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Nonprofit World

Advancement Through Sharing

What Makes a Great Team?

INSIDE: Time's Up! What Do You Really Want? · Breakthrough Tips to Boost Your Fundraising · Did the CEO Do Too Much? Lessons for Your Board · How to Develop Anything in Writing · How to Implement the New Internal Control Frameworks · What Nonprofit CEOs Really Think of Their Boards · Top Ways to Gain Support Using Pinterest · Partner with Your Chamber to Obtain Income **And more.....**

32nd ANNIVERSARY ISSUE

NONPROFIT WORLD

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Publisher

The Society for Nonprofit Organizations

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32nd ANNIVERSARY ISSUE

FEATURE STORY

A well-functioning team is one of the best problem-solvers you can have. But how can you turn a diverse group of people into a polished team? All leaders struggle with that question. Luckily, there are some proven elements you can use to create successful teams. “What Makes a Great Team?” on page 14 is the place to begin.

ARTICLES

DEPARTMENTS

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

What Choice Do You Have?

At this very moment, you have an infinity of choices available to you. How can you decide on one? How do you know whether to make a snap decision, spend days weighing options, or simply accept the status quo and do nothing at all? (Take a look at"The Nudge Factor: Overcome Biases in Making Decisions" on page 28.)

Many factors will enter into your choice. Some of these factors may be clear to you, some won't be obvious, and some may very well be the result of erroneous thinking.

Research shows that even when we know we're making faulty judgments, we often continue to repeat those same mistakes. As Dan Ariely emphasizes in the fascinating *Predictably Irrational: The Hidden Forces that Shape Our Decisions,* we're not only irrational in the selections we make – we're *predictably* so. We make faulty decisions again and again. And again. (Turn to "How to Improve People's Choices" on page 27.)

The good news is that you can actively improve your irrational behaviors. Start by becoming aware of your vulnerabilities. Before you make a decision, ask yourself questions such as these: Have you made the same decision before? When did you first make it? Was it reasonable at the time? Is it still reasonable? (See "Are You Picking the Right Frames?" on page 26.)

Pay special attention to the first decision in a series of choices. Even if that initial one seems small, it has the power to affect many lives for a long time to come.

There may be no greater key to leadership than this: Before making a decision, know your ultimate goal. It's pretty hard to take aim, after all, without a clear target in front of you.

That truth is brought home by an experiment in the men's room at Amsterdam's Schiphol Airport. Etching the image of a fly into each urinal, giving men somewhere to aim, reduced spattering by 80%, as the authors of *Nudge: Improving Decisions about Health, Wealth, and Happiness* report.

What does restroom research have to do with decision-making? Quite a lot. It solidifies the importance of knowing what you truly want and keeping that bull's-eye in mind as you make your choice. (Check out "Time's Up! What Do You Really Want?" on page 19).

Make sure your decisions are not only rational but ethically intelligent as well. "Five Questions for Ethical Choices" (page 27) provides a foundation for making the most ethical judgments. Each of your decisions should produce the highest good for yourself, those around you, and the planet itself. (See "How Green Is Your Organization?" on page 28.)

Don't forget to gain input from other people. And listen carefully not only to others but also to yourself. Take time away from the bustle of everyday life to pay attention to your inner seer. Finding harmony between your own voice and that of others is another key to making great decisions, as "Balancing the Drives of Power and Love" (page 27) attests.

Making decisions takes a great deal of mental energy. Toward the end of a day in which you've made many choices, you're more likely to pick the status quo, simply because it takes so much less energy. If you have a crucial decision to make, therefore, it may be best to wait till the next morning when you aren't suffering from decision fatigue.

Some important decisions have to do with how hands-on you should be. Which things must you do yourself? Which can you delegate completely? Which should you perform in concert with others? One principle of good management says it all: Guide more, do less. Guiding well means setting clear expectations, staying engaged enough to ensure corrections are made along the way, and creating accountability. For more guiding principles, see "The Results-Focused Manager" (page 25) and "What Makes a Great Team?" (page 14).

> "There may be no greater key to leadership than this."

Next time you have an important decision to make, remind yourself of all your options. You can choose on the basis of decisions you've made in the past. Or you can evaluate current circumstances, gain input from others, and consider the best good for the most people. It's your choice.

