Volume 23, Number 2
March/April 2005

NONPROFIT World

Advancement Through Sharing

Breaking Down Online Barriers for People with Disabilities

PLUS:

Four Steps to Evaluation Success

Lessons from the Sports World

Creating a Values-based Road Map

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feature story

Photo by Mark Avery

An Easter Seals representative prepares to provide Internet training to a client. Easter Seals is a model for how an organization can make its Web site more accessible, usable, and valuable to a broader range of people. To be sure your Web site is fully accessible, see "Breaking Down Online Barriers for People with Disabilities" on page 16.

NONPROFIT WORLD

Editor Jill Muehrcke

SOCIETY FOR NONPROFIT ORGANIZATIONS

President Katie Burnham Laverty

Membership Director Jason Chmura

Publisher
The Society for Nonprofit Organizations

Purpose

The Society for Nonprofit Organizations is a 501 (c) (3) nonprofit organization. Through Nonprofit World and other communications with its members, the Society is dedicated to bringing together those who serve the nonprofit world in order to build a strong network of professionals throughout the country.

This logo symbolizes the goal of the Society, which is to unify diverse segments of the nonprofit world, to draw them together, and to create a dynamic whole without losing their individuality.

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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 45346, Madison, WI 53744-5346 or muehrcke@charter.net.

Editor's *page*

Why It's Time to Stop Managing

Is the day of the manager over? When it comes to working with people, the answer is yes.

"We manage things. We coach people," notes Terri Levine, author of *Stop Managing, Start Coaching* (www.comprehensivecoachingU.com). She recommends dropping the word "manager" altogether and using the term "leader coach" instead. The most successful organizations are those that don't "manage" their employees but, rather, coach and mentor them (see "Five Mistakes Managers Make" on page 32).

Jill Muehrcke, *Editor*

"We manage things. We coach people."

Have you integrated the role of this new kind of leader? Can you answer "yes" to these questions?

1. Do you make sure that every employee embraces the organization's mission and vision? Such a shared commitment is the best route to a strong, productive organization. To promote such consensus, see "Creating a Values-Based Road Map" on page 22.

2. Do you share leadership with your employees? Rather than basing your plans on educated guesses, do you involve staff in brainstorming when seeking solutions and making plans? Do you include them in the evaluation process? (See "Four Steps to Evaluation Success" on page 19.)

3. Do you motivate staff with praise, not criticism? Rather than focusing on what's wrong, do you start with what's working and build from there? Do you reward accomplishments?

4. Do you trust your employees? Do they know they can trust you? Fear and lack of trust are the most destructive practices in the workplace, as the authors of "Lessons from the Sports World" (page 24) point out.

5. Do you help workers set their own goals and evaluate results? Do you delegate a task and then step back and let the employee do it?

6. Do you create a culture that celebrates diversity? Does everything from your employee handbook to your Web site promote inclusiveness? (See "Breaking Down Online Barriers for People with Disabilities" on page 16.)

7. If you feel it's necessary to downsize, do you include employees in the planning? Are you honest with them about your plans? Do you explain how downsizing will serve your organization's mission and vision in the long run? (See "How to Develop a Layoff Strategy" on page 14.)

8. Does your workplace have soul? Is it a fulfilling, creative place to work? Is there a sense of caring and mutual respect? (See "What Makes Today's Nonprofit Leader?" on page 32.)

Today's employees have different ideas about work than past generations. They won't be "managed." Instead, seek out their talents, create an environment in which they will grow and thrive, and help them recognize the greatness in themselves. ■

Jill Muehrcke
Editor, *Nonprofit World*

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Letters *to the editor*

Looking for Clarification: Can Board Members Be on Audit Committee?

Enjoyed your article on the Sarbanes-Oxley Act ("The Sarbanes-Oxley Act & Nonprofits: 'But I Thought That Didn't Apply to Us,' " Vol. 22, No. 5). I have a question, however, regarding your comments on establishing the audit committee. The article notes that the organization's board members should not be part of the audit committee. This statement is contrary to our interpretation of the Act. My understanding is that nonprofit boards should establish an independent audit committee that is composed of the organization's board members. The "independent" piece of the Act does not require that the audit committee be composed of non-board members but, rather, that they not receive compensation (directly or indirectly) from the organization as consultants for other professional services and are not part of the organization's management team.

Could you please further clarify your statement regarding the need for non-board members to comprise a nonprofit organization's audit committee? Thanks.

Keith H. Liederman, Ph.D.
Executive Director
Kingsley House, Inc.
New Orleans, Louisiana

Thanks for your careful reading of the article and for pinpointing a common confusion. It's true that the audit committee should be made up of "outside directors," but that doesn't necessarily mean non-board members. Board members who serve on the audit committee should not be in a decision-making position, such as president, vice president, or a member of the organization's finance committee. The more independent the audit committee is from the organization, the better. Ideally, the audit committee would be made up of non-board members with financial expertise, but that is not the reality for most nonprofits.

–Ed.

Buzz Words Redux

The language we use reflects deeper needs. We use it to compete effectively, to manage our work, and to embark on new needs and successes. In "What's the Buzz (Word) All About?" (Vol. 22, No. 2), Gary Snyder is correct to a point, but understanding fundamental causes will make managing organizations easier.

Most critically, we must explore new possibilities. Sitting still in a changing world courts disaster. Basics aren't enough. We need inventions, brilliance, balance, and thoughtfulness. Sometimes, even absent a track record, we must take a chance. Having chosen something new, we usually have to convince others to implement it. If those charged with carrying it out believe there was nothing wrong with the way things were, but orders are orders and they can't object, they might simply glue new words onto old habits. Terminology loses meaning through misunderstood complexity. And active disagreement masked with silence also will do it. Linguistically, words get their meanings from practice.

Confusion then spills downward and outward. Other people hear new lingo while seeing little change in substance. The lingo becomes hollow. But it can't be dropped. People want to keep their jobs, and if new words are what the boss seems to want, new words are what will be served up.

There are two solutions for those instituting new concepts: Sell the ideas so other people want to join in. And monitor what's happening beneath the wordy reports. To accomplish both these things, you must communicate, and that means using the language your audience understands–and expects.

For example, to "revise" sounds too small. Nitpickers revise. To "revamp" sounds too random. Bulldozers revamp. To "reengineer" sounds like you're in control and don't care about others' input. The key is to relieve tired clichés before they're exhausted. Find the word that says what you really mean.

When you put policies into writing, on the other hand, you need to take a different tack. What's important here is the precise legal term. You must carefully craft your message to preclude liabilities. In this case, then, using the precise legal term is more important than avoiding jargon.

Know your audiences, and recognize their differences. Then they'll understand your message well.

Nick Levinson
New York, N.Y.

Insights Are Right On

The latest issue of *Nonprofit World* is excellent! Nearly every article relates to an activity we're currently pursuing or an issue we're wrestling with. Thanks for the insights!

buddy@aldoleopold.org

Thumbs Up for New Look

I love the new look! And, as always, the content is fantastic, too. It's the best magazine I get for nonprofits. ■

Larry Erlandson
Holland, Michigan

Please Get in Touch

We would love to hear your response to anything in *Nonprofit World*, your comments about any aspect of the nonprofit sector, and your concerns about your daily work. Please get in touch in any of the following ways:

Drop us a note at: Letters to the Editor, *Nonprofit World*, P. O. Box 45346, Madison, Wisconsin 53744-5346.

E-mail to: muehrcke@charter.net

Please include your name, address, and phone number. If you'd like your comments to appear anonymously, please let us know. We look forward to hearing from you!

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Ask *the experts*

Where Can You Find the Marketing Resources You Need?

Even with a tight budget, there are ways to create a marketing plan.

Q: We are a small nonprofit organization with limited resources and a tight budget. How do we attract the resources we need to develop a marketing plan so that we can get the word out about our organization and find supporters?

A: I'm assuming you already have a strategic plan, understood and approved by your board, which spells out the mission, key constituencies, and direction of the organization. Use this plan as a guide.

Developing a marketing plan takes insight, research, and time. Where do these resources come from? Here are some ideas:

You may find some practical assistance from a board member or other volunteer in your organization. Many people involved in small businesses have developed their own marketing plans and are happy to share their expertise.

In many parts of the country there are groups of retired businesspeople who volunteer their time and skills to help nonprofits.

Approach the chair of the marketing department of your local college or university. See if a faculty member would be willing to work with you, possibly as a course project.

Marketing is too important to be left to the marketers.

Some MBA programs have consulting groups — student-run clubs where members gain experience by working on practical problems.

Hire an MBA student as a summer intern. One source of MBA interns is the MBA-Nonprofit Connection (MNC), which works nationally to encourage MBA students to consider careers in the nonprofit sector. It promotes a limited number of summer internships, which run about 10 weeks and must pay at least $400 a week. Some nonprofits arrange for community foundations or other donors to cover these summer salaries. For more information, contact MNC at www.mnconnection.org.

Of course none of these ideas is a panacea. If you use interns, someone in your organization must be able to mentor them. Whatever strategy you use, be sure to involve everyone in the organization. Remember, marketing is too important to be left to the marketers. ■

Karen Fox
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Note: *For more advice, see these* Nonprofit World *articles (available on CD-ROM at http://www. snpo.org/resources/productcatalog.php):*

"Are You Making the Most of That Intern?" (Vol. 7, No. 5), "Using Interns Creatively," (Vol. 10, No. 2), "Supervising Interns Effectively" (Vol. 11, No. 4), "Putting Retiree Talent to Work for Nonprofits" (Vol. 10, No. 2), "Universities Offer Marketing Key" (Vol. 4, No. 1), and "Nonprofit Communications on a Shoestring" (Vol. 8, No. 2).

ADA Case Holds Valuable Lessons

A landmark case in the federal district court for the District of Maine offers lessons in what not to do when an employee suffers from a mental health disability. The suit (Case No. CV-02-36-B-S) alleged that Land Air Express of New England violated the Americans with Disabilities Act (ADA) when it discharged Donna Malone because she was hospitalized for depression and post-traumatic stress disorder. The suit was ultimately settled before trial, with Land Air paying Malone $360,000 and agreeing to distribute an ADA policy to all employees and to provide managers with ADA training. Here are seven tips to be learned from this case:

Familiarize yourself with ADA requirements, including the need to use an "interactive process" to develop reasonable accommodations.

Draft cogent policies, and review them whenever dealing with an employee who may qualify as a person with a disability.

Encourage open dialogue with employees seeking disability accommodation. Work with them to find ways of meeting their needs without causing your organization undue hardship.

Stay informed about the condition of any employee who seeks accommodation for a disability.

Treat all employees compassionately and fairly. Make decisions guided by your established policies.

Never base decisions on assumptions about a disability, no matter how sure you are that your "gut" instinct is correct.

Consult an expert whenever you have questions as to the best and most lawful course of action. A few dollars spent early in the process may save thousands later.

For additional information on this and other personnel topics, consult "Human Resources Management" at hr.cch.com. For a step-by-step guide to the "interactive process" required by ADA, see "How to Accommodate Disabilities under ADA, *Nonprofit World,* Vol. 18, No. 5, available free at www.snpo.org/members). ■

Take Care to Avoid Retaliation Claims

A woman who worked for a nonprofit research foundation has been permitted to proceed with a retaliation claim under the Americans with Disabilities Act, even though her termination wasn't because of a disability, notes Don Kramer in *Nonprofit Issues* (www.nonprofitissues.com). Although the woman was ill, the Court rejected her claim that she was terminated because of a disability. The Court permitted her retaliation claim, however, because she alleged that she wasn't terminated until after she had investigated filing a discrimination claim (*Sacay v. the Research Foundation of the City University of New York*). The law states that an employer may not retaliate against anyone who files or threatens to file a charge or complaint with a court, agency, or union.

