

Satisfaction Guaranteed

Logic makes people think, but emotion makes them act. That phrase is at the heart of what Noah Fleming calls “the customer loyalty loop” (*The Customer Loyalty Loop*, careerpress.com). This loop has four stages, which begin long before people even hear about your organization and continue long after they become your customers:

1. Pay attention to the first impression

people have of your organization. Capture their imagination in a way that helps them envision all the great experiences they'll have and the wonderful memories they'll create with your organization.

2. Convert prospects into customers

by building trust with them, showing them what makes your offerings remarkable, and removing barriers and resistance. The most powerful tool you can use is the guarantee. If you believe you're offering value, you should have no problem offering a guarantee that removes all risk for prospects and makes it effortless for them to act in your favor. One of the best examples is the Lands' End guarantee, which reads as follows:

GUARANTEED. PERIOD.

The Lands' End guarantee has always been an unconditional one. It reads: “If you're not satisfied with any item, simply return it to us at any time for an exchange or refund of its purchase price.” We mean every word of it. Whatever. Whenever. Always. But to make sure this is perfectly clear, we've decided to simplify it further: Guaranteed. Period. It's more than a return policy. It's a promise we've kept for over 50 years now, to stand behind every product we make and every service we deliver.

3. Provide experiences

that people will always remember. Give them “wow” moments that leave indelible imprints – moments they'll have no trouble recalling and sharing with friends.

4. Keep reminding customers

of the best parts of their experiences with you so as to shape those memories into the most favorable versions possible. Create an environment in which they want to stay with you forever. 

You Say Mistake, I Say Good Lesson

As a manager, you can use errors as a way to teach. Here's how to harness fallibility to promote a culture of learning, growth, and innovation.

Don't rush in to fix a problem but, rather, take time to discuss it, figure out why it happened, and plan how to prevent it in the future.

During training, be especially sure to encourage experimentation and tell trainees not to worry about messing up. People who learn in this way have more confidence, higher performance, and a much deeper understanding of the information.

Set up meetings in which people practice making critical judgments of other people's performance and erroneous decisions as well as having other types of difficult, unpleasant conversations in constructive, non-hurtful ways. Studies show that such exercises facilitate a culture of open communication, continual learning, and trust.

Learn from observation and feedback. Seek opinions from outside your usual sources. Ask different people, and ask in different ways.

Beware of using the two common ways of admitting mistakes – the “I was wrong but . . .” defense (which often involves blaming other people) and the “Mistakes were made” excuse (in which you're saying you have no idea who made those mistakes, and it certainly wasn't you). Be completely forthright in accepting blame and discussing how you'll do things differently next time.

Be sure that your actions match your words. Don't tell people you want their honest opinion and then lash out when they give it to you. Don't ask them to admit their mistakes and then punish them for doing so.

Hold workshops that describe how the brain can change over time. Ask people to share stories of how they and people they know have transformed themselves. When people realize how much control they have over developing their abilities, they become much more flexible, productive, and willing to see mistakes as learning experiences.

Learn from other cultures. James Stigler, who has written extensively on Asian and American teaching practices, says, “For Americans, errors tend to be interpreted as an indication of failure in learning the lesson. For Chinese and Japanese, they are an index of what still needs to be learned.” As a result, Stigler notes, Asian students understand what they've learned at a deeper level. 

—adapted from *Better by Mistake* (Riverhead Books) and *Being Wrong* (HarperCollins)

“I WANT TO APOLOGIZE” IS NOT AN APOLOGY

You haven't learned all you can from your mistakes until you understand what an apology is. To truly apologize, you need to do three things:

- **Acknowledge** what you've done wrong.
- **Show** regret.
- **Take** responsibility. If possible, find a way to fix it.

Unfortunately, we often forget one, two, or even all three of these elements. Thus, our apology is incomplete and unsatisfying, suggests Holly Weeks (“The Art of the Apology,” *Harvard Management Update*, hollyweeks.com). “I want to apologize” is no more an apology than “I want to lose weight” is a loss of weight, she notes. It doesn't satisfy even one of the three tenets of a true apology.