Jill Muehrcke
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P.S. Many of you have let us know how much you enjoy reading ***Nonprofit World*** in its new flip-page format on your smartphones. We've also added hot links to ***your electronic version*** so you can jump directly to sites you want to explore. I look forward to hearing from the rest of you when you've had a chance to try the new format!

Four Things to Do Next Monday

Here are some concrete things you can do right away to improve your organization.

1. **See whether you agree with the survey results** reported in "What Nonprofit CEOs Really Think of Their Boards" (page 4). If so, make a note to put the suggestions in the article into action.
2. **Join your local chamber of commerce or other civic group,** as described on page 12.
3. **Ask yourself the questions** on page 7 to see if you're ready to launch an unusual, breakthrough fundraising campaign. Then schedule a brainstorming session to come up with some out-of-the-box ideas.
4. **Decide on objectives you'd like to meet through Pinterest (page 8)** and plan ways to make best use of this popular social-media tool.

Should You Pay Your Volunteers? A Voice from the Front

A young volunteer shares his opinions on a hotly debated controversy.

By Josh Seides

As a high school student who has volunteered for years, I've often heard nonprofit leaders debating whether they ought to pay their volunteers "a little something." While people on both sides of the argument have logic behind their decisions, I have strong feelings about the issue of payment for volunteerism. Let's take a quick look at the two positions and what they might mean for your organization.

Why You Might Want to Pay Your Volunteers

"We need money for gas and day-to-day expenses." That's the defense many volunteers throw up for why they should get paid. Some nonprofit executives may be tempted to give in to this seemingly pragmatic assertion. Many feel that a small stipend to defray the volunteer's expenses is reasonable and fair.

Why You Might Keep Volunteering Free

Imagine a typical high school student, sitting restless in the summer looking for something fulfilling to do. And now think about what would happen if your organization offered opportunities for them to volunteer and get paid at the same time. Every student in the world would arrive at your door, wanting to take advantage of this opportunity.

In turn, this scenario would translate into poor service for your organization. If a myriad of students signed up to volunteer just for the "easy money," chances are most of them wouldn't be truly passionate about serving the community. This would ultimately impact your organization, as these passionless volunteers would set the tone for the quality and commitment of your organization as a whole.

You may argue that you're not planning to be that lavish. You only want to provide a little spending money and help volunteers pay for their gas. But, innocent as this seems, the results may be the opposite of what you intend.

Why You Must Keep Motivation in Mind

Consider the reasons people volunteer – belief in the organization's mission, desire to serve, the satisfaction of mastering a challenge, the wish to be seen as (and to feel like) a good person. Money isn't part of the equation and will, in fact, muddy the entire purpose.

Once you give volunteers any sort of stipend, they can easily grow dissatisfied and resentful, because the amount you give them won't truly compensate them for all their hard work. The money will actually demotivate them, as Stephen Rafe notes in "Motivating Volunteers? Forget the Carrots and Sticks" (*Nonprofit World*, Vol. 31, No. 6, www.NonprofitWorld.org). Once volunteers lose their passion, they may start cutting corners and doing poor work.

You must be especially careful in the case of volunteers affiliated with service programs (like Beta Club service hours for high school students and corporate service programs for adults). From personal experience with various high school service clubs, I can tell you that most student programs are hesitant to partner with organizations that pay their volunteers. The same is true of companies that encourage their employees to volunteer. They want to make sure the volunteers are focused on making a difference in the community, not on augmenting their bank accounts.

And we haven't even touched on the legal risks of paying your volunteers – exposure to wage and hours claims for your organization and loss of protection under the Volunteer Protection Act for your volunteers, as Melanie Lockwood Herman points out in "Employee or Volunteer: What's the Difference?" (Nonprofit Risk Management Center, nonprofitrisk.org). The definition of "volunteer" is "grounded in the idea of service without contemplation of pay," she emphasizes, and that's a good fundamental to keep in mind.

I often hear community service extolled as the "pinnacle of the high school experience," and for me those words have proven true. Volunteering in a variety of nonprofit organizations has been life-changing for me. I've learned lessons and attitudes toward life that will stick with me forever. The exhilaration of helping others has led me to start my own nonprofit organization, which has provided me great satisfaction and helped many people. I am glad to say that I've never been paid for any of this work. If I hadn't given my time freely, it would not have meant nearly as much.