Retaliation claims are the fastest-growing type of workplace complaint. To avoid such lawsuits, be sure to develop a retaliation policy. In your employee handbook, include a statement promising that the organization won't retaliate against anyone who reports incidents of discrimination or harassment. For detailed advice, see "How to Avoid Retaliation Claims" in Vol. 21, No. 6 of *Nonprofit World* (available free at www.snpo.org/members). ■

Suit Challenges Terrorist Watch Lists

A coalition of national nonprofits and the American Civil Liberties Union have filed a lawsuit against the Office of Personnel Management's Combined Federal Campaign (CFC). The suit seeks to declare illegal and unconstitutional the new requirement that all participating organizations check their employees and expenditures against several government watch lists for terrorist activities. For more information, contact OMB Watch (www.ombwatch.org). ■

IRS Revises Tax-Exempt Application

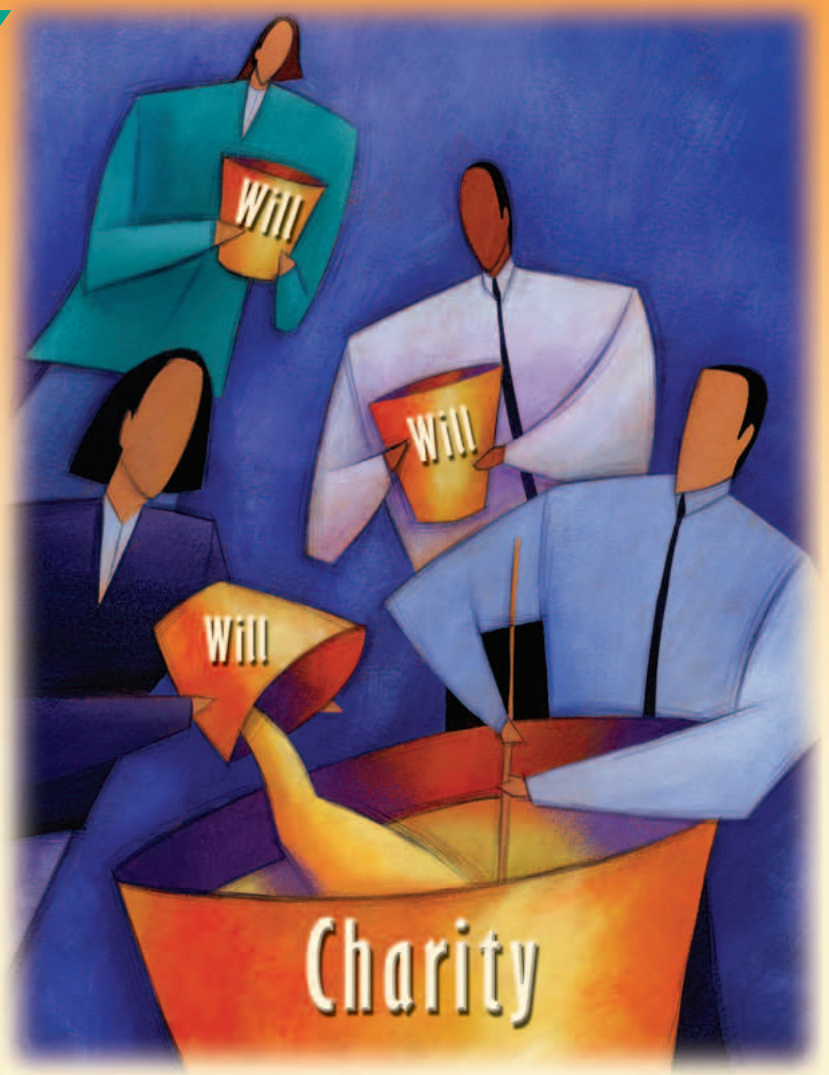
The IRS has revised Form 1023, which nonprofits must complete to gain tax-exempt status. The new form focuses on potentially abusive transactions, such as conflicts of interest, donor-advised funds, and operations abroad. While the new form will take more time to fill out, the IRS says it will reduce the need for follow-up and speed the time for determination. The form is available on the Web (www.irs.gov), and the IRS will require its use after April, 2005. ■

EGTRRA? JGTRRA? FMAP? MOE?

Alphabet soup getting you down? A batch of new entries from the Tax Policy Center were recently added to the Urban Institute's Policy Decoder (http://www.urban.org/content/Experts/PolicyDecoder/policydecoder.htm), a handy tool for making sense of national and local policy debates. ■

How to *Obtain* More Bequests

If you don't have a bequest program, it's time to start.



By G. Roger Schoenhals

Charitable bequests represent the bread-and-butter planned gift for virtually all nonprofit organizations. They can and should be promoted whether or not your organization has a full-blown planned-giving program in place.

Bequest promotion is easy, cost-effective, and wonderfully productive. In many cases, it's simply a matter of reminding your constituents to remember your organization when they create or update their wills. Here are 19 tips to help you get started in bequest promotion or develop your existing program:

1. Create a Will Information Kit.

Have this kit ready to send to anyone who expresses interest. It should include such items as: a letter from the CEO; a brochure on wills and basic estate planning; a brochure on how to make a charitable gift through a will; sample bequest language with the correct legal name of your organization; and a response card. You could also include a fact sheet about your organization. Follow up with a phone call or letter a week after you send out the kit.

2. Engage the Full Board.

Every member of your board should make provisions for a future gift to your organization through their estate plan. In fact, it should be a prerequisite for board service! After all, asking others to make bequests rings hollow unless the governing body shows leadership in this area. Even if it's only a contingency bequest, the fact that each member's will bears the organization's name will do more to inspire imitation by constituents than just about any other single thing. Gain your board chair's support in promoting wills to the board. The best way to earn the board's support is through your own example by including the organization in *your* will.

3. Develop Testimonial Cards.

A small, colorful card, suitable for slipping into a No. 10 envelope, can be a positive reminder that bequests count. The card should bear the photo of a person or couple who have included your organization in their will and the reasons they decided to do so. It should include the phone number and Web address of your organization's planned-giving officer or

continued on page 8

other contact person. It should also offer a complimentary Will Information Kit to anyone who's interested.

These cards can be used as "receipt stuffers" to accompany gift receipts. They can also be inserted in targeted mailings or more general direct-mail efforts.

4. Print Reminders on Gift Receipts.

Every time someone makes a charitable gift to your organization, you send a gift receipt to acknowledge the gift. Why not print the following words at the bottom of the receipt: "Please remember ABCharity in your will"? It doesn't cost anything extra to do this, and it provides a gentle reminder to those who care enough about your organization to make a cash gift.

5. Use Organizational Publications.

Your organization probably provides one or more newsletters to your constituents as a way to provide information and build support. A brief article, perhaps in a planned-giving "corner," could highlight individuals who have recently included your organization in their estate plans. You can also use this space to announce bequests that have "matured."

Every member of your staff needs to be sensitized to the importance of "thinking bequests."

By using existing publications, you eliminate the time and monetary costs of developing separate materials. In fact, you might make a case for including "Please remember ABCharity in your will" at the bottom of just about every printed piece your organization uses, including stationery.

6. Place "Ads" in Local Media.

Consider providing a boxed "ad" to local newspapers that might contain a finger with a string attached and the words "Remember to include ABCharity in your will." Or you could do a series of ads, each featuring a photo and the caption, "We included ABCharity in our will." The ads needn't be large to be effective. A more important feature is frequency. Throughout the year, you might also run 15-second spot ads on the radio with words something like this: "Leave a lasting legacy through your will. Include a bequest to ABCharity. For a free Will Information Kit, call (number)."

7. Include a "Button" on Your Web Site.

Your organization likely has a Web site. The home page could include the words "Please remember ABCharity in your will" with a hyperlink to the planned-giving section, where further information is available. Or you could do something like, "For a free Will Information Kit, click here." Offer your free kit by mail, and also make it available as a pdf file for those who want to print it out. More and more older people are using the Internet, and your site should be ready with attractive and compelling information about planned gifts in general and bequests in particular.

8. Generate News Releases.

Every bequest that matures is a newsworthy event. Someone in your office should be charged with the responsibility of generating and distributing a release to staff, board members, your primary organizational publication, and outside media outlets. Such news not only shows "insiders" the value of the planned-giving program, it also promotes bequests indirectly to everyone by demonstrating that people care enough about your organization to give you part of their treasured estates.

9. Involve Your Staff.

Every member of your staff needs to be sensitized to the

A Few Planned-Giving Terms

Beneficiary: One named in a will, trust, or other legal document to receive an interest in an estate.

Bequest: A direction in a will to pay over or distribute personal property. Also called a legacy.

Estate: Everything in which a deceased person owns an interest at the time of death.

Irrevocable Trust: A trust that can't be changed or dissolved.

Legacy: A disposition of personal property by a will.

Life Estate: A gift of property in which the donor retains the right to use the property for life.

Life Income Trust: A plan whereby gift assets are placed in trust for the lifetime benefit of an income beneficiary, with the remainder going to another beneficiary.

Planned Giving: Arrangement in which a donor sets aside money or property for a charity's future use.

Remainder: The amount remaining in a trust after income payments have ended. A remainder is vested when payable to a designated beneficiary.

Revocable Trust: A trust that can be changed or dissolved at any time by the grantor.

Testamentary Trust: A trust established through a will.

Trust: An arrangement whereby property is held by an individual or institution for the benefit of others.

Will: A legal instrument disposing of property at the time of someone's death.

importance of "thinking bequests." Those who are soliciting donors for annual gifts can easily insert a comment such as, "The next time you update your will, I hope you will include a bequest for ABCharity in your estate plans." Staff should have copies of your Will Information Kit to hand out. Also, be sure the staff has referral forms to let you know about any prospective planned-giving donors.

10. Sponsor Estate-Planning Seminars.

These seminars can include a local estate-planning attorney talking about the basic ingredients of a sound estate plan, followed by your own presentation on planned giving. Sometimes it works best to target these seminars to special groups, such as widows and retired couples. Seminars should be held at easy-to-find locations and during times best suited for the particular audience. Smaller versions of these seminars could be held in the home of a board member or key donor.

11. Promote Bequests by Phone.

Some organizations are finding success in calling people on their donor list. The call might go something like this: "Thank you for your ongoing support of ABCharity. I'm calling to let you know how much we appreciate your generosity and to ask whether you would consider naming ABCharity in your will. [pause] If this is something you may be interested in, we would like to send you a free Will Information Kit. It provides basic information for those who don't have a will or who want to update their existing will. [pause] Would you like us to send you this complimentary packet of information?"

After inviting someone to learn more about planned giving, roll out the red carpet of immediate service.

LEAVE A LEGACY®

If your organization isn't part of a Leave a Legacy® effort in your community, look into joining or starting one. Leave a Legacy® is a public awareness campaign conducted by the National Committee on Planned Giving (NCPG) to help the public learn about planned giving through a will or from an estate.

According to research, only about 8% of donors continue their support through a charitable bequest. NCPG decided that nonprofits could multiply their effectiveness in reaching planned gift prospects through a community-wide marketing effort. By offering the Leave a Legacy® concept as a collaboration of nonprofits in a community, NCPG offers a cost-effective marketing solution.

Leave a Legacy® is sweeping North America and raising the awareness of charitable gift planning as nothing before. It is bringing people of good will together and enriching the charitable fabric of our communities. For more information, see www.leavealegacy.org or www.ncpg.org.

