casual comment.

**Encourage dissent.** The most creative organizations hold frequent meetings where people debate, challenge ideas, and openly discuss mistakes.




**Develop an interactive culture** — an environment defined by easy communication between people throughout the organization. Be sure you have a break room or other shared area where people meet informally throughout the day.

**Cultivate risk-taking.** Urge people to keep trying new things, and don't punish them for failing. Instead, celebrate errors, and use them as learning tools.

**Create a loose, bottom-up management system.** Do away with hierarchies.

**Forget the brainstorming rule that says not to criticize anyone's input.** Study after study reveals that the best discoveries come when people try to improve on each other's suggestions. Emphasize

the importance of “plussing” — improving ideas without using harsh, judgmental language. Every criticism should contain a plus — a new idea that builds on the original one in a productive way. Rather than dwelling on the flaw in an idea, plussing lets you move on to a discussion of how to fix it. 


## Building Community

Since Robert Putnam's 2000 book *Bowling Alone*, there has been increasing interest in learning how to rebuild community. *Deepening Community: Finding Joy Together in Chaotic Times* by Paul Born reminds us that building community requires investment; it's not automatic. But relying on each other creates opportunities that make us more resilient.

Nonprofit organizations are gathering places where people come together to build a better world. While our organizations could be magnificent opportunities to build community, we often don't know how to do it. In explaining steps to take, Born identifies three types of community:

- **Shallow community** is building bonds based on the individual.
- **Fear-based community** attempts to form connections among small, isolated groups.
- **Deep community** — which can occur between individuals or groups—requires courage and paying attention to one another; it's harder but more valuable work.

Lasting community requires acknowledging the resources of each member to create something new. Deeper community is possible by sharing stories, appreciating our differences, taking care of each other, and working together for shared values.

We have a choice: Community can be a priority or an afterthought in an individualized world. Nonprofits are communities in which we can overcome our fears, accept all types of people, and reflect on all we have in common. By drawing on tales from his own communities and the stories of others, Born demonstrates how the opportunity to deepen community is right in front of us, and so are people who want to work with us to make it happen. 

—reviewed by Terrence Fernsler

## laughter alert

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Please send us your nonprofit jokes, funny anecdotes, and humorous observations! Send to [Jill@NonprofitWorld.org](mailto:Jill@NonprofitWorld.org) with “Laughter Alert” in the subject line.