Josh Seides (josh@technocademy.org) is a student at Alpharetta High School in Atlanta, Georgia, and founder of the nationally-recognized Technocademy, Inc., which teaches technology to senior citizens nationwide (technocademy.org). His work has been published or is forthcoming in American Careers, KidSpirit, *and* Creative Communication, *among others. After graduation, Josh wishes to pursue an economics degree and an MBA and start up his own company. E-mail Josh at technocademy@gmail.com.*

More on Volunteering

Learn more about recruiting and retaining the best volunteers with these resources (www.NonprofitWorld.org):

Managing Your Volunteers: 19 Ways to Work Wonders (Vol. 25, No. 6)

Keep Your Volunteers Happy with Dynamic Training (Vol. 31, No. 4)

Motivating Volunteers to Perform (Vol. 31, No. 5)

Where Are Your Volunteer Leaders? (Vol. 30, No. 6)

Free Webinar Recording for Members: Welcome, Adapt, Or Avoid? Responding to Trends in Volunteerism This webinar offers an overview of key trends and the issues they raise for volunteer engagement.

What Nonprofit CEOs Really Think of Their Boards

A survey of CEOs reveals what their ideal board would look like, how this vision differs from reality, and what to do about it.

By Eugene Fram

What do CEOs say about their boards when they have the chance to be completely honest and anonymous? An article in the *Harvard Business Review* (https://hbr.org/2013/04/what-ceos-really-think-of-their-boards) reveals some harsh truths. Here's a rundown of what CEOs have to say about what makes great boards – and how their boards often fail to measure up:

The most essential – and hard to obtain – ingredient is a solid partnership between the CEO and the board. Such a relationship is characterized by (1) mutual respect, (2) energetic commitment to the organization's success, and (3) strong bonds of trust. Unfortunately, however, too many nonprofit boards, because of long traditions, see the CEO-board relationship as a "parent–child" one. This leads to mistrust, board focus on operation rather than strategy, and missed opportunities for growth. It often takes hard work on the part of the CEO – such as meeting one-on-one with board members and getting to know them, especially the board president – to cement these indispensable bonds.

Many nonprofit boards are too careful when making risk-related decisions. The best boards aren't afraid to assume reasonable risks to keep the organization growing and succeeding. Keeping proper risk management in the minds of board members is often a matter of shrewdly and regularly supplying them with resources on the subject (see, for instance, "How to Make Your Board Great," below).

A common weakness of nonprofit boards is that they can become easily distracted from policy issues and overly concerned with operational topics. Good boards look continuously to the future, plan strategically, and focus on policy rather than becoming inordinately involved with detailed reports. In practice, CEOs often find they must remind board members, tactfully but firmly (backed up by resources and workshops on the matter), that their role is governance, not management.

Directors can be helpful to the CEO only if they complete their required due diligence. In the for-profit environment, directors rely on consultants to help with major decisions. In the nonprofit environment, directors often rely only on the information management offers. It's important for board members to understand that seeking more information, while time-consuming, can be crucial. A good idea, suggested in the Sarbanes-Oxley Act, is for board members to visit occasionally with staff below the CEO level to enlarge their perspective.

Not all board members perform adequately. Perhaps they joined the board for the wrong reasons, don't understand their roles, or lack the necessary commitment to do the job. It helps to provide all board members with good orientation and training, and be sure they sign reciprocal board agreements at the beginning of their terms. But sometimes it's necessary to ask board members to resign. One board member, for example, made a substantial donation each year to the organization but didn't attend board meetings. He was quite a frustration to the CEO and jeopardized the organization by setting a precedent that violated the bylaws. The board needs to have a policy for dealing with such situations and must be diligent in dealing with disruptive personalities.

Nonprofit board members are busy people with full-time occupations. Consequently, directors and CEOs rarely communicate with each other between board meetings. It's vital to bridge these gaps with regular, informal meetings that don't require extensive preparations or have specific outcomes. Weekly e-mails, social media, and board portals have been very helpful for nonprofits that use them.