12. Make Responding Easy.

When an article or conversation offers further information, the means to receive this material needs to be simple and clear. If you're sending a direct-mail piece, include a response device and self-addressed, stamped envelope. Some organizations slip in a small pencil to make it even easier to respond to a checklist on a response card. Articles, display "ads," and information on the Web should include a toll-free number. After inviting someone to learn more about planned giving, roll out the red carpet of immediate service.

13. Mail an Annual Appeal.

At least once a year, send a bequest mailing to all members of your constituency, asking recipients whether they've named your organization in their will and, if so, in what way. You will find new names popping up from every mailing, providing you with new planned-giving prospects. The appeal should also ask whether any prospective donors would be willing to consider including a bequest for your organization. These respondents deserve a follow-up visit soon and a concerted effort of sincere cultivation.

14. Target Special Mailings.

In addition to an annual "sweep" mailing, you can focus in on special segments of your constituency for specific attention. For example, annual fund supporters who have young children might receive a letter urging them to consider estate planning for their children's sake, including provisions for guardians and trusts. A bequest might be promoted in terms of a contingency provision, thereby providing maximum support for the children during their dependent years. Another target audience might be widows, who may appreciate the simplicity of a bequest program in making future estate gifts.

15. Time Your Mailing Efforts.

Your planned-giving prospects may be more receptive to bequest

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If you don't have a recognition society, you're missing one of the best vehicles for promoting planned gifts.

promotion at certain times of the year. As people approach summer and consider extended travels, for instance, they may want to be sure that estate-planning decisions and documents have been taken care of in advance. Consequently, a target mailing to retired couples about wills might be good for late spring. Birthdays might also be a good time to address bequest possibilities.

Look at the calendar and plan your mailings accordingly. Keep alert for happenings that can sensitize people to estate-planning concerns. A national disaster or news about international unrest, for instance, may prompt people to be more receptive to will information.

16. Herald Your Recognition Society.

If you don't have a recognition society for your planned-giving donors, you're missing one of the best vehicles for promoting planned gifts. Get such a society started soon, and select a name that fits your organization. Use this society to draw together those who've made estate-planning provisions, including bequests. Periodically arrange for special programs, and include updates from your organization's president. Sponsor an annual dinner to induct new members into your society. Announce the happenings of this society throughout your constituency, and make it special to belong.

17. Involve Professional Advisers.

Lawyers, CPAs, insurance professionals, and financial planners are in the business of talking to people about their estate plans. Get to know these advisers in your community, and make sure they're well acquainted with your organization. Provide them with a file folder, updated annually, with a few of your recent annual reports, sample bequest language, information about your recognition society, and a supply of your business cards. As these professionals come

At least once a year, send a bequest mailing.

to respect and trust you, they'll be more likely to make bequest suggestions to their clients that will benefit your organization.

18. Provide Suitable Recognition.

Once a person has designated your organization for a bequest or other planned gift, provide a certificate of appreciation, life-long membership in your recognition society, and other special indicators of your appreciation. Sincere gratitude will help cement a revocable gift (like a bequest designation) and cause your donors to feel so good they'll want to tell their friends about their happy experience with your organization. You simply can't say thank you enough.

19. Repeat, Repeat, Repeat.

The key to successful bequest promotion is repetition. Again and again, your constituents need to be reminded that leaving a bequest to your organization is possible and important. Just sending out a few mailings each year and including a "remember us" note on a gift receipt isn't enough. Never tire of telling others to leave a bequest to your organization. Let it be your mission to lead the charge by promoting bequests vigorously, creatively, and with a positive spirit. ■

G. Roger Schoenhals is publisher and editor of Planned Giving Today *(100 2nd Avenue South, Suite 180, Edmonds, Washington 98020, roger@pgtoday.com, www.pgtoday.com), from which this article is adapted. He has served as the chief planned giving officer for a university and as the director of the Seattle Pacific Foundation.*

Your Planned-Giving Survival Kit

Use these *Nonprofit World* articles to develop your planned-giving program. These and many other planned-giving resources are available from the Society at www.snpo.org/articles.

Planned Giving with Gift Annuities (Vol. 14, No. 2)

Why Planned Giving? (Vol. 12, No. 2)

Put the Government on a Tax Diet with a CRT (Vol. 14, No. 6)

How to Start a Planned Giving Program (Vol. 9, No. 3)

Insure Your Fundraising Future (Vol. 13, No. 2)

Untangling the Confusion of Planned Giving (Vol. 17, No. 5)

Don't Miss the Planned Giving Opportunity (Vol. 13, No. 3)

Attract Major Gifts with a CRT (Vol. 18, No. 1)

Use Your Fundraising Campaign to Increase Planned Giving (Vol. 7, No. 1)

Attorneys and Planned Giving (Vol. 11, No. 1)

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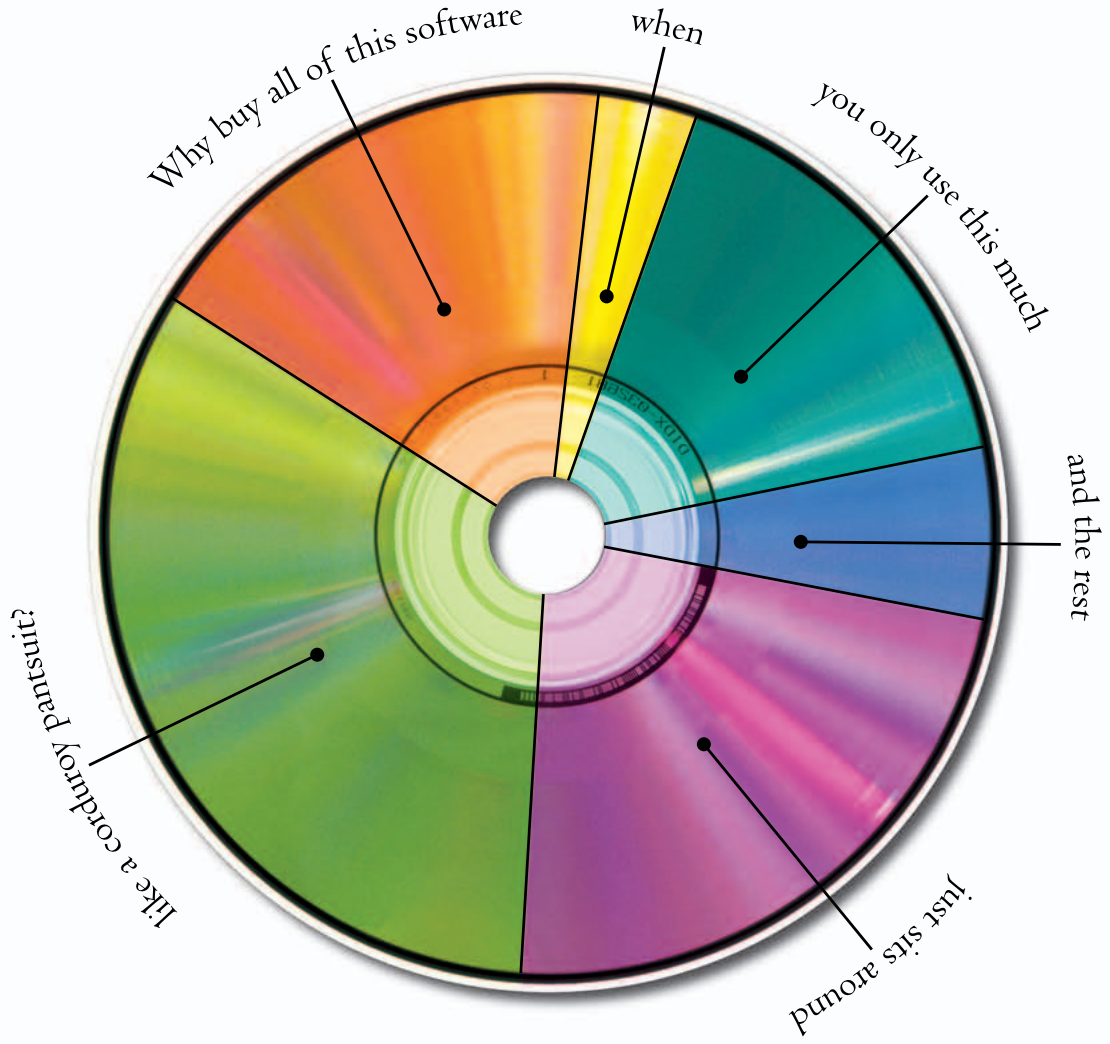

When It's Time to Say Good-by

How to Discharge Workers without Legal Hassles

Avoid legal nightmares by following these rules.

By Ratapol Teratanavat & Brian Kleiner

To handle termination and layoff, you need to understand how they differ. Doing so will help you prevent lawsuits, develop clear communication with employees, and improve your organization's productivity. Let's start with the legal definitions and then see how you can create effective policies.

Layoff and Termination: What's the Difference?

The chief difference between termination and layoff is the cause of discharge. Layoff is a temporary interruption of the employment relationship at the direction of the employer because of lack of work. Termination is the unilateral severance of the employment relationship by the employer for cause.[1]

When dealing with termination, the first thing you need to understand is the cause. There are three grounds for termination:

1. Substandard performance. The main reason employees are terminated is that they don't meet performance standards. The failure may be due to incompetence, negligence, or dishonesty.

2. Violation of rules. Rule violations are of two types: ***Minor infractions*** include ignoring attendance policies, taking advantage of organizational privileges, and making personal phone calls during working hours. Discharge may be the final punishment if warnings aren't effective or less severe punishments

don't solve the problem. ***Major violations*** include fraud, robbery, extortion, and sexual harassment, as well as alcohol and other drug use. These serious violations don't call for prior warnings since employees are simply expected not to perform such actions. Major violations may lead to fines and prison sentences as well as dismissal.

3. Interpersonal incompetence. Sometimes the cause of dismissal is simply that a person can't get along with coworkers, clients, or others. A common cause is immaturity, defined as the inability to accept one's strengths and shortcomings, to admit criticism, and to take responsibility for one's own actions.

How to Develop a Termination Strategy

Employees who commit harm to the workforce, such as assault or murder, may be terminated immediately, without probation. However, for less severe violations, such as job incompetence, negligence, or misconduct, you should follow these steps:

1. Create a policy. To avoid legal problems, be sure to set up a policy related to termination. The policy might state, for instance, that employees will be terminated if they have three consecutive below-average performance appraisals or three missed performance objectives. Make it clear that during the hours of employment, employees must follow the organization's rules and their supervisor's instructions. If they don't follow these rules, they will assume the risk of discipline, which may lead to termination.

2. Counsel violators. When employees violate the policy for the first time, their direct supervisor should counsel them. The supervisor should point out the problem, give guidance, and explain how to avoid making the same mistake in the future. Document each counseling session in memo form, and keep this record in the employee's file.

3. Write a reprimand. If counseling doesn't correct the problem, send the employee a written reprimand, with a copy in the employee's file. The reprimand should describe the infraction, emphasize its importance, and specify the expected standard of performance. Also, identify the period of time to correct the deficiencies and the consequence of failure to do so.

A common cause of dismissal is immaturity.

4. Give a final warning. After writing up a specified number of reprimands, usually no more than three, the supervisor should inform the employee that if the infraction happens again, the employee will be terminated for cause. The final warning should contain these elements:

- a copy of the memorandum of the original counseling session
- copies of all reprimands
- specific area the employee should improve
- a specified period of time within which the infraction or unsatisfactory performance needs to be corrected
- a statement that this is the final opportunity to improve performance and that failure to do so will result in termination.

