

The Night Your Nonprofit Died

It could happen to you if you don't heed these warnings.

By Bruce Glasrud

We frequently hear stories of nonprofits having to close their doors when their funding is cut. Unless there's downright malfeasance or scandal involved, the press usually paints a sympathetic picture, often calling for funder reconsideration or a benefactor to save the day. Rarely do the media blame a nonprofit's outmoded policies or lack of foresight. But, many times, they should.

Funding cuts that lead to organizations folding are often due to the nonprofits' own lack of proactive leadership. Here are some of the most prevalent failure points:

- The organization's leaders assume that continued funding from long-term sources is a given, so they don't diversify funding streams or otherwise lift a finger.

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- Program methodology becomes routine and eventually obsolete.
- Boards, executives, and staff get too darned insular or lazy to get out of their offices and cultivate the relations needed to foster healthy funder-grantee relationships.
- The organization is weighed down by a sense of entitlement.
- The executive's idea of turning things around is to work harder at what's not working.

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The remedy? Become proactive.

The word proactive is often mouthed but not so often set in motion, even when it's clear that an organization is in trouble. Here are recommendations that should be routinely undertaken at all levels of your organization's interface with your funders:

- **Pay attention.** Surprise happens when you ain't been looking. As baseball great Yogi Berra said, "You can observe a lot just by watching." If one of your funders "suddenly" makes noises about cutting your funding or contract, it's probably because you haven't been paying attention to the trends and issues affecting *them*.

- **Review and revise** your methods and procedures on a regular basis. Keep current, and be sure you *look* current to your funders.

- **Remember** that the root word of "proactive" is...active! If your relationship with your funders is rote and routine, you're losing crucial opportunities to cement relationships and build working arrangements. Get out of your office and hobnob.

- **Take an interest** in what your

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funders do. Inquire sincerely about *their* issues and *their* problems. Don't just dump on them with your own.

- **Ask your funders** frequently for their feedback about how you're doing and for the benefit of their expertise. Besides being flattering, such requests will garner respect.

- **In every interaction, treat your funders** as if you and they are part of the same integral team. Otherwise, you'll be deemed expendable, not expandable.

Resting upon your laurels and taking funding relationships for granted is fatal. So is inattention to the portents surrounding your mission and that of your funders. Be active, not passive, so that you won't have to close the doors behind you for the very last time. ■

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