Eugene Fram, Ed.D. (frameugene@gmail.com, blog site: http://bit.ly/yfRZpz), is professor emeritus at the Saunders College of Business, Rochester Institute of Technology. In 2008, Fram was awarded the university's Presidential Medallion for Outstanding Service. In 2012, a former student gifted Rochester Institute of Technology $3 million to establish the Eugene H. Fram Chair in Applied Critical Thinking. Fram's book Policy vs. Paper Clips *(available in new edition at http://amzn.to/eu7nQl) has been used by thousands of nonprofits to model their board structures.*

How to Make Your Board Great

To counter the problems laid out in this article, see these resources at www.NonprofitWorld.org/members:

How to Prepare Board Members to Govern Effectively (Vol. 25, No. 6)

Using Board Portals to Keep Directors Connected (Vol. 29, No. 3)

How to Create a Strong Board-CEO Partnership (Vol. 27, No. 1)

Reciprocal Board Agreements: What Do Board Members Give? What Do They Receive in Return? (Vol. 28, No. 1)

How to Build a Framework for Strategic Alliances: A Framework of Trust (Vol. 26, No. 6)

Free Webinar Recording for Members: Four Lessons an Olympian Can Teach Us about Communicating Expectations that Raise the Bar for the Board of Directors. Learn practical techniques that raise the bar for your board members.

Did the CEO Do Too Much? Lessons for Your Board

What's the moral of this story? Are you and your board taking it to heart?

Q I'm grieving and I don't know if anything can be done. I founded an organization close to 20 years ago and gave my heart and soul to accomplishing our mission. I built a board of people who I thought shared my vision for the future. They backed me in everything I took on. They weren't great fundraisers, but that was okay. They stepped in and helped plan and man our events. I was able to solicit through grants and direct asks the bulk of what we needed to keep ourselves going.

Recently, my life turned upside down and I can no longer stay on as CEO. I spoke with the board about implementing a succession plan, and the directors shocked me by saying that they would just close up the organization. Their reasoning was that I "was" the organization, and no one would be able to take my place. I've never believed that anyone was indispensable, least of all me. But, my biggest concerns are for the community, which is losing critical services that have been making a real difference, and the staff members, who are losing their jobs. Is there any way to turn this around?

A I'm sorry. I'm sorry for the situation that caused you to have to give up your position. I'm sorry for the loss of your dream. I'm sorry for the loss of services to the community and the loss of jobs. I'm sorry for the loss of almost 20 years worth of opportunities to build a board that understood its responsibility to the mission. And, I'm also sorry to have to lay a good portion of the blame for this at your feet. I don't know if there's a way to turn this around, because I don't know how far along in the dissolution process your organization is. But, I can offer some thoughts. Perhaps they'll prevent other organizations from traveling down this same road.

CEOs – even founders – come and go. That's the nature of the business. The board's fundamental responsibility isn't to the CEO. It's to the community, to ensure fulfillment of the mission. Thus, the board should be exploring all possible avenues to maintain the services you provide. These include:

- finding another CEO
- putting an interim CEO in for the short term, to buy enough time to decide how best to proceed for the long term
- merging with another organization.

There are companies that can help your organization with these tasks (and the myriad of other tasks required if the decision is to keep the doors open). It sounds like your board doesn't know what to do and is afraid to move forward on its own. If this board isn't up to tackling this job, maybe its final charge should be to replace itself with other directors who are willing to take this on.

"The board's fundamental responsibility isn't to the CEO."

Closing down should be the very last resort. If the ultimate decision is to close down, it should be done in accordance to your bylaws. If your bylaws are silent on this subject, check out your state regulations. At the very least, all your assets must be distributed to another nonprofit organization doing similar work.

But the key lesson here, in my mind, is what brought you to this point in the first place. From what you shared, you picked your board members based on their loyalty to you, not specific skills needed to take your organization into the future. You were doing everything. The directors were along for the ride. They saw you working tirelessly – at a pace very few would want to take on. You were everywhere, being the face of the organization – and its backbone. Of course they aren't going to want to commit to this level of involvement, especially when they don't know how to proceed, because they were never an integral part of the work.

Don't misinterpret what I'm saying. I'm not suggesting that board members should have been involved in operations. But they should have been making decisions around funding for sustainability. They should have been out in the community beating the drums about the organization's great work and advocating for its future. They should have understood the organization's strengths and weaknesses. They should have had an idea of the number and level of supporters. My guess is, this wasn't the case. If it had been, board members would have felt more comfortable stepping in. They wouldn't be starting from scratch.

Hindsight is always 20/20. But this is a good reminder that boards exist for a reason. They can make a CEO's life much easier if the CEO will not only let them but *expect* it of them.