5. Dismiss the violator. Before taking this last step, the supervisor should verify that the employee doesn't meet the minimum performance standard and that the employee is fully aware of the reprimand and final warning. When these steps are covered and documented, the supervisor should inform the employee of the termination action, including any severance package or economic assistance provided while terminated employees are looking for a job. It's

continued on page 14

up to the department head to decide on the amount of severance.

How to Develop a Layoff Strategy

Layoffs usually occur when an organization is in financial trouble and its leaders hope to cut costs by downsizing. Downsizing, however, usually has more costs–both psychological and monetary–than benefits.[2] Therefore, you should use downsizing only as a last resort.

Before laying off employees, exhaust all possible alternatives, such as shortening work weeks, cutting pay, using relocation programs, encouraging employees to take unpaid vacations, or asking for voluntary resignations. When layoffs are the only option, follow these steps:

1. Craft a credible vision. Once you've decided you must downsize, integrate the decision into your organization's vision. Specify how downsizing will serve your mission and vision in the long term.

2. Form a team to plan the layoff strategy. Include people from all levels and functions of the organization, including human resources, finance, public relations, and legal affairs. By consulting as many groups as possible in the planning, you will demonstrate your concern for employees' interests.

3. Identify stakeholders, including laid-off employees, survivors, employees' families, members of the community, funders, and government agencies. Recognizing these stakeholders' needs and estimating potential risks and problems will help prevent bad publicity and a negative image for your organization.

4. Provide training to managers. Managers responsible for firing employees always feel guilt and stress. They need to be trained in communicating bad news with empathy. It may help them to role-play with a trusted colleague. Be sure they understand that the layoff is not their fault, nor is it the employees' or executives' fault. It's just the way it is.

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If counseling doesn't correct the problem, send the employee a written reprimand.

5. Announce the layoffs. The 1988 WARN Act requires that you give employees 60 days' notice when closing a facility or laying off workers. It's best to make the announcement at the beginning of the week, in the morning. Making an announcement on Friday or toward the end of the day is inappropriate, because the laid-off employees won't have time to get answers to their questions. Likewise, it's better to deliver the message in a face-to-face meeting than by fax, e-mail, phone, memo, or newsletter. Be prepared to answer questions and explain the rationale for the layoffs clearly and completely. Once you've spoken to all employees, deliver the news to other stakeholders.

6. Provide career counseling and other assistance. Both internal and external counselors can be helpful in finding new jobs for laid-off workers. If possible, provide training for additional skills to help laid-off employees meet the demand in the current marketplace.

7. Don't forget the survivors. You need to provide training for your surviving employees, since they will take on the laid-off workers' tasks. Training will develop teamwork and improve survivors' morale, confidence, and competence to work in the new environment.

Along with training, hold frequent meetings to improve survivors' perception of your organization. In the wake of layoffs, they're likely to feel distrustful, insecure, and demoralized. As a result, they may resist the change and avoid innovation, which will decrease your organization's productivity. To boost morale and commitment, be direct and honest about your long-term plan and vision.

8. Use experts to smooth the transition. Dealing with outside experts, such as counseling or outplacement firms, will help you preserve employees' feeling of empowerment and trust. These consultants know how to handle the reactions of laid-off employees, gain the support of surviving employees, and keep spirits up. They can also help you bolster your organization's reputation and minimize the potential for lawsuits in the wake of layoffs. ■

Footnotes

[1] The Employment Standard Act, 1997.

[2] See Beylerian in "Resources" below. Also see "Preserving Employee Morale During Downsizing," *Sloan Management Review*, http://web4.searchbank.com.infotra...sion/647/695/25969055w3/22!xrn_100.

Resources

*Beylerian, Marc & Brian Kleiner, "The Downsized Workplace," *Nonprofit World*, Vol. 20, No. 3.

*Conroy, Charles, "Sexual Harassment: Don't Let It Destroy Your Organization, *Nonprofit World*, Vol. 10, No. 2.

*Rosenberg, DeAnne, "Eliminating Resistance to Change: The Magic Formula," *Nonprofit World*, Vol. 10, No. 5

Wiggins, Dave, "Firing: When and How to Do It," *Journal of Environmental Health*, http://web.1.searchbank.com/infotrac/session/652/852/1962699w5/11!xrn_1.

**Starred resources are available from the Society's Resource Center. The articles from Volumes 14-23 are available free on-line at www.snpo.org/members, and articles prior to Volume 14 are available on CD-ROM at www.snpo.org/publications/articles.php.*

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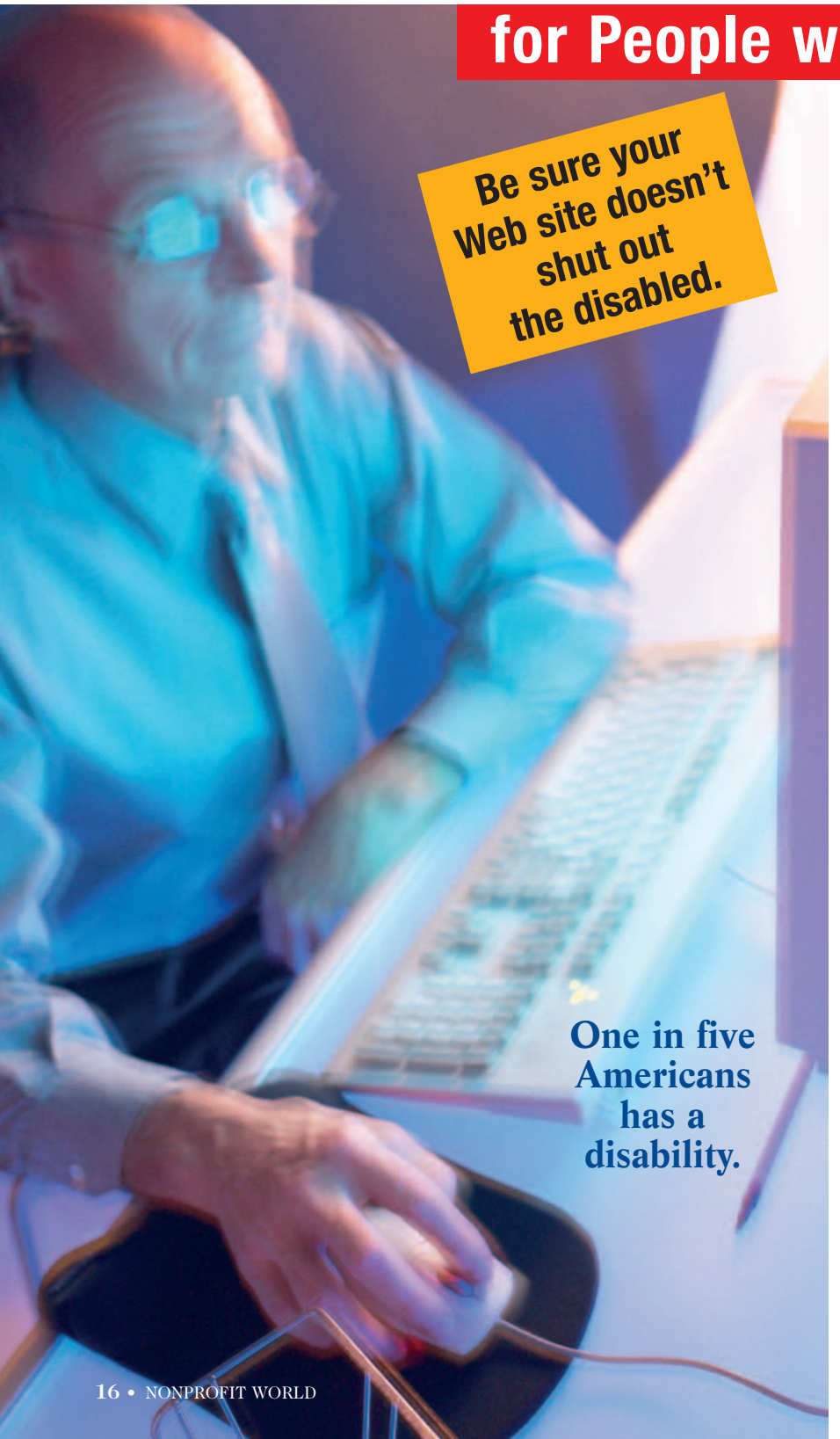


By Shirley Sexton & Andrea Knudsen

In the 14 years since passage of the Americans with Disabilities Act (ADA), businesses and organizations nationwide have made strides in accommodating people with disabilities. But while physical barriers in public buildings and workplaces continue to disappear, the designs of many Web sites stand like a flight of stairs between disabled users and the Internet's potential.

What is an accessible Web site?

An accessible Web site is designed to account for differences in abilities and technologies among Internet users worldwide. Accessibility issues include:

- **Mobility:** Some people have trouble using a keyboard or mouse.
- **Vision:** Some people don't see well, or they may be using a screen reader or a small screen. Others may be connecting to the site through a slow Internet connection.
- **Hearing:** Those who are deaf or hard of hearing need captions or visual descriptions for sound and video files.
- **Cognition:** Some users can't understand certain types of information due to mental disabilities.

Accessible design follows the principles of usable design, emphasizing fast download times and site architecture that's easy to navigate. Site visitors who may not consider themselves "disabled" — for example, people recovering from an injury or who have difficulty reading small type on a screen — also benefit.

A thoughtfully designed site offers a flexible interface to meet each person's needs. Accessible sites usually include images with alternative text tags for graphics and image maps, captioned

audio, and descriptions for video. They also avoid the use of frames, confusing navigation, and low-contrast text.

Why should your organization provide access for people with disabilities?

People with disabilities are the nation's largest minority group. According to the U.S. Census' disability data, one in five Americans (20%) has a disability. In the past 25 years, many more children born with disabilities have not only survived, but also have received a public school education, graduated from high school, earned undergraduate and postgraduate degrees, and entered the workforce. Meanwhile, their Baby Boomer parents, now in their 50s and 60s, are beginning to experience the effects of aging, more frequently reaching for the ibuprofen and reading glasses. Their grandparents are living longer and working to maintain their independence.

Ignore people with disabilities, and you ignore their combined discretionary income of $175 billion.

