

May / June 2013

# Nonprofit World

Advancement  
Through  
Sharing

**30<sup>th</sup>**

**ANNIVERSARY  
ISSUE**

## Find Your Truths and Release Your Powerful Energy

### Thirty Top Tips for a Better Organization – and a Better You

For our 30th anniversary,  
30 ways to be a better leader

- Your Future Is as an Entrepreneur
- Should the Exec Be Sitting on the Board?
- The High Cost of Employee Turnover – and How to Avoid It
- Build a Team, Not Just a Board
- Are You Missing the Secret Ingredient in Your Search Criteria?
- Attending Your Funeral
- How Much? Five Factors to Consider When Choosing a Grant Request Size

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Unsolicited manuscripts and letters to the editor are welcomed. They should be addressed to Jill Muehrcke, Editor, *Nonprofit World*, P.O. Box 44173, Madison, WI 53744-4173 or [muehrcke@charter.net](mailto:muehrcke@charter.net) or [Jill@NonprofitWorld.org](mailto:Jill@NonprofitWorld.org).

# Attending Your Funeral

“How does your leadership style resonate?”



If you left your organization today, how would people remember you? What would you leave behind? How would the organization be different because of you?

The answers to such questions define your leadership legacy. Will your legacy be a positive one? Have people changed for the better because of you?

One way to gain a handle on your legacy is to write your own eulogy. Include the tales that will make people laugh and cry when they remember you, the way you've touched people's lives, the memories you'll leave behind. Ask yourself:

- **What do you want your legacy to be?**
- **If you could attend your own funeral**, what would you want to hear people saying?
- **What might you do differently** to make sure your legacy will capture the person and leader you want to be?

To enhance your legacy, it's useful to identify your leadership style. That will help you see where you can make the greatest difference. "What's Your Leadership Style?" (page 28) is the place to begin.

Think of your legacy as a catalyst for you to take action now, a forward-thinking tool to help you be intentional about your desired impact. It's an amalgam of the guiding principles you use in making your decisions every day.

When contemplating matters of leadership and legacy, consider turning to the Leader to Leader Institute and the wisdom of its founders, Peter Drucker and Frances Hesselbein. In *My Life in Leadership*, Hesselbein stresses her cardinal rule: Leadership is, first, about who you are. It's an issue of how to be, not how to do. More important than what you teach others, in the end, is your character. (See "Leadership Lessons" on page 26.)

That's true for staff, too; you need to hire for character — who people are — rather than their skills. You can always teach them how to do something, but you can't teach character.

The best way to fulfill people's potential is to keep challenging them in the areas of their greatest skills and talents. A positive atmosphere not only promotes emotional health, it helps expand people's brains, as explained in "Help Your Workers Shine" (page 26). It's up to you to provide a nurturing, motivating environment (take a look at "The High Cost of Employee Turnover — and How to Avoid It" on page 20).

Character is an often overlooked requirement not just for staff but for board members, too. In "Build a Team, Not Just a Board" (page 8), Linda Edwards enumerates ways to ensure a leadership team with integrity, compassion, and fair-mindedness.

Pinpointing your personal truths is as crucial as understanding your organization's core values. When you align the two, you have the recipe for unimagined success, as detailed in "Find Your Truths and Release Your Powerful Energy" (page 12).

The truth about becoming your best self is, like most profound truths, very simple: Do just one small thing differently each day. "Become the Person You Want to Be" (page 27) shows you how.

You'll find more leadership keys in "30 Top Tips for a Better Organization — and a Better You" (page 18). These suggestions, gleaned from 30 years of *Nonprofit World* articles, aim to enhance your leadership skills and those of others.

As leaders, we tend to focus on getting things done. But with a slight shift in perspective, we can also put some thought into how we want people to remember us as leaders.

How will those you've worked with do things differently as a result of having known you? How does your leadership style resonate into the future? It's never too early, or too late, to begin asking these questions.

**Jill Muehrcke**  
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P.S. It's been a year since my book *Waking Up Happy* ([WakingUpHappyBook.com](http://WakingUpHappyBook.com)) was published, and I want to thank all of you for your support, enthusiasm, and kind words about it. I'm delighted that *Waking Up Happy* is helping so many people change their lives for the better! (Read more about it on page 27.)

## Five Things to Do Next Monday

Here are a few concrete things you can do right now to begin transforming your organization.

1. **Perform the activities** in "Exercises to Enhance Your Organization's Culture" (page 13).
2. **Choose one suggestion** from "Offer Growth and Development Opportunities" (page 21) to enhance training programs for your employees.
3. **Put together a team-building committee**, as described in "Build a Team, Not Just a Board" (page 8).
4. **Perform the "five second test"** (page 5) to see if you need to tweak your Web site.
5. **Try one of the exercises** in "Become the Person You Want to Be" (page 27), and star two more exercises to try in the next two days.

# Should the Exec Be Sitting on the Board?

Can the executive director serve on the board? The answer is complicated.

**Q** Is it okay for the executive director to serve on the board? If so, in what capacity can the person serve? As an ex officio member? A non-voting member? Or someone who can vote but just not on issues that affect the ED personally, such as salary?

I've heard lots of conflicting advice. I'm looking for the definitive answer!

**A** I wish I could give you a definitive answer. There isn't one. Sorry. The closest you're likely to come is to refer to your bylaws and your state's nonprofit corporation law. If the question is addressed in either place, that *is* the definitive answer *for you*. If not, the best I can do is give you some issues to consider.

A few organizations prohibit their EDs from sitting on the board. The argument is that the board has work to do and decisions to make that should be made without the influence, or in some cases even the knowledge, of the ED.

In these organizations the ED is invited to give a report or provide specific information at board meetings and is then excused. While this approach makes the board truly responsible for governance, it sometimes results in decisions that are made with inadequate information. Besides, boards can get around the primary argument by regularly going into executive session to have their board-only discussions or make their board-only decisions.

Typically, organizations make the ED an ex officio member of the board, meaning that his or her membership is specifically tied to serving in the chief administrator role. This recognizes the value the ED can bring to conversations the board is having. It also excludes the ED from any term limits that may be imposed on other board members, allowing the executive to serve the length of his or her tenure.

Most boards go on to prohibit the executive director from voting. (Contrary to a popular misconception, just because someone is an ex officio member of the board does *not* mean that he or she can't vote. So, your bylaws would have to be specific if you decide this is the direction your board should take.)

There are a number of reasons for not allowing the executive to vote. Key among them:

- **The ED reports to the board.** If he or she is a full voting member, the lines more easily blur. Peer to peer relationships develop, and it's more difficult for both sides to request or respond to needed dictates.
- **There are many potential conflicts of influence,** as you note when you mention salary.
- **Giving the ED a vote makes the evaluation process more difficult** — at least emotionally — than it need be.

“The board has decisions that should be made without the influence of the ED.”

“Peer to peer relationships develop, and it's more difficult for both sides to request or respond to needed dictates.”

- **The ED already has a lot of influence** and can easily sway the group. Eventually, some boards react to this reality by totally abdicating their responsibilities to the ED — something I think we'd all agree is not a good thing. Giving the ED a voice without a vote mitigates this influence somewhat.
- **The ED already has a job — a time-consuming one.** That job is in operations. By giving the ED a vote, the board is also giving the ED a role in governance. It's rare that an ED can do both. The simple act of having the ED forgo voting reminds everyone that this person isn't just another board member to be called upon when board tasks must be taken on.

There are, however, some organizations that recognize all these potential pitfalls and still want their ED to have a vote as well as a voice. This happens more often in large organizations where staff take on the officer positions such as president and treasurer to facilitate tasks that have grown too complex for the average board member to handle. It's also encouraged in situations where the board wants to confer greater status on the ED. In the organizations that go this route, the ED declares any potential conflicts and refrain from voting on such issues — just like any other board member would — or should.

So, what makes most sense for your organization?

*Terrie Temkin, Ph.D., Founding Principal  
CoreStrategies for Nonprofits, Inc.  
CoreStrategies4Nonprofits.com*



# Online Strategies for Year-End Fundraising

These 10 simple steps will get you ready for year-end fundraising.

**D**id you know that most organizations receive half of their annual online donations during November and December? What you're doing now to build enthusiasm with your loyal supporters and engage new supporters will make a big difference in meeting or exceeding your year-end goals.

Mid-year is the perfect time for a plan check-up. Pat yourself on the back for all you've accomplished so far and start working on implementing some simple strategies that can make a big year-end impact.

Think of these 10 steps as your mid-year checklist — to help you ensure year-end success. Check off the strategies you've already put in place and pick a few of your favorites to implement now so you maximize your efforts for end-of-year appeals.

## 1. Capture E-Mail Addresses for Your Offline Donors

More and more supporters are open to engaging with you online, even if they choose to donate offline. Capturing e-mail addresses for your offline donors will allow you to implement a multi-channel approach, which has been proven to be the most effective strategy.

Whenever you can — at events, through direct-mail response cards, via telemarketing, and so on — gather e-mail addresses from your supporters. The best way to encourage people to give you their e-mail addresses is to offer specific calls-to-action that are only available online. For example, tell people that if they register for an event on your Web site, they'll receive a premium or a special "early-bird" rate.

Also, in your offline communications, note reasons to visit your Web site. For instance, tell people they can go to your site to see user-contributed photos and stories. Or let them know that your site is a quick, easy place for them to update their mailing address and other contact information.

Your online relationship begins with capturing an e-mail address. Only with a growing e-mail list can your organization thrive online.

## 2. Use a Multi-Channel Approach (If You Aren't Already)

Adopt a multi-channel approach to convert prospects acquired online into donors. To maximize conversion rate, use e-mail first, followed up by mail, then by telemarketing.

In your direct mail, provide incentives for people to give online. Some popular incentives include drawings, give-aways, receiving an e-mail tax receipt, or having the person's gift be matched by a major donor.

According to research, direct-mail donors who also receive e-mail give two times more and renew at 10% higher rates than those receiving e-mail alone. According to a joint study by Convio and StrategicOne, "the increased value of adding an online donation and solicitation channel for donors acquired offline is \$44.71 (a 39% increase) per donor over 12 months."

“Pick a few of your favorites to implement now.”

## 3. Get to Know Your Supporters

Your supporters are made up of many diverse groups, each with unique needs. You must segment them into groups so you can communicate relevant information to each one. Segmenting your list and then targeting groups with communications and appeals based on their interests, donation history, gender, age, length of membership, or any other defining characteristic will result in higher response rates.

Know who your supporters are and what they care about. Understand which donors, activists, and volunteers are most active, and devise special programs to keep them engaged.

Regularly ask supporters for information about themselves to help you improve your targeted messaging. Include questions in your online surveys, direct-mail response cards, and sign-up sheets at events.

## 4. Segment Your Welcome Messages

Do you have a welcome series to cultivate prospects — a series of messages you send over several weeks or months to introduce people to your organization and start building your relationship with them? It's great if you do. But take it up a level, and create a different welcome series for each type of supporter. Creating "pathways" for each supporter type is key to maximizing people's experience on your Web site.

A solid, professional welcome series sets the tone for the relationship, creates an identifiable voice for your organization, and educates new constituents about your mission before they start getting appeals. Create a welcome series to thank first-time donors for their support, communicate how their funds are being used, and eventually build up to asking for their continued support year-round. After new supporters have "graduated" from the welcome series, add their names to your other communications so you can further cultivate these relationships.