Think of apologizing not as making a statement but as having a dialogue. The point isn't to get something off your chest so you'll feel better. Instead, listen to what the other party says, discover what would resolve the issue for them, and work together to make things right. 

Trends You Need to Address in 2017

The nonprofit world will face momentous changes in the coming year. Sumbon CEO Abhay Tewari (sumbon.com) provides a list of the top trends for 2017, along with ways to stay on top of these changes.

DONOR TRENDS

- 1. Expect the political environment to have a serious impact** on donations. The first big concern is going to be tax law changes. Shifts in tax deduction legislation alone can reshape how much people are donating. But other donor trends will also play a key role in 2017. Donors will tend to give to more liberal causes in reaction to the political climate turning more conservative. Many liberals are likely to see Republican control as a call to action, with the results being a push to give money to cause-focused charities, such as Planned Parenthood.
- 2. Donors will demand more information** on how their money is being used.
- 3. Donors will start looking at favorite charities as a portfolio** to be managed, rather than a one-off event.
- 4. Donor advised funds will continue to increase** in importance as a tool for giving.
- 5. Millennials will receive more and more attention from nonprofits** as their income grows.

ACTION STEPS TO ADDRESS UPCOMING CHANGES

- 1. Spend more time engaging with your donors and telling them** where their money is being used; this will be critical both to keep current donors and to expand your donor base.
- 2. Focus on using technology** to your advantage, and match donors' expectations of technology.
- 3. Be authentic, as the perception of fake news** will cause donors to be leery of the big story. Nonprofits will need to do a better job of disseminating the right information about their work.
- 4. Invest time and effort on talking to the younger generation of donors** in the channels where they want to be reached. This may mean changing your style of engagement and fundraising.
- 5. Social media will become even less reliable as a way to build your brand** because of Facebook's and Twitter's ever changing algorithms on what posts users see. You'll need to rely on your own branding efforts.

For more actions you can take to keep abreast of these trends, see these articles at NonprofitWorld.org:

Will Donor Advised Funds Revolutionize Philanthropy? (Vol. 19, No. 2)

Here Come the Millennials – and Their Money (Vol. 34, No. 3)

The Story behind the Numbers: How Financial Information Showcases Your Impact (Vol. 34, No. 1)

Why Can't More Nonprofits Achieve Brand Status? (Vol. 33, No. 2)

How Mobile Marketing Can Work for You (Vol. 32, No. 4)

Top Five Ways to Engage Donors with Social Media (Vol. 33, No. 3)

Breakthrough Tips to Boost Your Fundraising (Vol. 33, No. 2)

Why Telling the Right Brand Story Matters So Much (Vol. 32, No. 3)



Conference Highlights New Board Strategies

A recent conference, the National Association of Corporate Directors Global Board Leaders' Summit, offered governance tactics geared to small- and medium-sized organizations. Gary Patterson attended the conference with the goal of "finding value for smaller organizations that, unlike their larger counterparts, don't have the luxury to invest substantial amounts in governance and compliance." His overview of the Summit points to three trends that will likely create changes in nonprofit boards in the near future:

Boards will see the critical need to provide more extensive training for existing directors. This should improve the organization's ability to discover blind-spot opportunities and risks.

Organizations will outsource more support. For example, small- and medium-sized organizations will understand they need access to skilled expertise in cyber, digital, and risk management areas. With more pressure to re-evaluate which directors should be retained, more of these specialized areas will fall under the microscope.

There will be greater turnover at the director level. With more cost-effective methods for evaluating the board expertise needed, shortfalls will become increasingly obvious.

For further information, visit <http://blog.nacdonline.org/2016/09/three-ways-to-build-a-strategic-asset-board/>, where you can download a detailed report on "Building the Strategic-Asset Board." Appendix D of the report provides a multiyear board succession planning matrix to compare to your current process of selecting and evaluating directors. Appendix F is a new-director onboarding checklist.