Equality for people with disabilities, including access to the Internet, is a matter of civil rights. It's also good business sense. Ignore people with disabilities, and you ignore their combined discretionary income of $175 billion.

continued on page 18

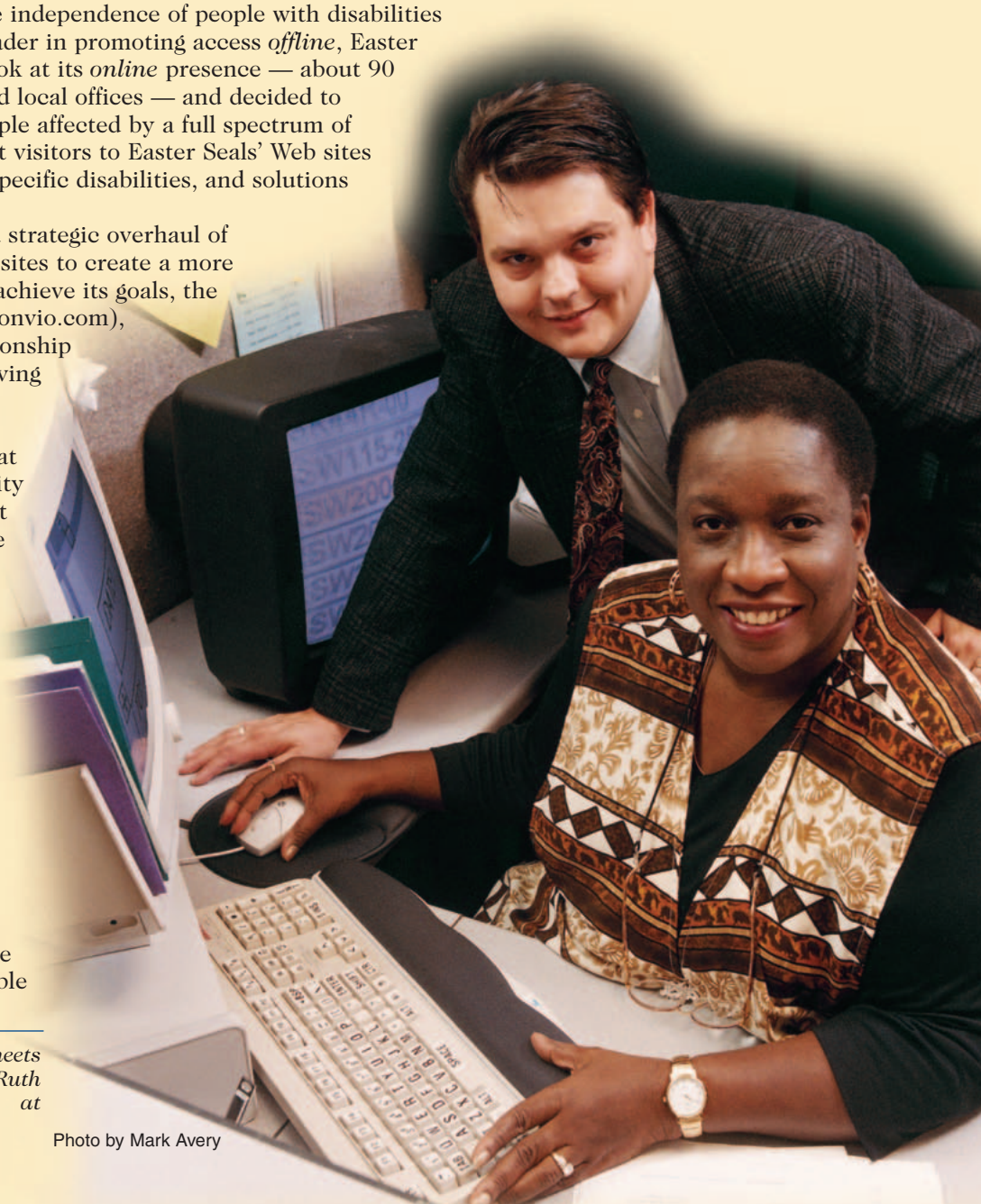
A Model for Equal Access Online

Easter Seals has supported the independence of people with disabilities for more than 80 years. A leader in promoting access *offline*, Easter Seals recently took a hard look at its *online* presence — about 90 Web sites representing national and local offices — and decided to invest in accessibility tools for people affected by a full spectrum of disabilities. These tools ensure that visitors to Easter Seals' Web sites can find services, information on specific disabilities, and solutions to common challenges.

In 2001, Easter Seals planned a strategic overhaul of www.easter-seals.org and affiliated sites to create a more effective network of Web sites. To achieve its goals, the organization chose Convio (www.convio.com), a leading online Constituent Relationship Management (eCRM) company serving the nonprofit sector.

Convio's commitment to Web accessibility was a key factor in that choice. Convio offers an accessibility checker in its content management product. With one mouse click, the accessibility checker scans each page for accessibility violations according to the W3C's guidelines (www.w3c.org/WAI).

Although the Internet hasn't yet realized its full potential to serve users with disabilities, Easter Seals' plan to make its 90 Web sites accessible will move the world another step closer to achieving that important goal. Easter Seals hopes not only to better serve its constituents, but also to be a model for how an organization can makes its Web site more accessible, usable, and valuable to a broader range of people. ■



Barbara Gordon of Easter Seals meets with Wade Wingler, manager of the Ruth Lilly Assistive Technology Center, at Easter Seals Crossroads.

Photo by Mark Avery

Who will help you create an accessible site?

There are several good resources to help make your Web site accessible. The World Wide Web Consortium (W3C) has developed common protocols that promote the evolution of the World Wide Web and ensure its interoperability. The U.S. government also has provided federal accessibility guidelines in Section 508, the 1998 Congressional amendment to the Rehabilitation Act of 1973, which requires federal agencies to do all the following:

- **Eliminate barriers** in information technology.
- **Make new opportunities available** for people with disabilities.
- **Encourage development of technologies** that will help achieve these goals.

How can you make your existing site more accessible?

- **Always** use the alt attribute, an alternate text description added to a Web page's code, to describe the function of each image.

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The designs of many Web sites stand like a flight of stairs between disabled users and the Internet's potential.

- **Provide** captioning and transcripts for audio and video.
- **Use hypertext links** that make sense out of context. For example, instead of "Click here," use "Click here for financial information."
- **Use relative** rather than absolute font sizes for the text on your site. This allows users with visual impairment to increase the size of the font from within their Web browsers so that they can see it more clearly.
- **Visit** www.w3c.org/WAI for a full list of tips. ■

Resources

Brinckerhoff, Peter, "Nonprofits and the Americans with Disabilities Act," *Nonprofit World*, Vol. 11, No. 2.

Elges, Mary, "Designing for Web Accessibility: More Benefits than You May Imagine," *Nonprofit World*, Vol. 21, No. 4.

Hoffman, Leslie & J.P. Frenza, "Building Your Web Site: HTML Basics," *Nonprofit World*, Vol. 16, No. 3.

Kleiner, Brian & Eric Neumann, "How to Accommodate Disabilities under ADA," *Nonprofit World*, Vol. 18, No. 5.

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Shirley Sexton is Director, Internet Marketing, Easter Seals national headquarters. Sexton leads Easter Seals Internet strategies, developing and managing organization-wide initiatives for online service delivery, brand building and fundraising. Andrea Knudsen is Internet Marketing Manager, Easter Seals national headquarters. Knudsen manages site content and brand strategy, builds personal and corporate relationships with Easter Seals clients and donors, drives site traffic, analyzes online marketing efforts, and facilitates staff Web publishing.

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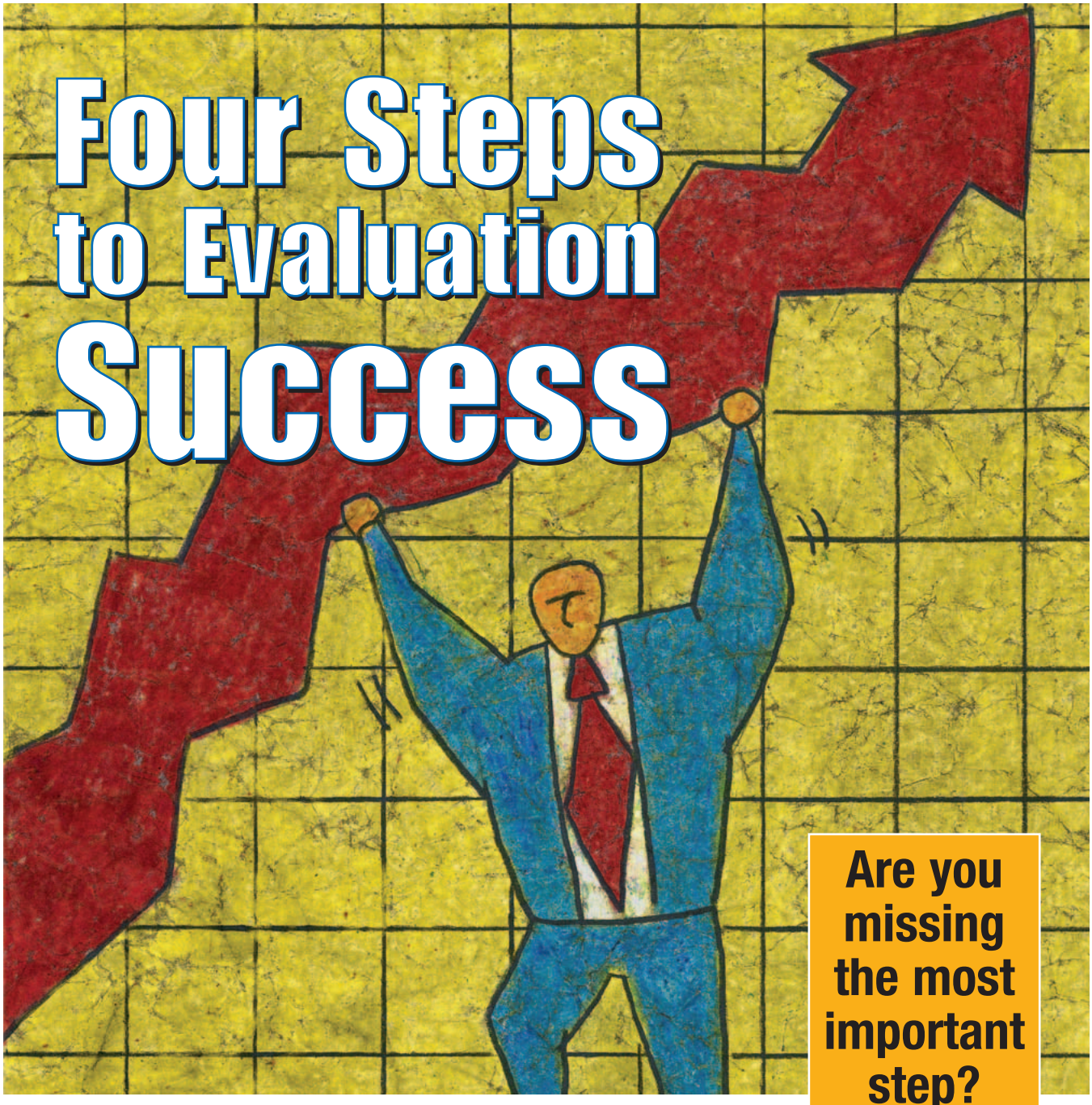

Are you missing the most important step?

By William C. Minnis

When it's time to evaluate a program or project, most managers begin by reviewing their original objectives. This approach has grave flaws. Because the objectives were determined at an earlier time, they overlook changes in the operating environment.

Consider, for example, a project that was planned and launched a year earlier. When evaluating the project, managers typically compare objectives outlined in the plan against those actually accomplished. This approach measures performance, but it doesn't suggest improvements. Opportunities to strengthen the project are lost.

The best way to remedy this problem is to use a four-step evaluation model. Let's see how you can use these steps to improve results and stay abreast of a dynamic world:

Step 1: Take a Strategic View

Begin your evaluation at the highest level of the model. Ask, "What changes and trends might impact the plan? Is the plan's original intent still on target? Will it continue to serve the organization's needs in the future?" Answering these questions will give you perspective on how changes in the environment may affect your tactics.

continued on page 20

Four-Tiered Assessment Model

A Strategic View

- **Scan** the external environment for changes and trends.
- **Identify** opportunities for your organization.
- **Weigh** stakeholder priorities.

Objectives

- **Review** your original objectives in view of environmental changes.
- **Gauge** the impact of your organizational structure and resources.
- **Reassess** goals, taking current trends into consideration.
- **Adjust** your assumptions to meet your strategic needs.

Performance

- **Consider** achievements in both short and long time frames.
- **Check** your projected budget against actual money expended, and study the effectiveness with which resources are being used.
- **Analyze** customer satisfaction.

Implementation

- **Use** feedback to identify adjustments you need to make.
- **Create** action-oriented measures to meet objectives.