Terrie Temkin, Ph.D., Founding Principal
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Breakthrough Tips to Boost Your Fundraising

Are you willing to try something unusual to get people's attention?

By Gail Perry

We all know how hard it is to get our donors' attention – and their money – these days. The brilliant marketers John Lepp and Jen Love at Agents of Good have a few provocative, out-of-the-box tips:

Stand out by surprising and delighting your donor.

John and Jen describe an incredibly successful campaign for Second Harvest in Toronto – referred to informally as the "beep-beep campaign." They created a food bank appeal that actually came from the food truck itself.

The truck was an iconic symbol that showed up everywhere: in fundraising letters, thank you's, the Web site. So Second Harvest's fundraisers used the truck in their campaign and gave it its own provocative voice. In the appeal, the truck said: "Please help Second Harvest buy me so I can deliver food! I have a dream that one day I will rev up my engine with joy knowing that I am delivering food to hungry men, women and children throughout our city."

People fell in love with the talking truck. By adding a new, unexpected voice, Second Harvest really got their attention.

Use an involvement device.

In its mailing, Second Harvest asked the donor to take a sticker from the letter and move it to the pledge card. At first, Second Harvest's fundraisers worried that making this request would confuse donors and keep them from sending back the card. But they decided to take the leap, and the strategy worked beautifully. Far from being turned off, donors liked being asked to do something a little different.

Giving people something tangible to do makes them feel more involved in your cause. Small as such an action is, it pulls donors closer to you.

Ask for the full amount you need right on the pledge card.

What? Yes, Second Harvest's fundraisers asked donors for exactly what they needed: $65,000. They offered four check boxes on the pledge card: one for $100, one for $500, one for "other," and one for $65,000.

Seeing a large, specific amount raises people's sights. They ask themselves, "Can I give a little more? Can I help them get a little closer to $65k?"

Also, someone just *might* send you the full amount you need. It *has* happened. During one campaign, a donor wrote a check for $100,000 and sent it back in the reply envelope.

Even if you don't receive such a large check, asking for an ambitious amount gets your donors to stop, look, think, and take your ask seriously. And that's what you want!

Be willing to invest to gain a big return.

This campaign cost about $2 per piece if you include all costs. And the mailing went to around 10,000 people.

That's a significant investment – one that many boards and CEOs are afraid of making. "We just don't have it in the budget!" they say.

But how much did this appeal raise? About $80,000! So they spent $20k to raise $80k. That's worth contemplating!

And here's something even more incredible: Second Harvest's next appeal, six months later, raised more money than the beep-beep campaign. Because it was so memorable, the appeal reverberated in the community and had long-term, far-reaching impact.

Use an unusual envelope.

Think about your own mail. You often sort it over the trash can. You separate anything that looks like a personal note or an invitation out of the regular stack. You look at the personal stuff first. You take special notice of anything unusual.

> Giving donors something tangible to do makes them feel more involved in your cause.

Why not use an out-of-the-box envelope with your out-of-the-box appeal? It definitely costs more money to use an extra-large envelope. Second Harvest could have cut the costs of its appeal significantly by using a "regular" envelope. But they wouldn't have raised as much money.

Ask yourself these questions.

Do you have what it takes to pull off a campaign as successful as Second Harvest's? Do you have:

- **updated technology on your Web site that you can change easily** when you want to try out something different?
- **the willingness to invest money** to make more money?
- **openness** to new ideas?
- **marketing and fundraising teams** that work closely with each other?
- **the courage to take a risk with your image** in order to make people laugh and take notice? To show a different side of your organization? To break your regular tone and revolutionize your approach?

If you do, then your campaign is bound to be successful!

Gail Perry, MBA, CFRE, is the best-selling author of Fired-Up Fundraising: Turn Board Passion into Action. *This article is adapted from her blog at gailperry.com.*

More Pointers for a Successful Campaign

For more details from experts on launching a successful appeal, see these articles at www.NonprofitWorld.org/members:

55 Direct Mail Secrets (Vol. 25, No. 1)

How to Write a Fundraising Letter (Vol. 29, No. 5)

Making the Mail Work (Better) for You (Vol. 21, No. 2)

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

Choosing the Right Typeface Means Cash for Your Cause (Vol. 15, No. 6)

Top Five Tips to Improve Direct-Mail Fundraising and Cement Your Future (Vol. 29. No. 2)