"Probably the main cost-saving gem for many readers of this report is the 14-page Appendix H: Board and Committee Evaluation Templates," Patterson says. "Getting that first draft of any evaluation policy normally involves far too much time and expense. Many organizations will be pleasantly surprised at how little effort and time are needed to create an evaluation process when you use this as your first draft." 



Reduce Volunteer Turnover with These Guidelines

Nonprofits see as much as a 33% turnover in their voluntary workforce each year, according to a report by Assurex Global (<https://www.assurexglobal.com/insider-secrets-to-successful-volunteer-management/>). The remedy, according to the report, is to focus on key measures that are often overlooked or inadequately addressed:

Align job benefits with people's reasons for volunteering. These reasons include: to gain valuable work experience, satisfy emotional needs, fulfill a desire to help people, and become engaged in the community. It's vital to shape volunteers' experience to these motives. If people volunteer because they want to be part of a community and develop relationships, for example, they need to be in positions where they interact with people. If they become isolated during their tenure in the position, they're likely to leave.

Provide potential volunteers with detailed job descriptions, including time requirements, phone number to call for more information, job duties, and next steps for getting involved. Use benefit-oriented language such as "This is a flexible role that contributes to bettering the community" or "The position offers the opportunity to create relationships and interact with people."

Screen potential volunteers carefully. Conduct background checks, and meet with potential volunteers to determine if they have the needed hard skills, like a technical understanding of the subject matter, and soft skills, like being a savvy communicator.

Develop an appreciation strategy to reinforce the benefits that matter most to each volunteer. Rewards may range from a simple thank you or hand-written note to hosting a volunteer recognition dinner, recognizing a "volunteer of the month," and providing small gifts at year end. Tailor the rewards to each volunteer: Not everyone wants to be publically thanked or have their picture taken. Be clear about why you're thanking people: List specifics about how they've helped.

Understand the risks associated with volunteer roles, and take appropriate measures. Insurance for volunteers should be in place before writing a job description – even if that position seems as non-risky as a theater usher. Two types of insurance are necessary: (1) Volunteer directors and officers should be protected by a directors-and-officers (D&O) liability insurance policy. (2) Volunteer injury insurance is essential in case someone sustains a job-related injury or illness. Work with your insurance advisors to check laws that apply to workers' compensation in each state where you operate.

Learn more details in articles at NonprofitWorld.org, including:

Volunteers: Resource or Risk? (Vol. 15, No. 5)

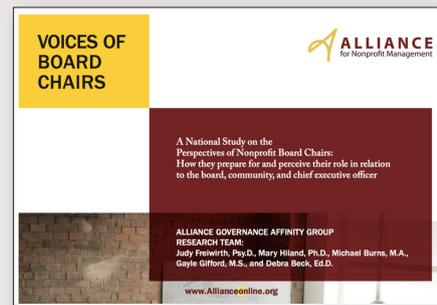
Common-Sense Answers about Volunteer Involvement (Vol. 34, No. 1)

What's Wrong with Thank You? Plenty (Vol. 22, No. 2)

Volunteer Screening: Changing Trends in Changing Times (Vol. 34, No. 2)

Get the Best Protection for Your Insurance Dollar (Vol. 24, No. 4)

Volunteers: Recruit, Place, & Retain the Best (Vol. 29, No. 6)



How Do Board Chairs See Their Roles?

There is surprisingly little research about what board chairs perceive as important in their roles. A survey reported in *Voices of Board Chairs* (Alliance for Nonprofit Management, allianceonline.org) answers two questions:

How do board chairs prepare for their roles?

What do they perceive their roles to be?

Only 56% of board chairs in the survey said they used an intentional process to prepare for chairpersonship. When questioned further, however, a large majority of chairs said they relied on observation, self-education, and answers from the executive to increase their knowledge of the position. The difference in the two responses can be attributed to preparation before and after accepting the position. Once becoming a board chair, most want to do a good job by learning what that entails.

Board chairs see their roles as leaders in guiding the organization's direction, providing governance, and presiding over meetings. A very high percent see themselves working with – not for or over – the executive.