Never send requests for funds to people who just signed up to your list. They haven't been properly cultivated (that's what your welcome messages are for), and it's one of the fastest ways to make them feel you're treating them like an ATM machine.

## 5. Be Transparent with Your Communications

To keep supporters engaged, provide regular updates on how the funds you raise are being used. You can include these updates in your e-mail communications and on your Web site.

You'll make your e-mail and Web site messaging more engaging by highlighting specific goals, recent successes, and inspirational stories. Equipping your supporters with this type of information will give them even more reason (and confidence) to spread the word.

## 6. Promote a Sustainer or Pledge Giving Program

The donors who supported you last year likely had to be selective about their charities. These donors may be especially inclined to be loyal to you. They may well be open to giving recurring donations or paying their annual donation amount throughout the year.

“Sustaining donors” and “pledge donors” typically renew at rates 10-20% higher than single-gift donors. It’s important to offer reasons for people to give on a recurring basis or to pledge a larger commitment that they can pay out over time.

## 7. Optimize Your Home Page

This is a great time to make improvements to your home page that don’t necessarily require a redesign. Here are a few best practices for your home page:

- **Have a strong message.** Surprisingly, many home pages don’t tell visitors what the organization does. Be sure you clearly state your mission on your home page in 15 words or less, and provide a compelling call to action.
- **Decrease the clutter on your home page** to promote opportunities for visitors to get involved. Move your engagement opportunities “above the fold.” After you tell Web site visitors who you are and what you do, be clear about the actions you want them to take.
- **Improve your registration opportunities.** Aim to have one or more sign-up opportunities above the fold. Make sure you have a form on the page, not just a link or button. Have compelling reasons for your top three audiences to register with you. There are many effective tactics you can use to motivate online registrations, such as downloadable content, contests, drawings, e-cards, polls, pledges, and premiums.
- **Make your online registration simple.** Capture e-mail address, first name, last name, and ZIP at most. You can use a second page to ask for additional information — such as interests and chances to opt into other e-mail communications.

### The Five-Second Test

Ask a few friends to look at your home page for five seconds. Then close it, and ask your friends to write down what they remember. Effective Web sites tell visitors within seconds of their arrival:

1. **where** they are
2. **what** they can do
3. **why** they should act.

## 8. Create Targeted Web Site Content

Your Web site is the primary way many supporters stay informed about what your organization is doing. So make sure it speaks to them. Target content to your various audiences, based on their needs and interests.

“Offer specific calls-to-action that are only available online.”

## 9. Make Your E-Mail Newsletter More Engaging

An e-mail newsletter is a prospecting tool, so sending the same version to everyone isn’t appropriate. You ought to have at least two variations of your e-newsletter. One should go to prospects and non-donors. The second should go to current donors.

Follow these tips to get the most from your e-newsletter:

- **Be sure your segmented newsletter shows** that you know the recipients. Consider adding content based on their relationship with you. Have they donated this year? Do they volunteer? Have they attended events? Have they done team event fundraising? Does your newsletter engage them and build on your relationship with them?
- **Include clear calls to action** such as “Update Your Address,” “Learn More,” or “Share Your Story.”
- **Put the Donate and Tell-a-Friend links** above the fold.

## 10. Tap into the Power of Social Media Marketing

Social media isn’t a silver bullet. But it does help extend the reach of your communications to a broader audience. And it can leverage existing support to spread the word about your organization.

There’s a seemingly endless number of technologies at your disposal that your supporters are using every day. Before diving in, take these steps to make the best choices:

- **Use the tools yourself.** Listen to what your constituents are saying. Follow thought leaders in your field.
- **After gaining insight** into topics of interest to your audiences, decide which social media tools will help your organization most.
- **Teach your stakeholders** to use the tools you’ve selected as the most helpful. Give your most passionate supporters the chance to distribute content and raise awareness on your behalf. 

*This article was prepared by Convio (convio.com), a Blackbaud Company. Convio is a leading provider of on-demand constituent engagement solutions that enable nonprofit organizations to maximize the value of every relationship.*

### More Online Strategies

For more ways to build relationships and raise funds online, see these *Nonprofit World* articles at [NonprofitWorld.org/members](http://NonprofitWorld.org/members):

**Tap into the Passion of New Constituents with a Welcome Series** (Vol. 31, No. 1)

**Beyond the Single E-Mail Message: Running Effective E-Mail Campaigns** (Vol. 23, No. 3)

**Reach New Supporters with Multichannel Tools** (Vol. 29, No. 2)

**Using E-Mail & the Web to Acquire & Cultivate Donors** (Vol. 21, No. 1)

**E-Mail Deliverability: Increase Your Chances of Getting Through** (Vol. 23, No. 2)

# How Much? Five Factors to Consider When Choosing a Grant Request Size

It's a crucial but tough decision. Here are steps to lead the way.

By Karen Eber Davis

**G**ood news! You found a grant source. Even better news, their interests and your needs match. Now you need to decide how much money to request.

Determining the size of a request can be tricky. If you ask for too much, you might get nothing, be perceived as greedy, and decrease your organization's credibility. If you request too little, your money is left on the table and your activities are underfunded.

Most people find it helpful to estimate a request size before they draft the proposal. If you can ask the funder for guidelines on a request amount, do so. For many reasons, however, people often

“For a first grant, consider a request close to or just less than the average.”

can't comfortably request this information. In this case, use these five steps to establish a request size:

**1. Research the amounts** given by the funder over the last few years. Use recent IRS reports, or look for clues on the Web sites of the grantor and of organizations it funded recently.

**2. Calculate the average grant** the funder awarded last year. For a first grant, request an amount just less than the average.

**3. Consider the amounts** other groups in your specialty area received. Modify the estimate you made in step 2, if necessary, to fit within this range. For instance, if arts groups received grants from \$8,000-\$10,000 and education groups received grants from \$5,000-\$7,000, adjust your estimate to fit into the range of your specialty.

**4. Check whether there have been any recent changes** to the funder's conditions. If so, adjust your estimate to reflect the impact of these conditions. Examples: A good or bad economy, announcements of a large multi-year grant, or news of a large bequest in the case of a community foundation are reasons that would affect your estimate of how much to request.

**5. Once you're satisfied with your estimate**, draft the proposal. Fine-tune your estimate to reflect money you can contribute to the project, such as earned income, matching funds, or the gifts of collaborative partners. Your goal is to establish a dollar amount that offers sufficient but economical resources to complete your activities, given the funder's budget. **S**

## Putting the Five Steps to Use

Here's an example of the five steps applied to the Mythical Foundation:

- **The Mythical Foundation's funding last year** totaled \$422,500.
- **The foundation averaged \$15,809** for the 28 organizations it funded. Gifts ranged from \$2,700-\$25,000. You ballpark your request at \$14,500.
- **Of the 28 funded organizations**, children's groups received \$10,000-\$25,000, older adults \$3,000-\$10,000, and health organizations \$7,500-\$15,000. As an older-adult service organization, you adjust your estimate down to \$7,000.
- **An article in the newspaper states** that a Mythical family relative died two years ago and left all her assets to the Mythical Foundation. You revise your estimate up to \$11,000.
- **After writing the proposal, you conclude** that you need \$12,511 to economically complete the proposed activity. To make everyone's bookkeeping easier, you trim the budget to equal \$12,500. This is the amount you use on the proposal you submit.

Establishing an appropriate request range is an important part of a grant submission. As you can see, the final amount is determined by what you need and what the funder is able to do for you. By using the five steps, you can establish a request that's helpful to your organization and inviting to the funder.



*Karen Eber Davis (Karen Eber Davis Consulting, karen@kedconsult.com, kedconsult.com) has been consulting with nonprofits about grants and planning for over 25 years.*

**Note:** This article provides a set of general guidelines. Funders' advice and your knowledge about specific grant programs will almost always override these general guidelines.

“Use recent IRS reports, or look for clues on Web sites.”

## Garnering More Funds

For more on gleaning grants and other funding, see:

**How to Answer the Dreaded Grant Question about Future Funding** (Vol. 31, No. 1)

**Think Out of the Box for Fundraising Gains** (Vol. 29, No. 5)

**The Challenge of Sustaining a Grant-Funded Program** (Vol. 28, No. 6)

**How to Measure Fundraising Success** (Vol. 31, No. 2)

**Focusing on Foundation Grants: The Powerful Reverse Needs Assessment** (Vol. 12, No. 4)

**Seven Deadly Grantwriting Sins** (Vol. 27, No. 6)

These resources are available at [NonprofitWorld.org/members](http://NonprofitWorld.org/members). Also see Learning Institute programs on-line: Resource Development and O for Opportunity: Exploring New Revenue Opportunities for Nonprofits ([NonprofitWorld.org/LearningInstitute](http://NonprofitWorld.org/LearningInstitute)).

## CREATIVE FUNDRAISING IDEAS

### Hold a Bucket Raffle

Place prizes on a table so that people can look closely at each item. Put a bucket near each prize. After buying raffle tickets, people can put their tickets into the buckets corresponding to items they want to win. Thus, each bucket becomes its own raffle.

People love bucket raffles because of the interaction between them and the raffle itself. You can sell the tickets in bulk at low prices (around a dollar each), thus encouraging people to buy a large number of tickets. Let people use as many tickets as they want to increase their odds of winning prizes.

### Sell Something Useful

Never gather a group together without offering items for sale, advises Rudolph A. Rosen in *Money for the Cause: A Complete Guide to Event Fundraising* (Texas A & M University Press, [tamupress.com](http://tamupress.com)). You're missing a great opportunity if you don't have something to sell.

While you can't operate like a for-profit company, it's perfectly acceptable to sell items to help market your organization. Examples include T-shirts, hats, coffee mugs, tote bags, umbrellas, welcome mats, and pens. Emblazen the items with your organization's name and logo. That way, whenever people use them, they'll be advertising your cause.



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# Build a Team, Not Just a Board

## Are you missing the secret ingredient in your search criteria?

By Linda Edwards

**W**e've all seen them, and we dream of having one of our own — a real team of leaders, not just a board of directors. How can we create a true leadership team for our nonprofit organization? What can we do to make this happen?

We need to raise the bar. Creating a team of leaders is work. To develop a great team, you need a plan. The plan should include recruitment, orientation, motivation, retention, evaluation, and yes, even termination. You also need to take a good look at your search criteria. Are you searching for everything you need to turn a board into a team?

### The Missing Ingredient

When I was a new executive director I tried to keep board positions full. I knew better than to look for “warm bodies,” but more often than not I ended up with people who were “very involved in our community,” but too busy to do what we needed them to do or who “loved the work we did” but had none of the qualities that would help our organization deliver our mission or raise money.

Things changed when I realized what we'd been missing. We'd been searching for people with the skills and talents we needed for our board. But we were forgetting to add *qualities* to our search criteria. Personal qualities are even more important than skills and talents and must be part of your search criteria. First, be sure you have a clear understanding of these three essential touchstones:

**Skills** are the abilities that come from training and practice, such as a facility in public speaking. (My favorite skill for nonprofit board members is “can read a balance sheet,” but that's another conversation.)

**Talents** are people's apparently natural aptitudes for certain areas of interest, such as finance or communication. You can tell when people have a talent for something, because they love to do it, and they pursue it with tireless passion.