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

Also see Learning Institute programs on-line: Resource Development and O for Opportunity: Exploring New Revenue Opportunities for Nonprofits (www.NonprofitWorld.org/LearningInstitute).

look who's reading *Nonprofit World*

Richard Mussler-Wright
Membership Director, Idaho Nonprofit Center

> **I use *NONPROFIT WORLD* to solve problems.**

Richard Mussler-Wright is Membership Director for the Idaho Nonprofit Center (www.idahononprofits.org). Before he joined the Center, he taught at project-based after-school centers, developed STEM curriculum, built robots, and designed the LEGO project. Education is a theme in his life, and he loves to help people help each other. In his words, "It's an awesome experience to work with an organization dedicated to helping Idaho nonprofits realize their goals and further their causes. There is never a dull moment, and it's engaging to work with passionate people. Our members radiate excitement, and that is infectious!"

Richard says: I became an avid ***NONPROFIT WORLD*** reader when I started working at the Nonprofit Center. ***NONPROFIT WORLD*** exposed me to the larger thinking of the nonprofit arena. I use ***NONPROFIT WORLD*** to solve problems and to stay on top of current trends and topics.

I often refer to the "Ask the Experts" section because these are the very same questions our members are asking me! As a big technology fan, I also check the "Apps for Nonprofits" and "People and Technology" sections.

It's terrific when we apply a concept we read about in ***NONPROFIT WORLD***. For example, we took a hard look at our office environment after reading the "Implementing Lean for Nonprofits" article (Vol. 32, No. 1).

I appreciate that the articles are archived on the Web site (NonprofitWorld.org). I frequently refer to them when working on problems.

I share copies of NONPROFIT WORLD at our events, and I always suggest to our nonprofit membership that they use this great resource. Thank you, ***NONPROFIT WORLD***!

Top Ways to Gain Support Using Pinterest Boost awareness and support with this remarkable tool.

By Karen Leland

Great brands are all about telling stories. The social bookmarking site Pinterest is at its core about storytelling in pictures. Pinterest has tapped into people's visceral love of visuals. No nonprofit can afford to miss the boat on bringing what Pinterest offers.

Pinterest lets people create a visual, online pinboard with images they love. They can organize these pictures around topics of their choice.

It's the fastest growing social media site in history. The third largest network after Facebook and Twitter, it has over 25 million members and 10 million unique visitors a month.

Here are the top tactics for achieving maximum results with Pinterest:

1. STRATEGIZE FIRST & PIN SECOND

Consider your objectives before you pin. (See "Know Thy Lingo" on page 9 for definitions of "pin," "pinning," and other basic Pinterest terms.) What's your primary goal? Choose one from the following list of possibilities:

- **Drive traffic** to your Web site.
- **Boost awareness** of your brand.
- **Promote** new products or services.
- **Educate** your customer base.
- **Enhance** customer understanding and enthusiasm.
- **Increase** donations, volunteerism, in-kind services, or other forms of support.
- **Improve** customer service.

Depending on your strategy, you'll want to pick the images that best support your main objective.

2. MANAGE AND BALANCE YOUR PERCENTAGES

Create inviting boards by making 40% of your pins motivational and inspiring, 40% instructional and educational, and only 20% about your brand (including products, services, profiles, specials, and contests).

3. MAKE YOUR WEB SITE PIN FRIENDLY

Install a prominent "Pin It" button on your Web site. Give every page and blog post a featured image that can be pinned automatically. In addition, put a social media "Follow me on Pinterest" button on your home page.

4. SHARE WITH, ENGAGE, & PROMOTE OTHERS

Build your brand by engaging with others through repinning and "liking" other pins. Engaging with others in these ways generates flow back to your Pinterest.

5. ESTABLISH YOUR EXPERTISE

Craft keyword-rich pin and board titles and descriptions to boost your Google ranking. Use hashtags to highlight key words and phrases your customers search for. Emphasize pins with a focus on problems and solutions you specialize in.

6. INTEGRATE PINTEREST WITH YOUR OTHER SOCIAL MEDIA

Connect with your other social media by creating a Pinterest tab on Facebook, tweeting your pins, and embedding pins in your blog posts.

7. ORGANIZE YOUR PINBOARD

Research shows that pins placed front and center receive the highest percentage of viewers and capture the most attention. So place your most important pins near the middle of the top or second row of the board.

