

Make More Money: Evaluate Gifts in Advance

To make the best decisions, create a short list of criteria to guide you.

By Karen Eber Davis

You have many potential donors, special-event options, earned-income opportunities, and corporate contacts. How do you decide where to focus your finite resources?

The answer: Create a list of criteria. It's counterproductive to pursue every opportunity to make money. Nonprofits who do so get exhausted, not more sustainable.

Which Criteria Are Best?

The best criteria are based on proven nonprofit standards fine-tuned by your own experiences. For instance, the standard may be to make nine appointments with a prospect. Your experience may be that you make more progress by making eight rather than nine.

What do criteria look like? They're short statements or questions. They're realistic and attainable. They're measurable. You can ask yourself: Was the criterion met or not? The answer leads to powerful decisions.



"We could make a lot of money selling affinity credit cards," says an employee of the National Association of Accounting in *7 Measures of Success*, "but we don't do that because it doesn't benefit our constituency." The criterion: Programs must benefit the organization's constituency. The measure: Does it benefit our constituency or not?

Another example: A hands-on-science museum faced a shortfall. The museum's leaders invited supporters and staff to identify ways to close the pending income gap. They asked for ideas that met these criteria:

- Produce income to close the budget gap.
- Involve minimal start-up funds.
- Require low staff involvement.
- Be piloted within 60 days.

Based on this list, the group came up with 10 ideas. Four succeeded, and one was very successful. The criteria were brief, quantifiable, sensible, and, in the end, productive.



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Setting criteria or finding ideas to fit within them may look easy. Usually it's not—at least at first. This kind of big-picture work requires disciplined thinking and sorting. Weighing options often requires you to consider values and beliefs. Using criteria implies you will leave some worthy choices behind – not always a reality people with pet ideas want to face.

Finally, develop just a handful of criteria. Too many criteria can lead to such confusion that you end up rejecting all the options.

What Are The Rewards?

Criteria are clear tests. Ideas that don't measure up can be discarded. Instead of having long discussions about ideas that don't fit your requirements, you can quickly put them aside. If your board spends hours making decisions, using criteria can easily halve this time. If you establish criteria before decision-making as your go-to approach, over time your board and staff will get faster at exploring ideas, evaluating them, and making thoughtful decisions.

Criteria improve your ability to make logical choices and reduce emotional ones. When used with analysis of success and failure, criteria help you replicate triumphs and avoid repeating mistakes. Once you identify patterns, you can select the most lucrative to pursue.

How to Start Using Criteria

If you're not already using criteria to make decisions, a great starting place is to use them to evaluate grant opportunities. Here they keep you from wasting time on an application with poor funding odds.

For example, one agency that works to prevent homelessness doesn't apply for a grant unless it meets these three criteria:

- If we apply, the likelihood of receiving the grant is high.
- The grant opportunity aligns with our mission and vision.
- Our request will easily match the funder's goals.

When they face multiple opportunities but time challenges, the agency adds additional criteria to whittle down the choices. 

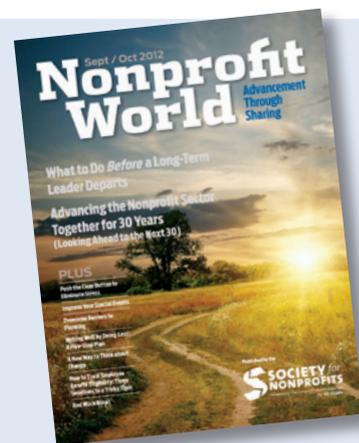


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How to Draft Criteria, Step by Step

Imagine that you're faced with a multitude of options and need to decide on just one. Here are the steps to take:

1. **In all likelihood you already have some criteria — in your head.** Jot these down.
2. **Write a list of the outcomes you want from the decision.** What criteria do the outcomes suggest?
3. **What would you never do?** The opposite might be a useful criterion.
4. **Use your draft criteria to evaluate a few options.** Do the results make sense? Are there other criteria that might be more helpful? Tease them out and refine your draft.
5. **Make your criteria realistic,** short, measurable, and few.
6. **Choose the option** that best fits your criteria.



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