**Qualities** are the traits that distinguish a person's personality, such as assertiveness, loyalty, and reliability. These are tendencies that we're born with, and they usually change little throughout our lives.

You can help people develop the skills they need, but you can't teach them character. So it's vital to seek out qualities that will turn a group of people into a team.

Members of a smoothly functioning team will be open-minded, collaborative, and magnanimous rather than selfish, egocentric, and obstinate. They'll have the capacity to cooperate, empathize, and move away from their own narrow perspective to see the big picture. They'll know how to use humor to relieve tension, defuse conflict, and inspire others.

While a sense of humor isn't usually on the list of search criteria, it should be. Few attributes are more important to leadership and

“You can help people develop the skills they need, but you can't teach them character.”

teamwork. Having a sense of humor doesn't mean you need to be a joke-teller, although an entertaining story always helps to make a point. The important thing is that you don't take yourself too seriously, and you're able to gain perspective, no matter how charged the atmosphere.

Such a lightness of being fosters camaraderie, cooperation, and communication — all crucial to a well-functioning team.

### The Seven Steps to Success

When you give personal qualities the weight they deserve in your search criteria, you're on track to building a team that will work together as a dynamic whole. To make it happen, these are the steps to take:

**Step 1. Begin by putting together a team-building committee.** You'll probably want to include the executive director and at least two members of the executive committee. Or you can use your existing nominating or governance committee.

**Step 2. Put the plan in writing.** The key to successful team building is to document the process you intend to use and the vision you've created. Identify the specific steps to take. Build in accountability and a timeline for implementation. Know who will take which steps and when.

**Step 3. Determine what your organization needs.** Create a list of the skills, talents, and qualities that are “must haves” for your board. (See Figure 1 for an example.) During this phase, you're not assessing your current board members. You're focused only on your vision for your ideal leadership team.

Figure 1. List of Must-Have Skills, Talents, and Qualities

SKILLS	TALENTS	QUALITIES
Good listener	Marketing	Enthusiasm
Active learner	Public relations	Flexibility
Persuader	Accounting	Compassion
Critical thinker	Event planning	Dependability
Problem solver	Fundraising	Open-mindedness
Effective writer	Management	Perseverance
Negotiator	Human resources	Integrity

*The sample is not exhaustive. You'll want to create your own.*

**Step 4. Evaluate your board.** Ask board members to participate in this evaluation process. Create a list identifying the skills, talents, and qualities of your existing board. You can use a simple self-assessment survey and request that board members complete it — perhaps during a board meeting.

It can be more challenging to assess qualities than skills and talents. One way to pinpoint qualities is simply to observe how

“It can be more challenging to assess qualities than skills and talents.”

people act in various situations — especially when they need to make decisions and when things don't go their way. Using such observation, your team-building team — the executive director and a couple of executive committee members — can probably, in a preliminary way, determine what qualities each board member possesses.

Another way to identify people's traits is to mix it up in a board meeting. For example, if you have a 12-member board, have four people evaluate the qualities of three other board members. You can set this up for a random and quick evaluation, such as “Pick the top three qualities of the person being evaluated.” Later, tabulate the lists. You'll notice trends, and you will have involved 12 people in the process of evaluation.

**Step 5. Identify the gaps.** Compare your lists of what your organization has and what it needs. Now you're ready to make a list of skills, talents *and qualities* that will be necessary for new board members to possess in order to round out your board.

**Step 6. Find the right people.** The secret to developing a real team of leaders is getting a good balance of skills, talents, and qualities. Part of that strategy is to have an application process for board candidates and to request resumes from them. You can easily discover skills and talents on the resume. It's in the interview process that you can uncover people's qualities.

I'm often asked if nonprofits should “advertise” for board members, similar to the process for staff positions. My immediate response: No! It's too complicated and potentially creates layers of vulnerability in goodwill toward the organization. But it is important to have a structured application process.

You should have a written application form for candidates to fill out and a streamlined interview that's similar for every candidate. This process should be detailed in your organization's policies.

Narrowing the field of board member applicants will be more efficient because of your lists of skills, talents, and qualities. Be sure you have a standard letter of invitation for those candidates you're inviting to be on your board and another letter for those you decide against.

Gently inform board applicants who don't fit your criteria at a particular time that you're grateful for their interest. Let them know that you'll keep their materials on file in the event of another opening on the board.

Always keep the door open. Remember that every board applicant also is a current or potential donor.

**Step 7. Evaluate the process and the plan.** Once you have new members on your board team, assess your process. Ask yourself and the committee what worked and what didn't. Your answers will provide insight into better ways to engage and invite new team members next time. When you do this, you pave the way for continued success for your organization. 

*Linda Edwards (lindaedwardsm@gmail.com) teaches business at the Scott College of Business at Indiana State University.*

## More Building Blocks for Your Team

These and many other articles on boards are available at [NonprofitWorld.org](http://NonprofitWorld.org):

**Defining Your Board's Needs** (Vol. 26, No. 1)

**Where Can You Find Good Board Members?** (Vol. 17, No. 5)

**Tools for Improving Your Board's Diversity** (Vol. 25, No. 5)

**Leading the Transformation of Boards** (Vol. 22, No. 2)

**Bring a List of Names to the Next Meeting** (Vol. 24, No. 5)

Also see Learning Institute programs on-line: Board Governance ([NonprofitWorld.org/LearningInstitute](http://NonprofitWorld.org/LearningInstitute)).



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# I've Been Thinking about... Enduring Issues

If I could grant you three wishes to strengthen your organization, what would they be?



By Martha Golensky

**A**fter five years of writing this column, the time has come to move on. I wish I could say the topics I've addressed have all been resolved. Instead, I'm leaving you with my thoughts on three issues I wrestled with as a CEO that never seem to go away:

## 1. An Effective Board

The most effective board I've ever encountered defied logic: It was huge (44 members) and full of strongly opinionated individuals. One key to its success was tradition. Having had years to work out the kinks, this nonprofit established itself as the place to serve in its community. Recruitment was a year-round, systematic search for new people with great potential. Board members knew exactly what was expected of them, before and after they joined, and were held accountable for fulfilling their responsibilities. Decisions were reached through respectful, open discussion. Opportunities abounded for personal growth.

Lessons learned:

- **Treat your board as a vital resource** rather than a necessary evil.
- **Provide ways for board members to make meaningful contributions**, and they'll reward you with dedication and hard work.
- **Show your appreciation to each board member individually**; never forget the board is a collection of individuals.

## 2. Collaboration that Boosts Your Impact

It continually surprises me that so many nonprofits shy away from collaboration, given the many positives to be gained internally and externally, not the least of which is how favorably funders view such efforts.

The first step is to understand the different forms of collaboration, ranging from a mere "toe in the water" to merger. If there is initial resistance from staff, board members, or volunteers, start with a limited commitment of time and resources, like partnering with a complementary nonprofit on a short-term project. Assuming this first venture goes well, you can build on the success to engage in something more ambitious.

However, collaboration isn't a panacea for all organizational woes. It's critical to determine what you hope to achieve. The

“Stay tuned in to what's happening in your community.”

“Never forget the board is a collection of individuals.”

most desirable outcome is to increase the impact of your services at the lowest cost, calculated in dollars but also in more intangible ways.

Ask the hard questions. For example, is there a danger that your organization might lose its identity should your partner be a larger, more affluent organization? As part of your due diligence, consult with an attorney on the legal ramifications of each type of alliance.

## 3. Strategies to Ensure Financial Health

In a study I did a few years ago of ways to cope with the changing political and economic environment, it was impressive to see the variety of strategies organizational leaders adopted to ensure financial health. Savvy leaders recognize the need for creative measures to keep their planning, management, and fundraising activities in step with the times.

Diversification of funding sources should be high on the list; it's the rare nonprofit that can survive by relying on one major revenue stream. Refining your marketing and PR might be just the ticket to broaden name recognition.

Stay tuned in to what's happening in your community. You may spot a programmatic niche to fill. Build bridges to the most successful nonprofits around you; emulating or adapting what works for them could pay big dividends.

It's also important to look internally. Can you increase productivity without sacrificing quality? Are you making the best use of your staff and volunteers? Perhaps this is the right moment to upgrade your computer system or improve internal coordination among departments to achieve greater efficiency.

Let me end by wishing the faithful readers of *Nonprofit World* my best, and offering my sincere thanks to Jill Muehrcke for affording me the opportunity to be a regular contributor to this fine publication. 

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*Martha Golensky, professor emerita of social work at Grand Valley State University (golenskm@gvsu.edu) is the author of Strategic Leadership and Management in Nonprofit Organizations: Theory and Practice, published by Lyceum Books, which draws on her 30-year career as a nonprofit executive, professor of nonprofit management, and consultant to local nonprofits on strategic planning, financial development, and board governance.*

# How to Accommodate Common Disabilities in the Workplace

Boost productivity and avoid expensive lawsuits by keeping these rules in mind.

By Sammy Sotoa & Kendrick Kleiner

**P**eople with disabilities have become an integral part of the workforce. If your organization isn't accommodating them, you may be risking lawsuits and multi-million-dollar verdicts.

## What the ADA Demands

The Americans with Disabilities Act (ADA) forbids discrimination against people with disabilities when recruiting, hiring, training, and compensating employees.<sup>1</sup> During the hiring process, for example, you can't ask prospective employees if they have a disability. Nor can you ask someone to undergo a medical exam before an offer of employment unless you require all applicants to take the same exam.

Once people are hired, reasonable accommodations must be made for their disabilities unless doing so would create an undue hardship to the organization.<sup>2</sup> You can test for undue hardship by comparing the cost of the accommodation to your organization's resources.

Recently, new laws were passed stating that if accommodation would be too burdensome, and no other solution can be found for that job, the disabled person must be given another vacant job. Previously, only "equal consideration" for vacant jobs was required.

## Common Disabilities in the Workplace

The most common disabilities in the workforce are lower back disorders, depression, heart or pulmonary diseases, deafness or difficulty hearing, blindness or blurry vision, and arthritis. A disability is any medical condition that substantially limits a person's ability to perform "major life activities." Major life activities are defined as walking, seeing, breathing, hearing, performing manual tasks, caring for oneself, sitting, standing, thinking, and learning.

## How to Make "Reasonable Accommodations"

Here are some examples of reasonable accommodations you might make:

- Let people with back problems take extra breaks so they can do exercises to ease their pain.
- Use flashing alarm systems for deaf employees so that lights flash when a phone rings or someone enters the room.
- Provide phones with amplified sound for hard-of-hearing workers.
- Connect desktop magnifiers to computer screens to help visually impaired employees see images on the screen.

- Let people with kidney failure work flexible hours so they can go to dialysis.
- Furnish interactive screen readers that communicate what's on the computer screen through a speech synthesizer or Braille display for people who are blind.
- Offer adjustable chairs to reduce back pain and telephone headsets to avoid neck pain.
- Buy computers with the latest in ergonomic keyboard and mouse technology.
- Make forklifts, dollies, or other equipment available so that those with back problems can avoid heavy lifting.

Savvy organizations are providing many of these accommodations not only to disabled people but also to healthy employees as a way of staving off injury and future disability. Doing so improves morale and leads to a positive, highly productive organizational culture. 