8. GIVE AWAY VALUE-ADDED INFORMATION

Pins that have a call to action see 80% more engagement than those that don't give people a way to follow up. Post pins that focus on free reports, e-books, videos, and podcasts you offer. Be sure to add a live link to each of those pins' descriptions.

9. LEVERAGE THE POWER OF MULTIMEDIA

Make your pinboards more interactive by sharing videos, webinars, teleclasses, screencasts, and podcasts. Good multimedia pins include: presentations, expert tutorials, product demos, behind-the-scenes tours, and excerpts from live recorded interviews, courses, and trainings.

10. ANALYZE YOUR METRICS

Using your settings page, sign up for access to Pinterest Web Analytics. Use this analytics tool to figure out which of your pins

PINNING DOWN YOUR STORY & YOUR BRAND

Use articles like these at www.NonprofitWorld.org to strategize more ways to raise funds and gain new supporters:

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

Accelerating Fundraising through Social Media (Vol. 28, No. 3)

How to Transform Your Brand (Vol. 28, No. 5)

Telling the Story: Exploring Clients' Lives (Vol. 17, No. 1)

Why Invest in Brand? And Where Should You Begin? (Vol. 29, No. 3)

Exercising Board Leadership with Social Media (Vol. 32, No. 1) generate the greatest response and interest. The information will help you see which pinning efforts are paying off and shape your future strategy.

Karen Leland (kl@karenleland.com) is the best-selling author of nine business books, including Entrepreneur Magazine's Ultimate Guide to Pinterest for Business *(entrepreneur.com), from which this article is adapted. She writes a regular branding and marketing column for Entrepreneur.com and is president of Sterling Marketing Group, where she works with entrepreneurs to build stronger personal and business brands.*

Know Thy Lingo

Pin: Any image added to Pinterest. Below the menu on a Pinterest page, you'll see a set of images. Each of these images is a pin. You can create your own pins by adding images from your Web site or the Internet. Pins can be composed of images, videos, slideshows, or audio. A pin's visuals should be accompanied by:

- ***a description of the pin*** (500 characters or less)
- ***the pinner's name*** (and the original pinner, if the image has been repinned)
- ***the name of the board*** under which the pin is housed.

Board, or Pinboard: A set of pins created around a specific topic.

Pinning: The act of placing content (images, video) onto a particular board.

Repinning: Adding an image you find while browsing Pinterest to your own board. A repin maintains the source link of the image no matter how many times it's repinned.

Pin It Button: A button that lets you instantly pin content when surfing the Internet. Beneath the "Help" section on the Pinterest site is a tutorial about how to install the "pin it" button on your Web browser for easy pinning.

Pin It to Win It Contests: These contests are fast becoming a staple in the Pinterest community and can expose you to a much wider audience. Here are the basics:

- ***Decide on the flavor*** of the contest you plan on running. For example, offer a prize for the best board created on a particular topic. Or hold a photo competition for the best pin placed on one of your boards, and let your followers choose the winner.
- ***Design the pin,*** write the caption explaining the action you want users to take, and tell them what they'll get if they win. For example, Gifts.com (http://pinterest.com/Giftsdotcom/) created a Holiday Pinterest Board Contest offering $1,000 for the most beautiful board.
- ***Offer a tempting prize.*** Since the objective is to get as many repins as possible (thus introducing you to a host of new followers), be sure to offer a desirable prize. Gift cards, as well as merchandise, cash, and experiences, can all be good incentives if they're seen as worthwhile by other pinners.

Tagging: Inserting the @ symbol in your pin description before the name of someone else. Tagging other pinners increases your Pinterest community participation and can build ties with others.

Hashtag: A way to tag a term using the # symbol that makes it findable by others searching for that same word or phrase. For instance, if you hashtag a graphic as #timemangement, others will find it when they put the phrase "timemanagement" into Pinterest search.

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 44173, Madison, Wisconsin 53744-4173.

E-mail to: muehrcke@charter.net or Jill@NonprofitWorld.org

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

Also, we hope you'll join the discussion on the Nonprofit World Discussion Forum. Just go to www.NonprofitWorld.org, sign in as a member, and click on the Nonprofit Forum link.

Four Steps to a Merger Is a merger right for your organization? Consider these four steps to decide if it's time to move forward.