This first step is the one most often overlooked by managers. The assumption is that a three-year plan will remain accurate for the total three years. One can find many examples of this lack of big-picture thinking. The telecom industry, for instance, invested in capacity levels well beyond market demand. The consequence has been soaring competition combined with low earnings.

The first step is the one most often overlooked by managers.

Step 2: Review Objectives

Second, consider your strategic plan and objectives in light of the environmental changes you identified in step 1. Measure your results against those changes. Ask these questions:

- **Are your results consistent** with current trends?
- **Does your plan include** all parts of the operation?
- **Do your objectives integrate** all levels of the organization?
- **Are the original plan and objectives** still valid? If not, how should they be adjusted?

Step 3: Examine Performance

Next, assess how well you've achieved your original objectives, bearing in mind the insights you gained in steps 1 and 2. Tying this process to the first two steps assures that you connect performance to larger goals. Too often, people achieve high performance without doing what's required to move the organization closer to achieving its mission.

Step 4: Make Changes

Now that you've taken a strategic view, reviewed your objectives, and examined performance, you can see what changes you need to implement. The importance of the implementation process is sometimes overlooked, especially if too much value is placed on planning. Don't focus on planning at the expense of activating the plan.

Ideally, you should perform your planning and assessment processes at the same time. That way, you can use the feedback from your evaluations to update your plans.

Feedback is vital in the assessment process. Research shows that feedback systems improve performance. When gathering feedback, focus not only on ineffective performance and problems but also on results and goals accomplished. Then use that feedback to make changes and support successes.

Tips to Make the Process Work

Here are do's and don'ts to assure that you get the most out of your assessment:

Evaluate more often. Organizations traditionally conduct evaluations once a year. That isn't often enough. Perform evaluations every four months. Such a time frame lets you consider new revenue opportunities. It also flags changes in personnel, funding, and service demands that will require you to amend your plans.

Don't forget the relationship between assessment and planning. The nearer the connection between the two, the greater the advantage of adjusting to change and identifying opportunities.

Include all levels of the organization in the evaluation. Often a different individual is responsible for each organizational function. This fragmentation of functions creates an environment of differing priorities and focus. For instance, the program manager, executive director, and board chair may each see a different issue as the highest priority. Unless you include all these people in the evaluation, the organization may

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Don't focus on planning at the expense of activating the plan.

make inconsistent changes. The four-tiered model assures consistency by encouraging organization-wide inclusion, broad and narrow views of planning, and long and short time frames.

Put as much emphasis on evaluation as on planning. Most organizations focus a great deal of attention on planning and don't realize that assessment is just as important. The best plans are generated from effective evaluation.

Use the four-tiered approach for grants, programs, and as part of strategic planning. Doing so will increase feedback to the planning process, encourage program coordinators to look beyond daily operations, and give you a great deal more control. Once you start using this model, expect to identify undiscovered opportunities, see higher levels of commitment and cooperation, avoid wasting resources on lower-priority activities, and improve your organization's response to a changing and challenging environment. ■

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Creating a Values-Based Road Map

Here's how to build an organization that will prosper.

By Peter Smergut

Values are vital to your organization's success.You can't fulfill your mission unless you clarify your values and infuse them through every system in your organization.

How do you create such a value structure? Here are some suggestions to guide the way:

Build Consensus.

Organizations often fail to take advantage of their most important resource — committed staff. The best way to gain commitment and consensus is to be sure your staff's values are aligned with those of your organization.

Without a shared-values framework to guide them, people sometimes get in the way of the mission. Thus, the organizational structure must promote a safe environment where opinions are accepted and differences encouraged.

Make sure your organization's values are clearly defined. Then repeat them continually so that employees can see how their work relates to those values.

When communicating your values, acknowledge your staff's diversity. Bringing people's different perspectives into alignment with your values creates a synergy that will strengthen your organization.

Ask How You're Doing.

Now that you've established the values, create a survey to see how those values resonate in the organization. Have staff answer the survey anonymously.

When the survey results are back, prepare a report card announcing staff's responses. Share it with everyone in the organization.

Do you just need a new water cooler, or is it time to reroute all the plumbing lines?

Create a Values Committee.

One of the worst things you can do is receive information and then sit on it. To avoid this trap, assemble a values steering committee. This committee, made up of high-potential staff, can evaluate the survey results and follow through on issues that result from the feedback. The committee should ask and answer questions such as these:

- Is communication effective?
- Is our work environment employee-friendly?
- How are differences between management and line staff addressed as a result of the organization's values?

This committee becomes an ongoing working group, insuring that the values are a critical part of the evolving organization. Committee members can offer staff feedback as new ideas are introduced. They can help you determine if all you need is a new water cooler or if it's time to reroute all the plumbing lines.

Use Focus Groups.

When interpreting survey results, it's often difficult to see what dynamics shaped the responses. That's why you need a focus group.

With help from the steering committee, establish a focus group that represents a cross-section of the organization. This group should reflect line, administrative, and supervisory staff and all others who have an impact on your organization.

The focus group's role is to suggest ways to address the survey's findings. Ask the group such questions as these:

- What is it about our communication system that isn't working?
- How can we clarify our organization's values?
- What elements of our staff support plan fall short?
- How can we improve the organization's systems?

Make Change Happen.

Now that you have your survey results and a clear direction set by the steering committee and focus group, create an action plan that addresses the issues raised. There's often a propensity to gather data but not bring closure to the process. Don't let that happen to you.

Listening to your staff isn't enough. You must lay a clear trail showing how and when the suggestions will be implemented. Use whatever form of communication you wish, as long as the message is clear. Failure to implement is worse than never making an effort in the first place.

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Failure to implement is worse than never making an effort in the first place.

Integrate Your Values.

You've identified, evaluated, and articulated your values. Now what? To unite all members of the organization into a cohesive group, launch the following strategies:

- **Review your job descriptions.** Do they reflect your values? Or do they simply chronicle job tasks?
- **Assess your interview process.** Does it embody your values? Are interviewers trained to ask value-laden questions that highlight your organization's vision?
- **Reorganize your training program** so that values are an integral part of all principles and practices.
- **Check your annual performance appraisals.** Do they encompass your values? Remember, you evaluate what you value. If performance appraisals don't mirror your values, how will employees know if they're meeting expectations?

Be a Hedgehog.

In *Good to Great*, Jim Collins expands on Isaiah Berlin's essay "The Hedgehog and the Fox," based on the parable, "The fox knows many things, but the hedgehog knows one big thing." Although the fox is clever and has many strategies for attacking the hedgehog, he will never win, because at the last moment the hedgehog always curls into a ball of spikes and defeats the fox's plans.

All great organizations are hedgehogs — simple, dowdy creatures that know one big thing and stick to it, Collins argues. Not-so-great organizations are foxes — cunning creatures that know many things but lack the consistency that comes from a deep understanding of their values. Hedgehogs, says Collins, simplify a complex world into one great concept, guided by their answers to three questions:

- What can we be the best in the world at doing?
- What's the best way for us to generate sustained cash flow?
- What are we deeply passionate about?

With the answers to these questions and the set of values you've pinpointed, you're well on the way to building a truly great organization. The key is to concentrate on what you've identified as essential and ignore everything else. Such a relentless focus on a single crystalline idea, based on shared values, is the path to greatness.

Prepare for the Long Haul.

Don't glamorize the values process as the next great cure. Focus on your staff, and help them feel connected to the organization and its vision. Change is slow, and it's most lasting when all employees channel their energies in the same direction. A strong values commitment can fortify this process and help you maintain a competitive advantage in an ever more competitive environment. Good luck! ■

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If performance appraisals don't mirror your values, how will employees know if they're meeting expectations?

Values

Remember, you evaluate what you value.

LESSONS FROM THE SPORTS WORLD

Answer these questions to see how to turn your organization into a winning team.

By Mark Mitchell & Robert Orwig

Just as Shakespeare believed that "all the world's a stage," so 21st century America could echo his sentiments with "All the world's a game and all the men and women merely players." In our culture, athletic competition has become the national amusement and, like Elizabethan theater, serves as a unifying force that crosses economic, social, educational, ethnic, and gender boundaries.

We can learn a great deal about a society by observing the games people play. And we can learn about ourselves by looking at our performance in those games. For example, are you a relaxed golfer or a tense one? Do you want to hit first or last when playing in a captain's-choice golf tournament? Do you bet the favorite or the underdog at the horse track?

Athletics provides valuable lessons in other aspects of life. This is particularly true for managers in today's dynamic nonprofit environment. Let's look to some popular American sports for personal and professional direction. Answer the questions in each category to see if yours is a winning team.

LESSONS FROM THE GRIDIRON

Football is a powerful game, two teams plotting separate strategies and implementing them in a series of controlled collisions. Next time you watch a football game, take time to consider the management lessons to be learned from the gridiron. The competition for donors, resources, and media attention is fierce. The price of a mistake is high. The gratification of success is sweet. Let's talk about what we can learn from watching a football game.

Be Ready to Take One for the Team.

In a football game, one defender is assigned the role of wedge buster, that unselfish act of throwing one's body into the blockers' path in an attempt to disrupt their unity. The wedge buster takes one for the team.

So it goes in today's ever-changing environment. There are times when managers must be willing to sacrifice personal gain for the well being of the organization. Ask yourself these questions:

- **Do you balance** personal goals and team goals so that both are possible?
- **Do your associates appreciate** the need for unselfish acts of professionalism?
- **Are employees willing** to "take one for the team"?

Prepare Others to Make Decisions.

Coaches must train players to make quick decisions amid the chaos of the game. At the core, a coach is a facilitator, arranging players into positions of probable success.

- **Are you a thoughtful facilitator** who prepares and empowers associates to make quick and appropriate decisions?
- **Do you delegate** responsibility, letting others make choices? Or are you a control freak, guarding all important decisions as your own?
- **Do you remember that your success** is in your staff's hands?

• **Do you cultivate a sense of teamwork** that builds on existing strengths and allows for the personal development of your team?

Appreciate the Unknown Heroes.

Everyone recognizes the name of the 100-yard rusher, the 5-reception receiver, the 200-yard passer, or the 3-3 field goal kicker. But what about the folks up front blocking to make the successes of those individuals possible? What about the decoy receiver who allows the other player to draw single coverage from the defense? What about the guy who snaps for the field goal? These players sweat the details to ensure the success of others. Ask these questions:

• **Do you recognize** the unsung heroes in your organization?

• **Do you acknowledge** the thorough custodian, the pleasant receptionist, and the accurate data entry person? Do you keep in mind that their success makes the work of others possible?

Seek Improvement Constantly.

Rarely will you find a coach who is 100% satisfied with the team's performance. Coaches are always looking for ways to improve. That's a good thing! Leaders in the quality movement point out that the road to high quality is a never-ending journey as the environment and critical success factors continue to change. The quality movement hit the gridiron long before it hit the nonprofit sector.

• **Do you assess** performance and recognize strength?

• **Do you build** on positions of strength and improve areas of weakness?

• **Are you continually looking** for ways to do things better?

Keep Your Old Fans Coming Back.

The coach accepts the responsibility to deliver a game that's competitive and entertaining, knowing that's the way to sustain fan support. This is relationship marketing in action. It is less expensive to maintain existing donors and clients than to cultivate new ones.

• **Do you focus on developing fans** for your organization?

• **Do you provide donors and clients a value-added experience?** Do you give them a reason to keep coming back?

LESSONS FROM THE HARDWOOD

Basketball, a truly American sport, provides numerous lessons for nonprofit managers.

Keep People on Zone Defense.

In a zone defense, each defender covers an area rather than a specific player. Think of the delegation of your employees as basketball's zone defense.

• **Do you carefully assign** each person a particular task?