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*Sammy Sotoa and Kendrick Kleiner are researchers and consultants who specialize in human resource management in nonprofit organizations. You may contact the authors at 551 Santa Barbara Avenue, Fullerton, California 92834.*

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<sup>1</sup>The ADA prohibits discrimination against disabled employees in organizations with 15 or more staff. State and local governments and any organization that receives federal funds cannot discriminate regardless of the number of employees.

<sup>2</sup>Reasonable accommodations are changes to a work environment or work policy to allow someone to perform the job's essential functions. Even if reasonable accommodation can be made without undue hardship, you can refuse to hire a disabled person if the disability has a high likelihood of hurting others. For example, one court ruled that an HIV-positive surgeon posed a significant health risk and wasn't protected under the ADA. See "Reasonable Accommodation of Employees" (brightlinecompliance.com), "The ADA: Your Responsibilities as an Employer" (eoc.gov), and "A Guide to Disability Rights Laws" (ada.gov).

## More Workplace Tips

For more on avoiding lawsuits and improving workplace productivity, see these articles at [NonprofitWorld.org/members](http://NonprofitWorld.org/members):

**Do Your Job Descriptions Comply with ADA?** (Vol. 11, No. 3)

**Nonprofits and the Americans with Disabilities Act** (Vol. 11, No. 2)

**Hire the Best But Hire with Care** (Vol. 20, No. 6)

**How to Accommodate Disabilities under ADA** (Vol. 18, No. 5)

# Find Your Truths and Release Your Powerful Energy

By David Casullo

Use these exercises to create a high-energy organization.

**W**hy would a nonprofit organization want to repel a client or donor? Believe it or not, there are many legitimate and important reasons.

One story that offers insight comes from the early years of McDonald's. The McDonald brothers, Maurice and Richard, were doing quite well with a traditional drive-in restaurant model. As a carhop drive-in, a store could handle 125 cars at a time, and the menu was relatively broad, including ribs, beef sandwiches, and hamburgers.

Yet the brothers weren't happy with the status quo. It didn't resonate with their personal truths about who they were and what they wanted their restaurant to be. They saw an opportunity to be more streamlined and efficient, and they envisioned their brand as a simple, clean restaurant that provided good value for families.

However, this meant saying no to some easy money. They eliminated various revenue generators that weren't consistent with their vision for their business — jukeboxes, cigarette machines, pay phones, newsstands, and carhops (they

determined that the carhops were unreliable employees and tended to attract leather-jacketed teenagers — not the family crowd they were looking for).

This line of thinking seemed counterintuitive to pennywise restaurant owners of the 1950s. However, looking back, it's foundational to the fact that McDonald's is now the fourth most recognized global brand. No matter where you go in the world today the McDonald's brand is consistent.

What's the lesson for you as a leader in your organization? When you define, clarify, and courageously act on your own personal truths, you become energized. Even more, when you focus and broadcast this energy via clear and consistent behaviors and communication, you enhance the energy of everyone around you.

“What comes to mind when people think about your organization?”

“If a leader's truths don't line up with those of the organization, the energy can be destructive.”

Most important, this energy has the potential to create enormous value for your organization. Donors who share the same truths are more

powerfully attracted to you and your cause. They're moved to action — whether it's donating their money or their time — because they feel the power of your convictions.

It's the same with the organization's truths. When the people in and around your organization are clear on your organization's central truths, and you define these truths in a way that touches their hearts and minds, enormous energy transfer can occur, and people find themselves self-motivated to act in ways that drive results.

How do you tap this powerful principle? One key is to "slow down to speed up." Spend some time reflecting on your own truths and researching your organization's truths. Here are the steps to take:

- **Query as many people as possible**, both inside and outside your organization. Ask them what comes to mind when they consider you and your organization.
- **After observing, listening, and clarifying what you've learned, it's time to pinpoint** your organization's truths. Use "Exercise 1: Uncover Your Organization's Core Truths" (page 14) to help you do so.
- **Use the same exercise** to find your personal truths.
- **When you have a list of truths for yourself and your organization, analyze** the two. Ask yourself:
  - *Are the two truths* aligned?
  - *Do they complement* one another?
  - *Or do you need to make some changes in your organization's culture* so it harmonizes with your deepest beliefs?

“Communicating your truths can be exciting, scary, and even controversial.”

## Building on Your Truths

For more on shaping a high-energy culture, see these articles at [NonprofitWorld.org/members](http://NonprofitWorld.org/members):

**How to Use Your Organizational Culture as a Competitive Tool** (Vol. 20, No. 2)

**Creating a Values-Based Road Map** (Vol. 23, No. 2)

**Grounded Visioning: A Quick Way to Create Shared Visions** (Vol. 26, No. 4)

**The Nonprofit Branding Exercise** (Vol 26, No. 1)

**Organizational Culture: It's in the Walk, Not Just the Talk** (Vol. 29, No. 6)



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## Exercises to Enhance Your Organization's Culture

To shape a culture that inspires and motivates, you need to know what makes your organization special. Here are two exercises to get you started:

### Exercise 1: Uncover Your Organization's Core Truths

- **Block out a time when you can be alone and undisturbed.** Have a pen and paper nearby.
- **Close your eyes and think about your organization.** Picture its atmosphere and the energy around it. Consider the legends, the folklore, and the people within your organization who represent it best.
- **Think about what really matters.** Seek the deeper meaning behind the words people use when they talk about your organization.
- **Jot down whatever comes to mind.** Look for patterns. It will be like assembling a puzzle whose image begins to emerge as the pieces fit together.
- **Put those ideas together into three to five words or phrases that define your organization's core truths.** Don't overthink it! Let the truths emerge. As you contemplate the big picture and reflect on your organization's fundamental truths, they will become clear.

It's like an optical illusion: The harder you focus, the more elusive the image buried within becomes. The more you step back, squint, generalize, and let the details disappear into the all-encompassing pattern, the easier it will be to see the truths that shape your organization and form its style, purpose, and meaning.

### Exercise 2: Crack the Code to Your Secret Sauce

When it comes to the high energy culture, your "secret sauce" is the atmosphere. Why do people love to work there? What's the secret ingredient? Storytelling is an excellent tool to help you pinpoint and communicate the elements of your secret sauce.

- **Think of a story that captures the atmosphere of your organization today.** It could be anything: a success, challenge, problem, or obstacle. Pick a story that captures what it feels like to work at your organization. Or, perhaps, think of a story that represents the best of your organization, a time when someone acted above and beyond the call of duty.
- **Now consider the story's lesson.** What insight does the story give about your organization's culture?
  - **If the insight is positive, use it to craft a definition** of your organization's "special sauce."
  - **If the insight is negative, write a statement** pinpointing the missing ingredient.
  - **If the insight is mixed, use it to create an explanation** of how you might tweak the recipe to give the sauce the magic it needs.

— adapted from exercises at the end of Chapters 2 and 4 in *Leading the High Energy Culture*

Beware! If a leader's truths don't line up with those of the organization, the energy can be dampened or even destructive. It's like an orchestra, where one instrument out of tune or out of sync can diminish or destroy the pleasing effect of the whole.

When truths are aligned, you'll have an atmosphere that can handle any amount of energy you create through your words, actions, and behaviors. Even more, the atmosphere will be capable of transferring the energy created by anyone in and around your organization to all others. The system will be fully capable of leveraging this power to an unlimited magnitude.

If you find discrepancies between your truths and those of your organization, you may need to make some changes. These are sometimes difficult changes. You'll need to communicate the reasons for these changes — the why — through a well-organized and powerfully executed campaign, as the McDonald brothers did. Doing so can be exciting, scary, and even controversial. But it can make all the difference.

Don't be afraid to embrace the risks of change. Nothing energizes like a great vision, powerfully communicated. Great leaders are passionate about their cause, and their words and behaviors move people to action. 



*David Casullo (dcasullo@bates-communications.com) is president at Bates Communications, a national consulting firm specializing in leadership communication skills and strategy. His passion is developing leaders who have the courage and capability to change the world. His most recent book is Leading the High-Energy Culture, published by McGraw-Hill.*

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# Your Future Is as an Entrepreneur

By Allen J. Proctor

Is it time for a new nonprofit business model? What can you do to secure your organization's prosperity?

**T**he nonprofit business model has gone through many changes over the past century. Initially nonprofits created direct ties between donors and clients. This approach evolved to having employees do most of a nonprofit's work, with donors only connected emotionally by hearing how their money was used.

Over the past 25 years the number of nonprofits grew threefold in the United States, and the business model shifted once again, toward being a contract provider of government services. Philanthropy cushioned the space between what the government would pay and what it cost to provide the services.

This worked fine in the 1980s and '90s. In the last decade, however, government payments fell below nonprofits' costs, and contributions couldn't keep pace.

And yet most nonprofits continue to follow this outdated paradigm. A recent Urban Institute survey found that about 75% of its nonprofit respondents had contracts with at least one level of government.

Moreover, the survey found that, when government cutbacks began over the last decade, nonprofits couldn't fill the gap through increased fundraising. Instead they cut wages and benefits, borrowed if they could, and ran down their reserves and even their endowments in an effort to avoid reducing services.

The theory has been that a nonprofit could offer all its services at less than cost and raise funds to make up the difference. You frequently hear people say, "Nonprofits aren't supposed to make

money." And many nonprofits still plan to solve their financial problems through increased fundraising.

## The Wrong Assumption

The assumption that philanthropy can cover the losses from government contracts has never been a reality. Philanthropy expanded in dollar terms as the number of nonprofits surged, but philanthropy in its best years only managed to rise to 23% of nonprofit revenues. Any notion that philanthropy will surge to close the widening divide in government payments has always been a pipe dream.

Selling goods and services has always been the primary source of nonprofit revenues nationally. The most recent IRS data show that earned income constitutes 77% of nonprofit proceeds.

This share varies by the type of nonprofit, but it falls below a majority only in two sectors:

- P-12 education, which earns 43% of its revenues
- the arts, culture, and humanities sector, which earns 29% of its money through earned income.

“Philanthropy in its best years only managed to rise to 23% of nonprofit revenues.”

## Do-It-Now Action Recommendations

To be successful, nonprofits must link money to mission, mission to action, and action to accomplishment. They must see money management as more than numbers. Finance can serve as the primary tool to carry out the most important obligation: to know what's going on. Here are some concrete ways to get started.

- **Identify** the three to five primary activities of your organization. Estimate the revenues, contributions, and expenses for each activity. Be certain that the activities with lower mission priority also have smaller financial losses or larger net revenues.
- **Make sure** you have at least one goal each year that enhances the future sustainability of your services. Do you have a plan to reduce debt, accumulate unrestricted cash, or fund reserves that will help sustain services in lean times?
- **Include** in each annual budget at least three special initiatives that will advance, strengthen, or sustain your mission.
- **Put in place** a process to review at least every two years how the community's needs have changed and how your programs and mission should adapt in response to the changes.
- **Understand** how business cycles can impact your revenues and expenses.
- **Educate** your donors and grantors on recession planning and their roles in helping you build reserves so you can be a reliable service provider in any economy.
- **Ask** as many questions about good budget results as you ask about unfavorable budget results. Underspending can reflect underperformance, which isn't an appropriate way to save money.

These steps to success come from Allen J. Proctor's books *Linking Mission to Money* and *More than Just Money* ([linkingmissiontomoney.com](http://linkingmissiontomoney.com)).

Even the human services sector raises more revenue through fees and contracts than through contributions.