Other noteworthy findings include:

Most never served as an officer of the organization, but most did serve as a committee chair before becoming board chair.

More than one-third have served as chair for nine or more years.

A majority simultaneously serve on at least one board other than the one they chair.

Chairs feel that helping them become more confident and productive for their organizations should be a greater priority. They raised these ideas for how to improve their performance:

Ask them to serve first in other roles, such as that of vice president, that will prepare them for the role of chair.

Provide greater clarity about the roles of the board and executive.

Offer more training, monitoring, and coaching to prepare multiple people within the organization for chairpersonship. 

—reviewed by Terrence Fernsler

Why Being Friends with Your Insurance Broker Could Cost You Money

Building a trusting relationship with a financial professional is important because you'll be sharing information about your organization's assets and income, and you'll want to feel confident when acting on any advice you receive. But be wary of becoming too close, says Dennis Notchick, an investment advisor with Safeguard Investment Advisory Group (safeguardinvestment.com).

"People often become good friends with a broker who's not doing a very good job for them," Notchick says. "Even when they begin to realize they aren't getting their money's worth, they can't bring themselves to break the ties. The personal relationship has come to mean more to them than their bottom line."

So what should you do when you want to find an advisor you can trust, but don't want to go overboard with the relationship? For starters, ask these questions:

Is the advisor a fiduciary? The fiduciary standard says that the financial professional must always act in a client's best interest. Many advisors, at least right now, are held to a lesser standard. Their advice only needs to be generally suitable for the client, which allows these professionals to steer clients to investment products that are more profitable for the advisor. Beginning in January 2018, a new U.S. Department of Labor rule will be in full effect and require that all financial professionals meet the fiduciary standard when providing retirement advice. Some brokers call themselves fiduciaries – but how can you tell which hat they're wearing when giving you that advice?

What licenses does the advisor have? If an advisor only has a securities license, then you'll only receive securities-related advice. If an advisor has an insurance license, you'll only receive insurance-related advice. Make sure you work with an advisor who understands both worlds and creates a plan based on your organization's needs and philosophy.

What's the advisor's experience? It's important to know what training and experience an advisor has. For example, those who earn the Certified Financial Planner designation must go through extensive training and pass a rigorous exam. Real world knowledge of all areas of financial planning is also critical.

"Certainly, it's important to have an advisor you can trust, but you still want to keep the relationship professional," Notchick says. "When that relationship becomes more like a friendship, high fees almost always mean that you will pay the price." 

Changes to Make to Your Employee Handbook in 2017

Most organizations provide their staff with an employee handbook. There are many benefits to doing so. From a legal standpoint, it protects your organization by showing that you gave employees pertinent information relating to their job performance. It's also a good way to communicate your policies and remove confusion and false assumptions from the workplace.

However, today's employee handbooks should look a bit different from those of the past, according to Rob Wilson, president of Employco USA (employco.com). You should edit your handbook at least once a year, Wilson says, and with so many changes in employment law, it's time to take a hard look at your current handbook. It's likely that many items will need to be edited or even removed.

Here, Wilson provides tips for your 2017 employee handbook:

Changes to EEO policy: Your policy probably already states that discrimination against employees based on age, race, or nation of origin isn't permitted, but today's handbook needs to make clear that it's illegal to discriminate against people who are transsexual, bisexual, asexual, intersex, etc. A simple "Discrimination based on an employee's gender/sexual orientation is prohibited" will suffice.

Edits to substance abuse policies: Many states have now made marijuana use legal, either for medical or recreational use. However, it is still illegal on a federal level, so your employee policy can simply state that no illegal drugs are allowed. You may also include information on your drug testing policy. For instance, if you do random drug testing, what levels of marijuana would be considered a termination-worthy offense?

Changes to dress code: Your dress code needs to be gender non-specific. For example, instead of saying "Women's skirts must be knee-length" or "Women may not wear dark nail polish," the handbook should say, "Skirts must be knee-length" or "No dark nail polish."