• **Do you keep people focused** on their assigned task? Do you make sure they don't wander into other areas unless doing so won't jeopardize performance in their domain?

• **Do you cultivate** each person's special strengths?

Use a Motion Offense.

In a motion offense, players work aggressively without the ball, creating diversions and screens to free up teammates for open shots. The key to success is the willingness to do the "little things" resulting in open shots for all. Does this sound familiar? Don't you need your supporting cast? Ask yourself this:

• **Do all employees understand** how they contribute to the larger picture — the success of your organization?

• **Are you careful** not to take anyone for granted?

• **Do you make sure that employees** appreciate the contributions of everyone in the organization?

• **Do you keep in mind** that the activity behind the scenes (non-donor or client contact) makes the moment of donor and client contact possible?

Run the Fast Break.

A fast-break opportunity results when members of the offensive team beat the defense back up the floor for a momentary advantage (such as two offensive players against one defender). An effective break scores quickly before the defense recovers to erase that momentary advantage. Isn't this another way of viewing the sudden changes in the marketplace?

• **Are you alert to windows of opportunity** for success in your local service area?

• **Can you act quickly** before that window closes and your opportunity is lost?

• **Do you act decisively** rather than react defensively?

• **Are you ready** to "run the court" and "beat the defense" to your goal?

Protect the Back Door.

An aggressive attacking defense should open the offensive passing lanes. When three offensive players are on (say) the right side of the court, the offense may sneak a player along the left baseline to take a pass and make an easy score. This is referred to as a back-door play. In essence, the defense over-commits, and the offense exploits the opportunity. You face the same scenario daily.

• **Do you prioritize** your activities so as not to over-commit to less productive activities?

• **Do you allocate** your time based on the projected return for your time investment?

Free Throws Should be Automatic.

When a player is fouled, a free throw shot may result. Here, the offensive player is given an uncontested 10 seconds to shoot from the free-throw line. The line doesn't move. The basket doesn't move. Each free throw is the same. Yet modern players struggle to be successful over 70% of the time. Think about it. They know they will shoot from the same spot under the same conditions. Yet the success rate is relatively low, and getting lower each year.

How well do you make your free throws? Ask yourself these questions:

• **Do you prepare your staff** to respond to all reasonably foreseen happenings?

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• **Do you empower your team** to handle people's requests at the point of contact?

• **Do you have contingency plans** ready to activate when problems arise (as they inevitably will)?

LESSONS FROM THE DIAMOND

Baseball is the consummate chess match with human game pieces creating numerous metaphors for nonprofit managers.

Wait for Your Pitch.

Great hitters study the pitchers. They wait for the pitch that meets their needs. When they get their pitch, they hit it with pinpoint accuracy.

• **Are you patient** and disciplined?

• **Do you adhere** to your long-range plans? Or do you abruptly change course given a new funding source?

• **Do you evaluate the goodness of fit** between your organization and potential partners?

• **Do you "wait for your pitch"** and move your "runners" into scoring position?

Call It in the Outfield.

A fly ball anywhere on the diamond requires teamwork that's not necessarily recognized by the crowd. Inevitably, some balls will find the seams between defenders. Sometimes, players collide for lack of communication. To avoid this mishap, someone must make decisions and communicate them to affected parties.

• **Do you take charge** and direct action with confidence?

• **Do you communicate** important issues clearly and directly?

• **Are you conscious of what you say** and how you say it?

• **Do you clarify expectations** so that all employees know what you expect of them?

• **Do you have a communications policy** in place?

• **Do you have a mechanism to explore conflicts** in the workplace?

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Execute the Hit-and-Run.

One of the most exciting plays in baseball is the hit-and-run. As the pitcher winds up to make the pitch, the runner at first base dashes for second. Ideally, the batter directs the ball toward the gaps created by the middle infielders so that the player on second makes it to third base. Trust is the key, making it more likely that the runner will score.

Fear and lack of trust are the most destructive practices in the workplace. As trust grows in an organization, more opportunities to deliver in the clutch will arise.

• **Do you use encouragement** rather than criticism to motivate employees?

• **Do you instill unity** and encourage teamwork?

• **Does everyone in your organization understand** and support the mission?

• **Do you give employees input** in decisions that affect them?

• **Does your organization's culture** inspire loyalty, trust, and team spirit?

• **Do your employees know they can count on you** and believe what you say?

Never Make the Third Out at Third Base.

Third-base coaches perform a key service. They make split-second decisions on whether to send runners from second to third or from third to home. Too few runners advancing is too cautious while too many runners thrown out is too aggressive. In essence, the coach must balance the desire for aggressiveness with safety.

• **Do you balance aggression** with caution, risk with reward?

• **Do you analyze possible actions** and move on those that contribute to your overriding goals?

• **Do you postpone actions** till the right resources are in place?

• **Do you know how much risk you and your board members are willing to take** on behalf of your organization?

• **Can you tell in an instant** which risks are too great?

LIFE'S LESSONS

Effective coaches put players into position to be successful. While coaches encourage intensity, they use people skills to remove tension. Excess pressure keeps people from performing up to their natural ability. In the workplace it saps creativity and confidence. Manage your time, your personnel, your resources, and yourself for maximum performance. Envision yourself as a coach and your signature events as your Super Bowl, NBA Final, or World Series. Prepare yourself and your team for a run at the title! ■

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Seconds-in-Command as Logical Heir Apparents

Does your board look for leadership in all the wrong places? Here's the right place to look — and why.

By Joseph C. Santora

Hermann Goring (Hitler) was one, so was Clyde Tolson (J. Edgar Hoover), and so is Ayman Al-Zawahiri (bin Laden). Such individuals rarely share the limelight of their bosses, and the public quickly forgets them; yet, they play a vital role in furthering their organizations' purposes by complementing their bosses' work. They have a reputation for being fiercely loyal, brutally honest, and completely trustworthy. In business enterprises they're commonly called Chief Operating Officers (COOs), and in the nonprofit sector they're called deputy directors or administrators.

Given their extensive organizational knowledge, the question arises: Why are seconds-in-command so often ignored as potential successors to chief executive officers (CEOs) and executive directors (EDs) in the nonprofit sector? The main reason is that boards tend to seek high-profile individuals not currently working with the organization. Seconds-in-command must often contend with outsiders who have established national reputations, who are politically well-connected to funding sources, or who excel at fundraising.

Too often, boards believe that appointing an outsider gives the organization a certain aura and that outsiders bring something magical with them. However, board appointments of outsiders often signal a departure from current operating strategy and call for dramatic organizational change. Boards would be wise to look closer to home. Here are some reasons why seconds-in-command often make the best successors to the top leadership position:

• **Executive directors rely on seconds-in-command** to provide administrative oversight and leadership. While the executive director attends to external matters

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Here are three second-in-command scenarios* in nonprofit community-based organizations:

Scenario 1

The founder of this nonprofit organization had been leading the enterprise for 20 years when he learned that he needed corrective heart surgery. Only then did he inform the board of his choice of a successor. He recommended that his second-in-command be appointed to succeed him should he become incapacitated or die as a result of surgery.

He survived the heart surgery, and the issue of succession was never again mentioned in his presence. The second-in-command assumed that he was still the "heir apparent" and would lead the organization when the founder retired. Then, at a staff meeting, the founder remarked in passing that he had no intention of ever retiring from his position. He would "die in the saddle."

A few years later, the second-in-command received a job offer from another organization. Believing he had little chance of becoming CEO at his current organization, he left after 15 years of service. His resignation created a serious organizational brain drain and placed the organization in jeopardy. In the six months since his departure, the organization has yet to fill the huge void created by his departure.

Scenario 2

This organization's founder led the nonprofit for 20 years, building it from a storefront to a large, thriving enterprise. During the initial years, she mentored several younger employees but refused to discuss the issue of succession. She reported directly to the board of directors. Her autocratic leadership style prevented her from appointing a second-in-command. When she died in office without the benefit of a successor in place, the board was forced to scurry around to seek a new CEO.

After several months of searching, the board appointed an outsider as CEO. It took a few months for the board to realize that the new CEO didn't fit the organization's needs. Over the next five years, the board hired and fired five outside interim and permanent CEOs, and the organization teetered on the brink of disaster. Fortunately, the organization was able to recover by appointing a board member—an insider with intimate knowledge of the organization — as the CEO. It was he, as a turnaround specialist, who returned fiscal stability to this organization.

Scenario 3

The founder of this nonprofit led the organization for more than 35 years before he voluntarily retired (a very rare occurrence) at age 72. For the 20 years before his retirement, he invested time mentoring his deputy director. He promised her that she would be his replacement when he retired. He helped prepare her for the position by having her attend board meetings, prepare board reports, and make presentations to the board.

True to his word, upon retirement, he recommended her as his replacement. Board members unanimously endorsed his recommendation, since they knew her, trusted her abilities, and felt comfortable that she could continue the founder's work. The founder had truly mentored and empowered his second-in-command. He retired knowing that the organization was in good hands and that his legacy would continue. Organizational stress was non-existent, and service delivery continued uninterrupted. Stakeholders viewed the transition from second-in-command to executive director as seamless. Today the organization continues to attract funders and serves a broader constituent base.

Each scenario contains an important message to nonprofit leaders. Scenario 1 shows what happens when a founding CEO creates an impenetrable glass ceiling for the second-in-command. When an opportunity presents itself, the second-in-command will leave and place the organization in jeopardy.

In Scenario 2, we see the outcome of an autocratic leader who refuses to choose a successor. This stance puts the organization in a precarious position, because the executive pipeline is empty. Board decisions to hire an outsider can be costly and time-consuming, especially if the selection process is unsuccessful.

In Scenario 3, the organization's leader displayed forward thinking by mentoring his second-in-command. Having a succession plan in place ensured organizational continuity.

These descriptions show what happens to organizations when their leaders overlook seconds-in-command as replacements. The profiles also demonstrate how organizations can succeed when they create a smooth transition by mentoring a second-in-command to replace a departing CEO. This analysis suggests that nonprofit organizations are doing themselves a major disservice by not appointing a second-in-command to the top leadership position when the CEO leaves.

*The three scenarios are based on consultancies. Some facts have been slightly altered to preserve the organizations' anonymity.

Seconds-in-command have the awesome responsibility of controlling internal operations.

such as fundraising and politics, seconds-in-command have the awesome responsibility of controlling internal operations. Their many roles include, but aren't limited to, the following: They manage and evaluate staff, implement and monitor programmatic activities, work with consultants, and support the organization's infrastructure. Their work roles follow the 80/20 rule: They spend 80% of their time addressing internal affairs and 20% dealing with external affairs. (Conversely, executive directors devote 20% of their time to internal affairs and 80% to external affairs.) Without seconds-in-command, organizational leadership and performance would be less effective.

- **If they've done their jobs, seconds-in-command have become an integral and almost indispensable part** of the organization. They know the major organizational players, the system and its operation, and organizational nuances.
- **The decisions and recommendations of seconds-in-command** have major organizational implications. They constantly handle sticky situations. They've had their mettle tested.
- **Seconds-in-command have passed** an endurance test. Their work performance has been appraised, and their dedication to the organization is unquestionable. Appointing seconds-in-command as executive directors sends a crucial signal throughout the organization — that hard work and dedication, coupled with other important leadership traits, leads to promotion within the organization and maintains organizational continuity. Equally important, appointing seconds-in-command prevents them from seeking positions elsewhere, leaving the organization weak and vulnerable.

Having a succession plan in place ensures organizational continuity.