Nonprofits must find a new business model. They must increasingly turn to earned revenues from non-government customers. Too many government contracts now lose money, and nonprofits need to accept only those with terms that come closer to covering the true cost of services.

And we can't assume that philanthropy will rise to a more significant role. It has always remained in the narrow range of 18 to 24% of nonprofit revenues. If its share couldn't break out of that range in the go-go years of the mid-1980s and late-1990s, there's no basis to assume it will happen in the future.

It's imperative that our society support a business model that enables the nonprofit sector to thrive — because our society can't thrive unless the nonprofit sector does. We mustn't forget that nonprofits fulfill community needs that for-profit companies can't.

The market system fails when businesses can't make a profit while meeting the community's need for quality, volume, or breadth of service. Economists refer to these shortcomings as public goods, externalities, and market failure. Nonprofits step in to make sure the community gets what it needs.

Therefore, every responsible nonprofit has a key mission that loses money if done well: emergency rooms, public access to education, food for homeless people, and so on. If we didn't have nonprofits, we wouldn't have these services.

We also want these services to be available regardless of the strength of the economy. In particular we don't want our nonprofits to use the option of service cutbacks and layoffs that helps for-profits survive recessions. We want reliability and sustainability of these key services.

## What Makes a Sustainable Nonprofit?

For nonprofits to sustain their key services, they need to be financially viable. Here's what we should look for in sustainable nonprofits:

- **A clear identification** of their key mission activities and of the upper bound of financial losses they will tolerate for these activities.

- **Reluctance to accept grants and contracts** that don't cover at least the fully-loaded costs of the activities they fund.
- **Maintenance of their share of charitable contributions** in their revenue mix. This share peaked nationally at 24% in 2001 and recovered to near that level in the latest data. Maintaining current shares by all nonprofits will require continued effort, as corporate gifts of cash have remained flat.
- **Development of profitable activities** that are lower in mission but based on the expertise and business infrastructure of the nonprofits' core activities.
- **Paring of unprofitable and marginally profitable activities** that aren't central to the key mission.

Many of these actions are similar to what a for-profit business would do to remain viable. The key distinction, however, is that the nonprofit does all this to cover the financial losses necessary to preserve the quality of its most mission critical activities.

While a for-profit would drop the money-losing activities, the nonprofit exists to sustain those activities. That role highlights the need for nonprofit entrepreneurs to do three crucial things:

- **Develop enough profitable activities** to take care of the losses fundraising can't cover.
- **Acquire the cashflow necessary** to reinvest in their businesses.
- **Build balance sheets strong enough** to get them through a recession.

## How to Support Entrepreneurship

Here are four ways we can support nonprofit entrepreneurship.

### 1. Start looking at nonprofits as two businesses operating under one roof:

- **The first business provides high quality services which can't be operated profitably.** We evaluate its success by how well it fulfills community needs.
- **The second business runs profitable activities whose profits are reinvested into both businesses.** We evaluate this second business by its profitability.

“Nonprofits must find a new business model.”

“Educate your donors on recession planning.”

**2. Be aware of the implications** of how we support nonprofits. Unrestricted giving is the closest to how for-profits get capital. If we restrict our gifts to certain uses, we need to cover the fully-loaded cost of the activity we're funding and consider adding a profit margin. And we need to support strong balance sheets by rewarding nonprofits who are building reserves to sustain their operations and growth.

**3. Assure that nonprofit executives** receive training and support to give them the skills necessary to develop and evaluate business plans for new activities.

**4. Create new ways to provide investment capital** to nonprofits. This capital can expand the mix of financial structures to include equity and low-interest loans as well as grants, capital campaigns, and retained earnings.

As Peter Drucker once noted, all theories eventually become obsolete. When a theory shows signs of obsolescence, we must rethink it. It's high time we think carefully about the nonprofit business model and embrace a new one. 

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## Have You Got the Spirit in Ya?

For ways to ignite entrepreneurial spirit in your organization, see these articles, available at [NonprofitWorld.org/members](http://NonprofitWorld.org/members):

**Can Your Organization Become More Entrepreneurial?** (Vol. 20, No. 3)

**Seven Pillars of Social-Enterprise Success** (Vol. 22, No. 1)

**How Much of Your Revenue Should Come from Earned Income?** (Vol. 23, No. 3)

**Nine Entrepreneurial Mistakes that Can Kill Your Organization** (Vol. 20, No. 3)

**How to Keep the Money You Earn** (Vol. 17, No. 4)

**Eight Principles of Nonprofit Entrepreneurs** (Vol. 19, No. 4)

**How to Write Your Business Plan** (Vol. 17, No. 2)

**Why You Need to Be More Entrepreneurial and How to Get Started** (Vol. 19, No. 6)

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## WHAT'S UP ONLINE?

To broaden online discussions on nonprofit topics, we're expanding our Discussion Forum with a ListServe, provided by Yahoo Groups. To join, you can either click on the "Yahoo" button at:

<http://www.NonprofitWorld.org/social/>  
(free Yahoo login required)

or send a blank e-mail to:

[NonprofitWorld-subscribe@yahoogroups.com](mailto:NonprofitWorld-subscribe@yahoogroups.com)

If you have any questions, contact Jason Chmura at [jchmura@NonprofitWorld.org](mailto:jchmura@NonprofitWorld.org).

# Thirty Top Tips for a Better Organization and a Better You



For our 30th anniversary, 30 ways to be a better leader

Try one or try them all. Find more on each tip at [NonprofitWorld.org/members](https://www.nonprofitworld.org/members):

**1 Learn to read minds.** Mind reading's a mix of observation and intuition, and it can make you a better negotiator, persuader, and leader. See "Three Quick Tricks for Reading Minds" in "Can We Call a Truce?" (Vol. 27, No. 6) and "The Secrets and Science of Body Language" (Vol. 28, No. 5).

**2 Be a team builder.** Studies prove that team efforts usually solve problems better than individuals working on their own. See "Zen and the Art of Team Building" (Vol. 20, No. 1).

**3 When you want to make a major change in your organization, use participatory change strategies** that focus on changing yourself first, then encouraging others to follow your example. Only by engaging yourself and others in personal growth can you rally people to work toward a higher purpose and make the painful adjustments necessary for lasting change. See "The Promise and Pitfalls of Organizational Change" (Vol. 28, No. 4).

**4 Take care to communicate** clearly. Banish jargon, overused terms, and vapid phrases from your vocabulary, and replace them with words most people understand. See "How Jargon Undermines Communication" (Vol. 27, No. 2).

**5 Never stop learning.** Cultivate an environment of education and discovery. At the start of each year, develop new learning plans for yourself and others in your organization. See "The Nonprofit Executive as Chief Learning Officer" (Vol. 16, No. 2).

**6 Survey your key stakeholders** to see what issues matter most to them. Then concentrate on those issues. See "The Ben Franklin Program for Focusing on What's Important" (Vol. 29, No. 1).

**7 Laugh.** Make your workplace and meetings lighthearted. Just looking forward to a fun event decreases stress and promotes creative thinking. See "Think, Dream, and Do" (Vol. 28, No. 6).

“Each year, develop a new learning plan for yourself.”

**8 Decide whether you're overlooking the most crucial step** in evaluation — preparing to take advantage of measurement tools. That means building evaluation into your culture, policies, and vision. See “Something Is Missing: The First Step in Evaluation” (Vol. 29, No. 6).

**9 Gather stories** about your organization. Use them to energize supporters, motivate employees, and spread your message. See “You Have a Story to Tell” (Vol. 25, No. 1).

**10 Practice neurobic activities** (such as taking a different route to work or writing with gloves on) that increase mental fitness, prevent memory loss, and stimulate creative thinking. See “12 Heuristics that Will Raise Your EQ” (Vol. 26, No. 4).

**11 Make collaboration an imperative.** Create a culture that fosters collaboration by cultivating diversity, building relationships, and being open to the opportunities that are part of every partnership. See “Collaboration and Leadership: Secrets of Success” (Vol. 24, No. 1).

**12 Mentor people** by concentrating on their inner lives rather than on end results. Take time to unearth personal information about them, and encourage give and take. See “Manage for Today, Mentor for Tomorrow” (Vol. 23, No. 5).

**13 Build flexibility into your organization,** and be flexible yourself, so that you can adapt quickly to changing conditions. Be open to suggestions and midcourse corrections. Commit yourself to making one small improvement daily. See “How to Stretch Your Organization” (Vol. 21, No. 6).

**14 Throw away your to-do list,** and create a high-priority list instead. Every day, start a new list with only seven items, all high priority. Delegate everything that doesn't advance your highest priorities. See “Never Enough Time” (Vol. 26, No. 5).

**15 Assess your Web site and other communications** to be sure they integrate the languages of different cultures and are accessible to all. See “Is Your Organization Culturally Competent?” (Vol. 26, No. 6).

**16 Try relaxation techniques,** such as visualization, breathing exercises, and yoga, to reduce stress, open your mind, and create breakthroughs. See “Counteract Stress to Make the Best Decisions” (Vol. 28, No. 1).

**17 Lead others by nurturing their uniqueness,** engaging them through shared values, and helping them surface their talents, rather than imposing control. See “Leaders as Midwives Who Birth a New World” (Vol. 28, No. 5).

**18 Partner with a university** to gain enthusiastic young volunteers at little or no cost. See “Service Learning: Informing the Science & Art of Leadership” (Vol. 28, No. 2) and “Highly Motivated Employees at No Cost? It's Not an Impossible Dream” (Vol. 19, No. 6).

**19 Be a motivator,** taking every chance to boost the morale of people around you. Instill an inspiring purpose, give instant feedback, and continually ask people for their opinions. See “How to Create a Motivating Environment” (Vol. 28, No. 5) and “Why Your Employees Are Losing Motivation — and What to Do about It” (Vol. 29, No. 4).

“Replace jargon with words most people understand.”

**20 Become future-ready,** always scanning your environment for the latest trends and surrounding yourself with creative, flexible people. See “Prepared and Resolved: How to Become Future-Ready & Make an Impact” (Vol. 28, No. 1).

**21 Raise more funds** by connecting with younger donors. Take a look at “How to Engage the Next Generation of Donors Now” (Vol. 29, No. 1), “Accelerating Fundraising through Social Media” (Vol. 28, No. 3), and “Reach New Supporters with Multi-channel Tools” (Vol. 29, No. 2).

**22 Use rejuvenation tools** to keep yourself connected to your passion and avoid burnout. For example, try new styles of leadership, set self-improvement goals for yourself, and spend time with positive people. See “Twelve Self-Renewal Steps for Executive Directors” (Vol. 15, No. 3).

**23 Choose one problem each month,** and ask staff to come up with ideas for solving it. Set aside a space for people to sit and brainstorm. See “Creating Opportunities to Innovate” (Vol. 29, No. 2).

**24 Begin an inspiration board.** Each time you see something compelling — a photo, a piece of fabric, a picture — tack it to the board. You'll discover connections that will enliven and expand your work. See “How to Develop Six Crucial Aptitudes” in “Nonprofit Briefs” (Vol. 28, No. 5).

**25 Listen more than you speak.** Striving to understand what others are saying, and focusing more on their feelings than the facts they're relaying, will make you a better leader, colleague, and person. Take a look at “Be a Better Leader by Becoming a Better Listener” (Vol. 28, No. 2).

**26 Incorporate innovation and risk-taking** into your value structure. Try something new at least once a day. See “The Joys of Risk” (Vol. 28, No. 3).