Social media use: Most organizations have some sort of social media, be it Facebook, Instagram, Twitter, or all three. They might also be regular users of sites like Reddit. What rules are in place regarding what your employees can post online about your organization and clients? What policies are in place to monitor employees' cyber behavior? These are issues that need to be addressed and clearly laid out for employees in the handbook.

And don't forget your volunteers. Experts advise creating a separate handbook for them.

 **With so many changes in the law, it's time to take a hard look at your employee handbook.** 

For more ways to use your handbooks to avoid liability and lawsuits, see these articles at NonprofitWorld.org:

How to Write Effective Anti-Bias Policies (Vol. 30, No. 4)

Volunteers: Resource Or Risk? (Vol. 15, No. 5)

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

The Most Likely Lawsuits – and How to Protect Yourself (Vol. 19, No. 1)

How to Write Excellent HR Policies (Vol. 24, No. 5) 

The Difference Is in the Details

The most effective leaders pay attention to the small things when building an organizational culture. Here are a few concrete ideas from *Truth, Trust, and Tenacity* (secondcitypublishing.com):

Send personal, hand-written notes as often as you can. There's no better way for your message to stand out and be remembered.

Install a music system for the lunchroom or a conference room. Ask people what type of music they enjoy, and choose a musical selection that will appeal to all. The result will be a more refreshed workforce – and that translates into more effective problem solving.

Explore other parts of your organization. If you work in operations, spend time understanding marketing. Ask others to show you what their jobs are like.

Invite local artists to display their work on a rotating basis in the hallways at your workplace. Ask local foundations or art schools to help you acquire donated art. Art is stress-reducing and inspirational.

Create a small garden in a quiet corner with benches where people can sit amid plants, flowers, and other items from nature. Ask employees to brainstorm ideas, put the garden together, and maintain it. 

Does Your Board Need Help Raising Funds?

Most board members say they would like help in carrying out their fundraising responsibilities. A special report by the Nonprofit Research Collaborative offers some useful advice.

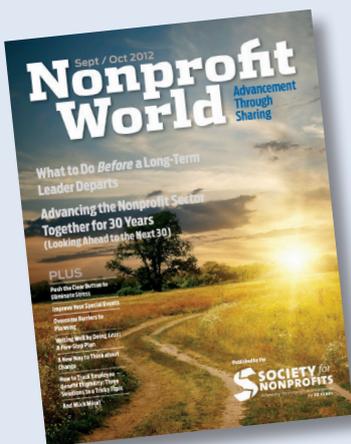
Engaging Board Members In Fundraising (available online at www.urban.org/publications/412673.html) looks at ways board members raise funds, from relatively easy methods – such as providing names and contact information of prospective donors – to more time-intensive ones – such as hosting events in their homes or chairing campaigns.

About 56% of organizations require a contribution from each board member, according to the study. Less than 20% set a minimum donation amount for each board member; the amount varies widely by organization size and sector. Such data may help organizations decide whether to set a minimum amount, and if so, the size that fits its work and culture.

By segmenting board sizes and comparing them with engagement methods, the study suggests activities that help boards of different sizes reach fundraising goals. Of course, any one organization could have a successful fundraising model that doesn't fit the norm reflected in this study. Organizations shouldn't stop doing board engagement that's working for them. However, this study is important in raising additional possibilities for board members who want to carry out their fundraising responsibilities and staff who want to provide useful engagement training for their boards. 

–reviewed by Terrence Fernsler

Coming Up in Nonprofit World



- Don't Get Caught by Phishing Schemes
- Three Simple Questions That Get Donors to Give
- The Bucket System: Managing Your Assets in the Face of Volatility
- Program Reductions Are Mandated — What Can a Nonprofit Do?
- The Skills Needed by Nonprofit Leaders
- Create a Powerful Culture: Wisdom from the Greats
- Fundraising Mistakes We Make with Our Boards
- Gain New Supporters with Online Forms
- Take It Up A Notch: Using Kaizen for Continuous Improvement
- And much more!