Seconds-in-command who assume the top leadership position may not always be dynamic, nor a "replacement" for a charismatic leader or founder; however, they can create a thriving environment for their organizations through their commitment. They should be given the right of first refusal. ■

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E-mail Deliverability: Increase Your Chances of E-mail Getting Through

Be sure your e-mail messages stand out so they won't get tossed out.

By David Crooke

Making sure your organization's e-mails reach the intended recipients is key for effective e-mail marketing. There are many ways an e-mail can be derailed on its journey from your organization to targeted constituents. A filter could misclassify it as spam before the constituent ever sees it; constituents could misinterpret it as spam and delete it; or, constituents could simply overlook it in an inbox clogged with junk e-mail. Here are a few tips to ensure your e-mails get through:

Check the Content

Keep the following points in mind when creating e-mail messages:

- **Use a concise subject line** to catch the reader's eye so your e-mail stands out in the recipient's inbox, which probably is packed with both legitimate e-mails and a growing volume of spam. Limit the subject line to 40-60 characters so that it shows up completely in the in-box list.
- **If you send an e-mail newsletter** or other ongoing communication, always start each subject with the same prefix (for example, "MyOrg e-News:").
- **Don't use sensationalized headlines** or overuse capitalization and punctuation; doing so will make your message look like spam to both humans and automated spam filters.
- **Choose both a display name and e-mail address** for the "From:" line that accurately identify your organization. The name should also be concise (20-30 characters). Avoid using an individual's name, as most spam appears to be from individuals. Also make sure that your organization has people available to read and answer any replies to that address.

> **An excessive ratio of links to content is typical of spam.**

- **Be conscious of current spam themes**, including mortgages, medications, and pornography, and avoid using words that might be associated with them.
- **Format content with some graphics** to make your message more appealing. However, avoid sending a flashy e-mail composed solely of images — again, features typical of spam.
- **Include prominent calls to action** with multiple links (but no more than 10-20). An excessive ratio of links to content is typical of spam.
- **Provide a plain-text version,** even if it's just a paragraph and a link to Web site copy.
- **Use a spam checker** which alerts you if your e-mail contains elements likely to trigger today's spam filters. Run e-mail messages through the checker, then view and correct potential spam violations.

Test the E-Mail Message

Set up test e-mail accounts with some of the biggest e-mail providers and Internet Service Providers (ISPs). Yahoo and Hotmail are free; the most important for-fee ISP is AOL because it is the largest (AOL users constitute a quarter of most nonprofit e-mail lists) and because the e-mail software it supplies to members is proprietary. Then, test your message two ways:

- **Send an e-mail to your test accounts,** logging in and checking that the e-mail has been delivered to each account and isn't being misclassified as spam.
- **Look at your e-mail in a range of e-mail clients.** This is especially important when using a new design style or letterhead for the first time. Set one of your test accounts to receive the plain-text version of the e-mail so you can check that as well.

Consider the Timing

People who read their e-mail frequently tend to do so at certain times of day and on certain days of the week. When they do so, a recent e-mail is more likely to grab their attention than one that's a

day or two old. Time e-mails to arrive in the early morning hours for the start of people's e-mail reading day (this also makes for faster delivery since ISP servers are less busy at this time), or to arrive in the late morning to be read over lunchtime (a peak time for Web traffic for many nonprofits).

Be Consistent

Communications are more likely to be read and less likely to be mistaken for spam if they're expected and have a consistent appearance. (This doesn't preclude ad hoc e-mails in response to current events — a powerful outreach tool.)

- **Send newsletters** on a regular schedule — for example, on the same day every week at approximately the same time.
- **Always use the same "From:" address,** and use a consistent element in the subject line.
- **Use a consistent style, layout, and appearance,** with a letterhead that brands the organization.

Handle Challenge-Response Systems

A growing trend in spam filtering is the use of a challenge-response system (a tiny fraction of Internet users currently employ one, but its popularity is increasing). The first time an e-mail is sent to one of these recipients, the e-mail will be held from delivery and a "challenge" message will be sent back to the "Reply-To:" or "From:" address, with a task designed to be comprehensible only to a human so that it can defeat spammers' attempts at automation.

Typically, this requires clicking on a link and transcribing a word on a Web form. Once the task has been completed, the original e-mail is delivered, as are all subsequent ones from the same source (another reason to use the same "From:" address in every e-mail).

How your organization handles these challenges depends on the lifetime value of an e-mail address.

Limit the subject line to 40-60 characters.

In a typical nonprofit e-mail file, this value is great enough that it's worth having a staff member spend 60-90 seconds each to respond to these challenges.

Stay Up-to-Date

Although these techniques won't guarantee e-mail delivery 100% of the time, they'll help ensure that the vast majority of your e-mails will get delivered. Remember, too, that the Internet environment for e-mail marketing is changing rapidly. Look to your e-mail software provider to update you frequently on technology changes and best practices to keep the e-mail flowing. ■

Resources

Allen, Nick, "Using E-mail & the Web to Acquire & Cultivate Donors," *Nonprofit World* Vol. 21, No. 1.

Bhagat, Vinay, "Online Advocacy: Mobilize Supporters to Take Action," *Nonprofit World*, Vol. 21, No. 6.

Bhagat, Vinay, "The New Marketing Model for Nonprofits," *Nonprofit World*, Vol. 22, No. 6.

Frenza, JP & Leslie Hoffman, "Fundraising on the Internet: Three Easy Strategies," *Nonprofit World*, Vol. 17, No. 4.

Roufa, Mike, "Can Nonprofits Really Raise Money On the Internet?," *Nonprofit World*, Vol. 17, No.3.

These resources are available free on-line at www.snpo.org/members.

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Relevant *reviews*

What Makes Today's Nonprofit Leader?

Two books illuminate the way to great leadership.

By Terrence Fernsler

Improving Leadership in Nonprofit Organizations

Edited by Ronald E. Riggio & Sarah Smith Orr. 320 pages. Hardcover. San Francisco: John Wiley & Sons, www.wiley.com.

This guidebook, derived from a conference at Claremont McKenna College, is a valuable tool for leading organizations of today and tomorrow. Providing a wealth of ideas for leadership, it features chapters written by such experts as Francis Hesselbein, Florence Green, and Jay Conger. It discusses transformational, visionary, and servant leadership and how to bring together the best of all three.

In the book's conclusion, Sarah Smith Orr looks at all the ideas presented and finds the common threads. Effective nonprofit leaders ensure soul in the workplace. They embrace change, diversity, evaluation, and collaboration. They have integrity, perseverance, curiosity, empathy, respect for others, and — above all — passion for the organization's mission.

As Frances Hesselbein reminds us, "What we will do as a sector will determine the health, the quality, and the performance of the twenty-first century society." The challenge for leaders is to transform and innovate for the best results. This book will put them on the right path.

The Nonprofit Leadership Team

By Fisher Howe. 198 pages. Hardcover. San Francisco: John Wiley & Sons, www.wiley.com.

To be successful, nonprofit executives must share leadership with the board. They must have a deep understanding of the board's responsibilities and their own.

Simply, the board governs, and the executive director manages. There is some overlap in these roles and a great need to work cooperatively. But if the board micromanages or the executive sets — rather than just recommends — direction, the organization will fall out of balance. Each person has a role, usually clearly delineated. For the organization to advance, all must work in concert.

This clear, concise book shows how an organization's leaders can work as a team to fulfill each of eight key functions. It also explores the impact that a variety of new management concepts and technological tools have on shared leadership. Whether you want to fix an imbalance or to understand why your team works well so that you can keep it that way, this helpful book will keep you on track.

Terrence Fernsler is development director for Columbia-Pacific Resource Conservation and Economic Development District in Montesano, Washington.

Nonprofit *brief*

Five Mistakes Managers Make

1. They base their solutions on assumptions. Instead, they should have proper systems in place to tell them exactly where the problems are. They should involve employees in brainstorming solutions.

2. They dump unrealistic workloads on staff. Instead, they need to help employees set their own goals and measure their own progress.

3. Their instructions aren't clear. Instead, they need to ensure that employees understand not only what they are doing but why.

4. They are quick to point out problems rather than focusing on what's working. It's important for managers to support employees with praise, encouragement, and rewards.

5. They don't trust their staff. They act as dictators and think their way is the only way. Instead, they need to be coaches and partners, listening to their employees and helping them be their best.

— adapted from
Stop Managing, Start Coaching, www.comprehensivecoachingU.com

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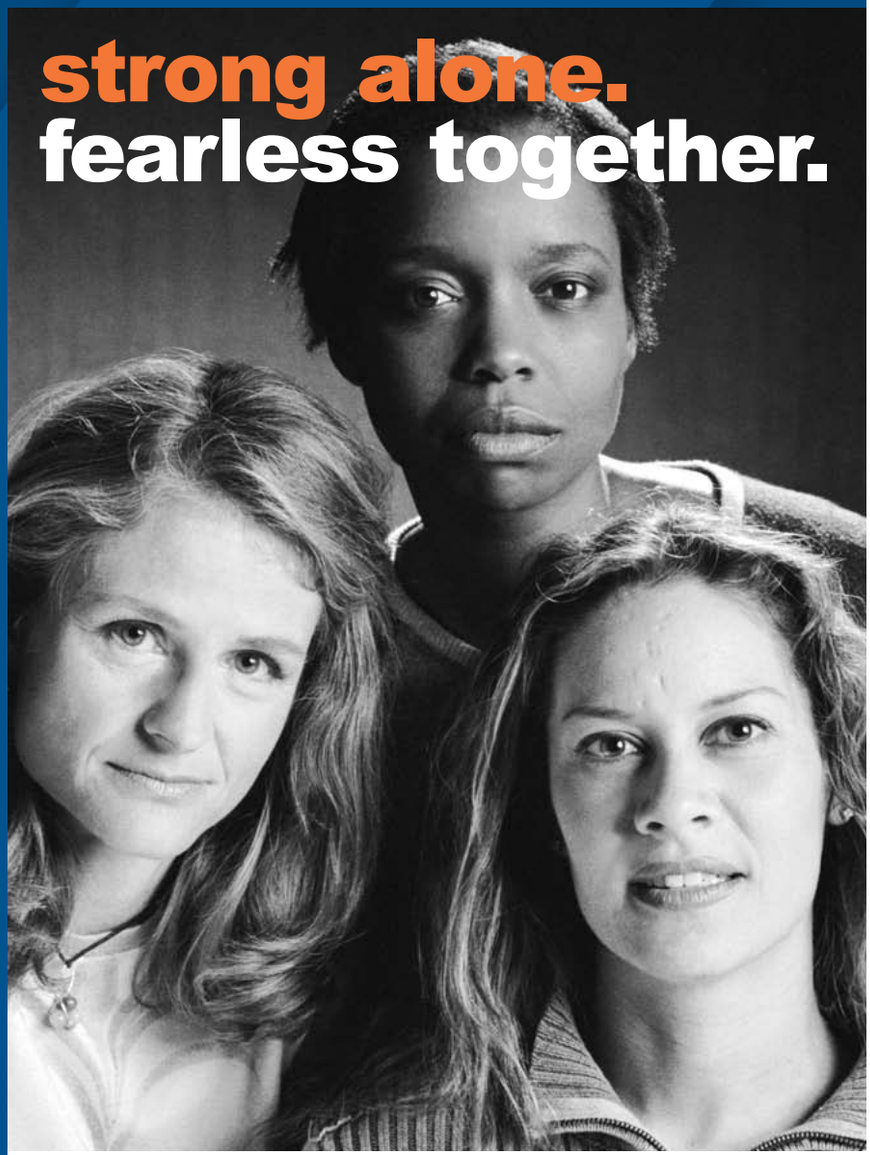

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