**27 Practice what you preach.** To become an authentic leader, take time for self-reflection, stand firm on your convictions, and do what you say you'll do. Start a journal, and write in it each day. See “Leading from Feeling: Coaching Tools for Interpersonal & Organizational Excellence” (Vol. 27, No. 1).

**28 Use coaching and skills development** to help people grow. Assign new employees a coaching team that meets with them at least monthly to make sure they're successful. See “Work with the Best” (Vol. 27, No. 5).

**29 Start a workplace “health club.”** Build healthy habits into every workday, whether it's instituting a lunchtime walking group, adding aerobic breaks, or bringing in healthy snacks. See “The Overwhelmed Office” (Vol. 28, No. 4).

**30 Sleep.** Getting a good night's rest is key to consolidating learning and becoming smarter. High-quality sleeping and dreaming can help you change your brain chemistry, adding neurons and opening up new pathways in your brain. See “How to Gain a New Brain” in “Nonprofit Briefs” (Vol. 28, No. 1).



# The High Cost of Employee Turnover and How to Avoid It

By John Hester

Four top keys to  
keeping your best  
employees happy

One of the best ways to keep costs down and continue to meet organizational goals is to reduce employee turnover. Few nonprofit leaders consider how expensive turnover is. Costs include not only finding a replacement, covering the position while it's vacant, and training someone new. There's also the loss of knowledge and skills employees take with them when they leave and the loss of close relationships with clients.

A conservative estimate of the cost of turnover is 30% of annual salary to replace a lower-skilled, entry-level employee, to as much as 250% of annual salary to replace a highly specialized or difficult-to-replace position.<sup>1</sup>

How can you keep turnover low? Here are the keys:

## 1. MONITOR SATISFACTION LEVELS.

In a CompassPoint survey of nonprofit employees, meaningful work was the most decisive factor in employees' intent to stay.<sup>2</sup> The good news is that focus group members spoke passionately about the joys of their work, making a difference in their jobs, and what they're able to accomplish in their communities, and 75% of respondents felt that their work was personally fulfilling.

It's when employees lose that sense of fulfillment that they think about leaving. You need to do all you can to keep them engaged, including the following:

- **Encourage** open communication.
- **Keep asking employees** to share their concerns and suggestions. You can use formal methods such as regular employee engagement surveys as well as informal processes

“The cost of turnover can be as much as 250% of an employee's annual salary.”

such as roundtable discussions and breakfast conversations with the executive director. Or simply ask employees how they think things are going.

- **Be sure to act** on what you discover. If you can't use people's suggestions, tell them why, while letting them know how much you appreciate their input.

## 2. PROVIDE A FAIR COMPENSATION PACKAGE.

Many nonprofits consistently undervalue the work their employees do for the organization. When nonprofits underpay employees, they encourage high turnover and may cost the organization more than they save.

Employees know if they're being paid a fair market wage. While they may tolerate low wages for a while because of their passion for the nonprofit's mission, they won't accept such undervaluation forever.

In the CompassPoint survey, 69% of respondents felt underpaid in their nonprofit positions. Almost half of those in the “Opportunity Knocks: Nonprofit Retention and Vacancy Report” who left their nonprofit jobs cited pay and/or a competitive job offer as their reason for leaving.<sup>3</sup>

<sup>1</sup>Based on initial results of participants using Ken Blanchard's Cost of Doing Nothing Calculator ([costofdoingnothing.com](http://costofdoingnothing.com)).

<sup>2</sup>“Ready to Lead? Next Generation Leaders Speak Out,” CompassPoint, [compasspoint.org/ready-lead-next-generation-leaders](http://compasspoint.org/ready-lead-next-generation-leaders).

There's a lot you can do for employees in addition to salary:

- **Employee ownership programs** are especially beneficial, since they tie rewards directly to organizational success. (See the articles in "Beyond the Group: Create a Winning Team" at the end of this article for details.)
- **Benefits** can include healthcare, life insurance, pension plans, paid time off, help with housing, and legal services.
- **Bonuses and recognition awards** are a way to tie compensation to employees' performance. Research shows that such awards are most useful when given to all members of a team after they complete a successful project.

Put great thought into what you can offer. Your salary and benefits package communicates your commitment to motivating, recognizing, and rewarding employees' accomplishments and dedication to your organization's goals.

### 3. OFFER GROWTH AND DEVELOPMENT OPPORTUNITIES.

Work with each employee to create a clear development plan that guides learning opportunities and presents a well-defined path for career development. Use assessment tools to identify your employees' strengths and weaknesses to include as part of the development plan.

Everyone has different desires and needs, so tailor each plan to the individual. Here are some things to include:

- **Training** has been shown to correlate with employee retention. The more training an organization offers, the more likely employees are to stay. An American Management Association survey indicated overwhelmingly that training was perceived as more effective than increased salary or benefits.<sup>4</sup> Training may include workshops, courses, and skills training, but effective development programs go further. They encourage employees to grow not just in their positions but as fulfilled human beings. They include attendance at conferences and seminars, managerial and leadership programs, and interpersonal development.
- **Opportunities for advancement** are another important part of each employee's development plan. Again, nonprofit leaders need to do better in this area. Over half (55%) of respondents in the CompassPoint survey felt they needed to leave their current organizations in order to have the best chance to advance in their careers.
- **Mentoring** is a valuable way to invest in staff development. The CompassPoint survey found that a lack of mentorship was a large factor in employee dissatisfaction and frustration. A formal mentoring program provides opportunities for both the mentor and the employee.

### 4: LOOK FOR WAYS TO ALLOW GREATER WORK-LIFE FLEXIBILITY.

Flexibility is critical to employees and can be a key to retaining them. Longer hours are causing many nonprofit workers to burn out and leave their organizations. They're far more likely to stay in organizations that provide flexibility and work-life balance.

- **Consider what balance means to each employee.** It will vary depending on a person's age and life stage. More chances to be with their family are especially vital to those raising children. But everyone, not just those with young kids, needs a balance between work and the rest of life's activities.
- **Look at other workplaces** to identify best practices that allow greater work-life balance. These may include flexible hours, opportunities to work from home, job-sharing, family or pet friendly environments, compressed work weeks, and on-site child care.

- **Be sensitive to staff members' personal needs.** The most employee-focused leaders think beyond supporting people's family commitments. They turn the organization itself into a place of renewal and balance.

You needn't build an on-site gym and provide a cafeteria featuring healthy food. While that would certainly be ideal, it's unlikely that you can afford that level of support. You can, however, accomplish the same thing with a little creative thinking.

For example, arrange for on-site yoga classes, and have nearby restaurants deliver lunches. In lieu of a bonus, consider bringing in a massage therapist.

- **If you must ask people to work overtime, do so only on rare occasions.** Too much continuous work saps productivity. Allow for downtime throughout the day. Frequent breaks are essential to refresh the brain.
- **Be sure you have a break room or other place where employees can gather away from their computers and digital devices.** Give them time to share stories and laughter.

Such time-outs have multiple benefits. People are likely to have their most innovative ideas at such times. They'll be more productive when they return to their desks. And knowing you care for their well-being will be a powerful motivator for them to stay with your organization. 

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<sup>3</sup>"Opportunity Knocks: Nonprofit Retention and Vacancy Report," [http://content.opportunityknocks.org/ok\\_research/ok-research-nonprofit-retention-and-vacancy-report/](http://content.opportunityknocks.org/ok_research/ok-research-nonprofit-retention-and-vacancy-report/).

<sup>4</sup>*Employee Recruitment and Retention Handbook*, American Management Association, <http://www.amanet.org/training/books/9780814405529.aspx>.

## Beyond the Group: Create a Winning Team

When you reduce employee turnover, you not only save money, you develop a productive, streamlined team that will create results for your organization. Use these *Nonprofit World* articles (NonprofitWorld.org) to continue to build your team.

**Training Programs Need More than Good Information** (Vol. 21, No. 2)

**Manage for Today, Mentor for Tomorrow** (Vol. 23, No. 5)

**Use Employee Ownership to Motivate People & Gain Revenue** (Vol. 22, No. 4)

**Keeping Your Best and Brightest Workers** (Vol. 28, No. 6)

**How to Attract and Retain Winning Employees** (Vol. 31, No. 1)

**Easing Stress in the Workplace** (Vol. 25, No. 4)

**Avoid Headaches: Engage Your Employees** (Vol. 27, No. 2)

# Peeking Inside the Electoral Toolbox: How Nonprofits Shape Election Results

By Heath Brown

What impact did nonprofits have on the Presidential election? Survey results supply some intriguing answers.

Last November's election had crucial consequences for many nonprofits. How did these organizations engage in the political process? What did they do to increase voter turnout? How did they enhance the chances of putting their choice for President into office? What tactics helped them serve their constituents' civic needs?

To answer these questions, let's look at one group who had an especially large stake in the election results — nonprofits that serve immigrants.

Thousands of nonprofit organizations worked to register, educate, and mobilize eligible immigrants. Their work had dramatic results. Immigrants, who usually vote at low levels, turned out in record numbers. Immigrants were credited with key votes in states like Pennsylvania, Florida, and Virginia that resulted in President Obama winning re-election.

Let's look closer at the choices nonprofits made regarding their involvement in the election. In a recent study, we queried nonprofit executives about their decisions.<sup>1</sup> Here are the results:

## To Participate, Or Not?

The first finding is that most of the nonprofits studied (58%) didn't engage in any electoral tactics at all. Their reasons for opting out? Respondents explained: "We are a purely 'cultural' group, do not get involved in politics at ALL" and "We are a 501(c)(3) purely cultural and humanitarian organization so we are specifically barred from engaging in any political activities."

Such comments indicate a basic misconception of the law. It's true that some tactics (such as endorsing candidates for office or donating money to a campaign committee) are expressly

forbidden. But many forms of electoral engagement are perfectly legal and permitted by national and state laws. A lack of understanding of legal constraints on electoral activity seems to be a barrier restricting many nonprofits from participating in elections.<sup>2</sup>

Forty-one percent of respondents did engage in at least one tactic. For these organizations, many (45%) opted just for a single tactic. Approximately a quarter used two tactics. A third used more than two tactics.

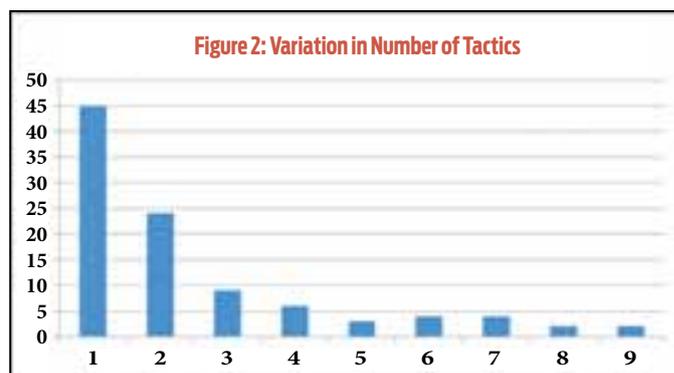
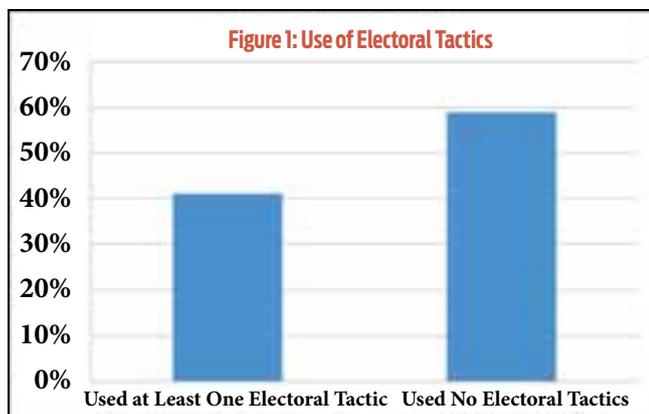
This variation reflects the underlying mission and capacity of each organization. Organizations that take on three, four, or five different tactics likely have an expressly political mission or have the staff flexibility to shift responsibilities around during election time. (See Figures 1 and 2.)

## How to Participate? The Electoral Toolbox

Figure 3 shows which electoral tactics organizations used. In summary:

**Monitoring the news** was the most-used tactic. This isn't surprising, since scrutinizing information about the election is the least time-consuming and least expensive way to become engaged in a campaign.

Keeping track of such information helps nonprofits decide which candidates to support. By listening to debates, they learn who backs issues that affect their organization. They discover whether ballot initiatives that will impact funding are likely to pass. In some ways, this knowledge permits the organization to employ other tactics, such as sharing information with the community or submitting a policy brief to a candidate.



**Voter registration and voter mobilization** were the next two most popular tactics. They were used by 18.7% and 13.7% respectively.

Interviews with executive directors reveal that these two tactics increasingly focus on sophisticated approaches to outreach. Some organizations linked to a national voter information database called the Voter Activation Network or VAN to target specific eligible voters based on factors such as:

- their propensity to vote
- their native language
- their particular ethnicity.

This is an especially useful technology for immigrant-serving nonprofits that may have constituents who aren't fluent in English. A nonprofit that employed the VAN could utilize volunteers who speak various languages to knock on people's doors and talk to them in their native language about voting.

Other nonprofits used computer-based phone banks, text messaging, and social media to reach voters. These are technologies that were largely unavailable to nonprofits in previous elections.

**Smaller percentages of nonprofits provided electoral information to the community** (10.8%), issued policy reports (8.3%), and translated voter information (6.2%). Each of these tactics may be beyond the capabilities of a small nonprofit whose mission isn't focused on civic engagement. Such tactics require a level of staffing and expertise that may preclude even an enthusiastic nonprofit.

For that reason, one might anticipate that a large number of respondents would have formed a common cause with other nonprofits that did possess electoral expertise. A surprising finding was the small number of organizations that joined an electoral coalition (8.7%) or used their Web site to share information about the campaign (2.1%). Each of these tactics is typically a cost-saver. Why so few respondents chose these inexpensive options is hard to understand, unless nonprofits were unaware of the power of these strategies.

## Where to Participate: Venue Choices

Nonprofit leaders who participated in at least one political tactic also had to decide where to focus their efforts. Nearly half (45%) focused at the national level. Around a quarter (23%) focused at the local level. Smaller percentages focused at the state level (10%) or had no focus at all (22%). (See Figure 4.)

Where to focus is really a choice of preference and ambition. The choice also relates to which voters the group is seeking to mobilize. Savvy executive directors must assess which electoral venue will spark an interest in the community and which venue relates most strongly to the organization's mission.

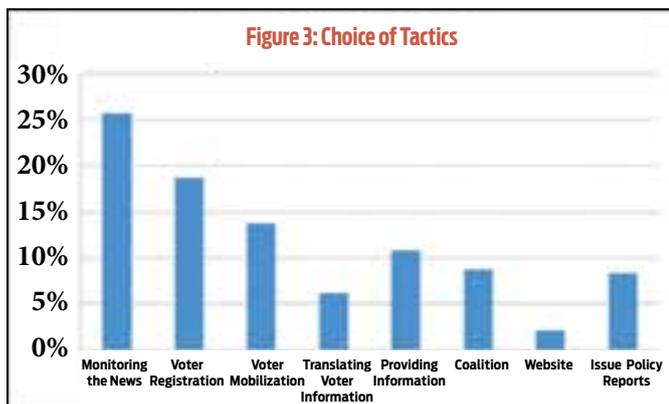


Figure 4: Electoral Venue Choice

<b>Local Focus</b>	<b>23%</b>
<b>State Focus</b>	<b>10%</b>
<b>National Focus</b>	<b>45%</b>
<b>No Focus</b>	<b>22%</b>

## Take Aways for Nonprofit Leaders

As these results make clear, electoral engagement doesn't mean just one thing. There's a wealth of tactics available, and the leader needs to identify organizational assets that correspond to each electoral tactic. For organizations invested in technology, Web site tactics might make the most sense. If the organization has a strong history of data collection, then providing policy recommendations to political candidates might be more feasible. Building on organizational strengths makes electoral engagement less daunting and more viable.

Executive directors who eschew politics face a different choice. If they continue to remain detached from electoral work, they should do so with full information about the rules and regulations. Deciding not to participate because of a false fear that registering voters or translating campaign material is prohibited by law is misguided.

Many groups, such as Nonprofit Vote ([nonprofitvote.org](http://nonprofitvote.org)), provide information to nonprofit leaders about the political process. Electoral work may not be right for every nonprofit organization, but choices should be based on full, not partial, information. 

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<sup>1</sup>An original survey of 1,200 nonprofit organizations in six states (Florida, Illinois, Michigan, New Jersey, New York, and North Carolina) was fielded during the fall of 2012. The nonprofits focused on arts, health, business, and political matters, but all had an over-arching focus on a particular immigrant community or immigrants in general. The survey questionnaire queried the executive directors about their missions, their electoral tactics, and the focus of those tactics. The results presented here are based on a 22% response rate.

<sup>2</sup>For guidance on what political activities are permitted, see "Your Political Resource Kit" below.

## Your Political Resource Kit

To clarify which activities are prohibited for your organization and which are encouraged, see these articles at [NonprofitWorld.org/members](http://NonprofitWorld.org/members):

**Political Activity: A Primer for Nonprofits** (Vol. 30, No. 4)

**How to Lobby without Breaking the Law** (Vol. 14, No. 5)

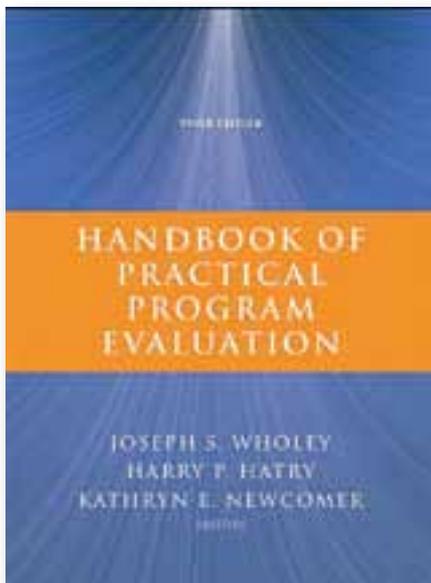
**Where to Find Free Legal Assistance** (Vol. 26, No. 2)

**Ready to Erupt: How Can Coalitions Avert Conflict?** (Vol. 16, No. 4)

# Measuring Nonprofit Performance

Looking for a way to assess program results? You'll find what you need in these books.

By Terrence Fernsler



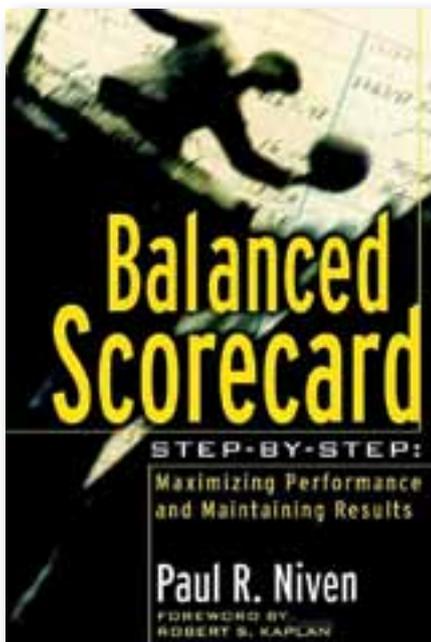
**Handbook of Practical Program Evaluation**, edited by Joseph S. Wholey, Harry P. Hatry, and Kathryn E. Newcomer. 752 pages. Hardcover. Jossey-Bass, [joseybas.com](http://joseybas.com).

**P**rogram evaluation provides tools you can use to improve performance. This comprehensive guidebook describes, in nontechnical terms, the advantages and drawbacks of such tools.

“Which method is most appropriate for the situation?”

Before undertaking an evaluation, you should analyze your programs and the environment in which they operate. The authors explain ways to do so and offer guidance in designing ongoing monitoring systems. They also detail how to interpret results and deliver the findings to policymakers, managers, and other stakeholders. They specifically discuss how evaluation can be most useful to nonprofit organizations.

Evaluating programs is necessary to ensure the efficient use of resources. This handbook elucidates a wide variety of ways to evaluate programs — and clarifies which method is most appropriate for any given situation. 



**Balanced Scorecard Step-By-Step for Government and Nonprofit Agencies**, by Paul R. Niven. 384 pages. Hardcover. Wiley, [wiley.com](http://wiley.com).

**A**lthough it arose out of for-profit management practices, the Balanced Scorecard is also a valuable performance measure for nonprofits, as this book attests. The Balanced Scorecard evaluates four main criteria — employee learning and growth, financial indicators, internal processes, and customer value. Input, output, and outcome measures can all be used in each of the four categories.

The Balanced Scorecard gauges actual program results. It can help you demonstrate accountability, attract resources, focus on strategy, produce information (not just data), drive change, and inspire trust. The author of this useful book urges every person in an organization to develop a few key

“The Balanced Scorecard evaluates four main criteria.”

measures to show how they contribute to the overall goals and mission.

With a Balanced Scorecard in place, you can be sure that resource allocation is based on strategic importance rather than emotion. This performance measure can help organizations that seem to have no focus realize their purpose and evaluate their strategies in meaningful ways. 

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*Terrence Fernsler has been a nonprofit professional for over 30 years and is currently a candidate for a Master's in Nonprofit Leadership degree at Seattle University.*

## How to Screw Up Your Fundraising – Easy Steps to Financial Ruin

On her blog, Gail Perry (pailperry.com) provides recipes for fundraising disaster — and fundraising success. She urges nonprofit leaders to read Compass Point's recent report about fundraising challenges (compasspoint.org), share it with their boards, and then ask innocently, "What are your impressions of these ideas?" The resulting discussion might be the difference between triumph and defeat for your organization.

The report, "Underdeveloped: Challenges Facing Nonprofit Fundraising Today" (compasspoint.org) shares these disturbing findings:

- **Only 9% of those surveyed say their organization has enough capacity** to achieve fundraising goals.
- **Three out of four executives say board member engagement in fundraising** is insufficient.
- **Half of development directors are planning to leave their current jobs** in two years or less (mainly because they feel unsupported, undervalued, and not given the tools they need to create a sustainable fundraising program).
- **More than one in five nonprofits (23%) — and 31% of organizations with operating budgets of under \$1 million — have no fundraising plan** in place.
- **Less than half of development directors say they have a strong relationship with their executive director.** (Executive directors typically say the relationship is stronger than fundraising staff say it is.)

- **Nearly one third of development directors** say they've been charged with unrealistic performance goals.
- **One in four nonprofit executives report that they lack the skills and knowledge** to secure gifts.

Based on this survey and her own research, Perry offers this prescription for screwing up your fundraising:

1. **Expect big fundraising results, but don't take time to understand what it takes** — or spend money to make it happen.
2. **Isolate your staff into "silos"** with fundraising cut off from marketing, PR, and other communications (and watch your communications undercut your fundraising effort).
3. **Ask the fundraising team to produce miracles** (without investment, systems, or help).
4. **Cut your fundraising staff and distract them with additional responsibilities**, but still expect them to exceed last year's results.
5. **Let people who don't understand fundraising make decisions** about fundraising strategies, messaging, and investments (and watch those decisions bring in failure).
6. **Downplay board members' fundraising responsibilities.**
7. **Say "We can't afford it" when considering a fundraising project that will bring in far more than it costs** (and watch your organization never grow beyond its current scope).
8. **Consider fundraising expenses as a black hole of costs rather than as investments** that pay for themselves quickly — (with a nice multiple return, no less!) 

## Enjoy Reading NONPROFIT WORLD ?

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## What's the Best Way to Use Social Media?

If you're like many nonprofit leaders, you struggle with how to capitalize on social media to achieve your mission. *Social Media in the Public Sector Field Guide* (wiley.com) is an excellent resource to help you find the answers you need.

While the book is intended for government agencies, learning organizations gather information from diverse sources. Since government and nonprofits share a reliance on communicating with community, nonprofits can learn from government agencies seeking the best use of social media. In fact, most of the content of this book is relevant to nonprofit organizations.

Authors Ines Mergel and Bill Greeves match social media tools for common needs, such as public education, volunteer coordination, peer networking, complaint reporting, and other uses relevant and helpful to nonprofits. They include a section about building a social media strategy, starting with your organization's goals and identifying the audiences needed to reach those goals.

The authors also look at the future of social media, at least the near future. Crowdsourcing, for instance, offers a growing resource for collaborating, gathering diverse perspectives, building community, and developing leaders. Another example: training people through the use of virtual worlds.

Social media can increase participation and democracy if we know how to use it for these purposes. *Social Media in the Public Sector Field Guide* can prove valuable to the nonprofit sector in learning how.

—reviewed by Terrence Fernsler

## TIPS FOR TURNING SOCIAL MEDIA TO SOCIAL GOOD

Use social media to support your organization's mission with these tips:

**Approach social-media tools with cautious optimism.** Be realistic about what they can do for your organization.

**Do your homework.** Learn how your peers are using social media; they're often happy to share their experiences and insights.

**Match the tools to your mission.** Consider carefully which social media tools will best help you reach your goals and enable your strategy.

**Create a team approach.** A team of people from many parts of your organization can help improve social-media use.

**Start with controlled experiments.** Demonstrate results with a test run before investing a lot into a method.

**Guide (but trust) your people.** Provide guidelines for staff but don't attempt to completely control their use of social media.

**Keep the conversation going.** For each tool you master, develop an audience for it, build a trusting relationship with members of that audience, and facilitate their input. Don't become complacent. Constantly listen to your audiences and their needs.



## Leadership Lessons

Frances Hesselbein's lessons of leadership have been hard-won through a long career in the nonprofit sector, beginning as a troop leader with the Girl Scouts of the USA, becoming its CEO, founding and leading the Drucker Foundation, and transitioning the foundation into the Leader to Leader Institute. In *My Life in Leadership* (Jossey-Bass, josseybass.com), she tells her fascinating story and shares her wisdom. Tapping into Peter Drucker's genius for creating short, inspiring messages, she offers these definitions of leadership:

**A leader is someone who has followers.**

Having great ideas and a beautiful vision doesn't make you a leader unless you recruit others to your cause.

**An effective leader is someone whose followers do the right things.** Results, not popularity, make you a leader.

**Leaders are those who set examples** for others.

**Leadership is responsibility and accountability,** not title or status. 

## Help Your Workers Shine

You can use brain science to help everyone in your organization attain peak performance. Research shows that people's brains can change and grow if they're encouraged to improve at specific tasks over time. In *Shine: Using Brain Science to Get the Best from Your People* (Harvard Business Review Press, hbrp.org), Edward Hallowell outlines these steps:

- 1. Help employees select tasks** that they like, that they're good at, and that add value to the organization.
- 2. Create an environment** that inspires and motivates.
- 3. Promote a playful, creative culture** that engages people's imaginations.
- 4. Support employees as they grapple** with their tasks and, in time, gain mastery over them.
- 5. Give people praise, rewards, and the knowledge** that their work is valuable and that they're doing it well. 

## Become the Person You Want to Be

The key to realizing your full potential is to make one small change every day. That's why *Waking Up Happy: A Handbook of Change with Memoirs of Recovery and Hope* includes "365 Steps on Your Journey" — a different exercise for every day of the year.

*Waking Up Happy* (available at [WakingUpHappyBook.com](http://WakingUpHappyBook.com)) combines exercises and to-do lists with memoirs of people who have changed their lives. As well as her own memoir, author Jill Muehrcke includes the memoirs of her daughter, granddaughter, and over 30 others. Each time these memoirists describe how they learned valuable lessons in their lives, there are activities you can do to make those same changes in your own life.

There's also a chapter titled "What Works and What Doesn't." Combining all the lessons in the book, this summary explains which strategies for change have worked for almost everyone—and which common tactics simply don't work.

Half of all proceeds from *Waking Up Happy* are being donated to the Recovery Foundation ([recoveryfoundation.net](http://recoveryfoundation.net)), helping people build new lives every day.

Here are a few of the exercises from *Waking Up Happy* to get you started. Remember, over time, such tiny shifts in perspective can add up to profound change. Try one of them today!

- **Be a detective**, and find out one new thing about each person you talk to today.
- **Think of something you've been putting off**, and do the minimal amount to get started. If you've been meaning to read a book, read the first page. If you want to tidy your desk, sort one pile. If you have a list of people to phone, call the first one. That's how all projects get done — by starting small.
- **Choose a Waking Up Happy Buddy** — someone who will do the same exercises you're doing. Plan to get together regularly and discuss each other's results.
- **Find out how well you read people's emotions**, using the BBC's 10-question "Spot the Fake Smile Test" ([bbc.co.uk/science/humanbody/mind/surveys/smiles/](http://bbc.co.uk/science/humanbody/mind/surveys/smiles/)).
- **Write out a statement** of what you believe to be your fundamental purpose — the thing you most want to accomplish in your life.



Jill Muehrcke signs her book *Waking Up Happy* at the Arcadia Bookstore in Spring Green, Wisconsin.

- **Find a thesaurus online**, at the library, or at a bookstore. Use it to find a synonym for a word you often use. Sometime today, use the new word instead of your usual one.
- **Strive to be fully present** in one situation today. If you find your attention wandering, gently bring it back to what you're doing.
- **Make room for one hour of pure**, sweet silence.
- **Start a creative-failure notebook**. Write about times you failed at something. What did you learn? What creative lessons does failure teach?
- **Set one goal for yourself**, and write it down. Think of one small thing you can do that will put you closer to it. Be sure your goal isn't too big or too vague. If it is, break it into manageable chunks, and focus on just one piece at a time. The way to make big, transformative changes is to start with one finite step. Begin today.

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## Top Tech Trends for Nonprofits

What new technologies are nonprofits around the world embracing? According to surveys, research, and literature reviews, here are some of the most popular and useful. Take a careful look at your organization to decide which of these tools might work best for you:

- **Use mobile phones in the field.** Nonprofits are doing more field work using mobiles and apps that help them deliver programs by collecting and entering data from anywhere. Smartphones and tablet computers are reshaping the nonprofit environment.
- **Reap the benefits of cloud computing.** In a TechSoup Global survey of nonprofits in over 80 countries, 90% of respondents said they use some type of cloud technology. Several surveys show that lack of knowledge about cloud computing is a large barrier to its complete adoption. See “Know the Risks Before You Head to the Cloud: A Primer on Cloud Computing for Nonprofits,” *Nonprofit World* (Vol. 30, No. 6), [NonprofitWorld.org/members](http://NonprofitWorld.org/members).
- **Attend networking groups such as hackathons** (events that pair nonprofit leaders who have good ideas with volunteer techies who can put those ideas into action). Check out [techsoup.org](http://techsoup.org), which has hosted several hackathons and will hold more in the future.
- **Make your Web site viewable on mobile phones.** A good resource is the webinar “Optimizing Your Web Site for Mobile Devices” ([techsoupcanada.ca/learning\\_centre/webinars](http://techsoupcanada.ca/learning_centre/webinars)).
- **Use social media to raise funds.** Many nonprofits are finding success in raising money through the use of Facebook, Twitter, and YouTube. The average donation through Facebook is up to \$59. Online crowdfunding platforms, like Kickstarter and Indiegogo, are also getting serious traction. Money raised on crowdfunding sites is estimated to be 91% higher than it was in 2011. To make the most of social media, see “How to Make Social-Media Fundraising Work for You” (Vol. 27, No. 2), “Don’t Take Risks with Social Media” (Vol. 29, No. 1), and “Using Social Media to Advance Your Goals” (Vol. 27, No. 1). These and other helpful articles are available at [NonprofitWorld.org/members](http://NonprofitWorld.org/members).



— compiled by Jim Lynch, TechSoupGlobal, [techsoup.org](http://techsoup.org)

## Who Are Text Donors, and How Can You Reach Them?

Donating via text message has gained popularity and credibility within the last year. The “Text Giving Study” ([mgivefoundation.org](http://mgivefoundation.org)) finds that text donors are a passionate, highly educated, and fairly young group: 26% are millennials (ages 16-33); 28% are gen-Xers (ages 34-44); and 25% are boomers-2 (ages 45-55). Most (70%) are female. Other research findings about text donors:

**They like donating through their mobile devices because it’s an easy, convenient, and “no pressure” way to give.**

**They hear about text donation campaigns** mostly through TV, radio, and social networking.

**They want to receive text messages on many different topics,** not just donation information.

**Most of them give over \$250 a year through multiple donation channels,** are loyal to the organizations they support, and want to continue to give via text. Over 80% would like the option to give \$25 or more at a time through texting.

**One out of every four respondents would be interested in** automatic monthly recurring text donations.

**Most (60%) of mobile donations** are made after 5:00 p.m. 

## What’s Your Leadership Style?

There are six basic leadership styles, according to *Your Leadership Legacy: Why Looking toward the Future Will Make You a Better Leader Today* by Robert M. Galford and Regina Fazio Maruca (Harvard Business School Press, [hbsp.harvard.edu](http://hbsp.harvard.edu)):

- **The ambassador** encourages people to break new ground.
- **The advocate** champions a cause.
- **The creative builder** innovates.
- **The truth seeker** assures that things are equitable.
- **The people mover** focuses on helping others.
- **The experienced guide** advises and coaches people.

Assess your leadership style at <http://www.yourleadershiplegacy.com/assessment.html>. After taking the test, list your personal strengths and talents. Then consider how you can use those proficiencies to enhance your main leadership style.

Most people combine the traits of several leadership styles, with one or two dominating. Each will reinforce the others. When deciding what you want your legacy to be, it’s helpful to concentrate on the style that’s most natural to you. 



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