By Christopher R. Vaccaro

Mergers offer an excellent way to expand your services, lower administrative expenses, and obtain access to new funding sources. However, pursuing these transactions without heeding potential difficulties can weaken, rather than improve, your ability to serve your stakeholders. Success requires keeping the big picture in mind while paying attention to details.

Mergers entail a four-step process:

STEP ONE: CONSIDERATION

Before undertaking a merger, answer a basic question: Why should we do this? The answer requires deep inquiry about how the transaction will further your mission and serve the needs and expectations of your stakeholders.

A merger can be beneficial if it lets you reduce administrative expenses and redirect resources to your services. For example, it's less expensive to pay an accounting firm to audit a single organization than for two separate nonprofits to perform two separate audits. Also, the merged organization can offer new areas of expertise, expanded services, talented employees, and access to new funding sources. A merger can also eliminate a competitor.

Before proceeding, consider other options to achieving your goals. For instance, if you can develop new areas of expertise or funding sources in-house, or hire the right team of new employees, a merger may be unnecessary.

If you decide that a merger is in your organization's best interests, you need to identify an appropriate merger partner. Look for candidates that offer a synergy with your organization and provide services similar to yours. The organizations' cultures should be compatible. Most important, your candidate must be amenable to merging.

In evaluating a potential candidate, look for obvious red flags that weigh against the merger, such as debt problems, litigation, hostility from major stakeholders or funding sources, deferred capital investments, conflicts of interest involving officers or directors, regulatory problems, and cultural differences. The importance of compatible cultural values cannot be overstated, and failure to consider this intangible can destroy trust and invite disaster. Examining a nonprofit's culture is highly subjective, but it becomes easier if the leadership teams of the two organizations already have some familiarity with each other.

Before you can seriously consider a merger, you must look inward and examine your charter, mission, and strategic plan. Your charter is the document originally filed with the secretary of state. It should state your charitable purpose. If the other organization's purposes are inconsistent with or outside the scope of your purpose, don't pursue the merger further.

Similarly, review your mission (stated goals) and strategic plan (the roadmap to pursuing those goals). If the proposed merger doesn't support these documents, it's best not to go forward.

To make sure that the merger is structured to avoid legal and financial problems, answer these questions:

- **Will the transaction jeopardize** your tax-exempt status?
- **What governmental agencies,** such as the attorney general's office, must approve the merger?
- **If your organization was created** under a charitable trust or holds property by gift or bequest, are there any restrictions tied into the trust, gift, or will that may impede the merger?
- **Is your organization bound by contractual obligations** to officers or directors that may present a conflict of interest?

STEP TWO: NEGOTIATION

After you identify a desirable partner for a merger, you must negotiate terms with the other organization. Outline the acceptable terms in a letter of intent or memorandum of understanding. This document won't necessarily be a binding contract, but it's an important memorialization of how both nonprofits are expected to proceed.

The letter of intent lays out the structure of the transaction and determines if it will be a merger, consolidation, or asset purchase. It establishes a time frame for the completion of the necessary tasks. The letter of intent will allow you to review the other nonprofit's operations and finances so that you can find out whether there are any financial, regulatory, or other problems that make the transaction undesirable. The amount of time for this review will vary from transaction to transaction. For large nonprofits several months will be appropriate. If the review reveals insurmountable problems, be ready to terminate the transaction.

The letter of intent should do the following:

- **List any conditions** that need to be satisfied before the merger can proceed to closing, such as obtaining approvals from the nonprofits' members or board of directors, regulatory agencies, and lenders.
- **Note whether the transaction is conditioned** upon the extension or renewal of any contracts (including employment contracts with key employees), leases, or grants.
- **Include exclusivity and confidentiality** clauses. The former protects you from spending time and resources on due diligence while the target nonprofit quietly entertains other suitors. The latter reduces the risk of adverse publicity and gossip that can harm both organizations.

STEP THREE: INVESTIGATION

The investigation phase is critical to a successful transaction. First, assemble a team of professionals to perform the investigations, and assign responsibilities to them. The team will usually include at least one attorney and an accountant. These professionals should be familiar with the regulatory and financial environments in which

> **Look for candidates that offer a synergy with your organization.**

both nonprofits operate. Consult with your board of directors, bank officer, and major funding sources early in the process, so those individuals are aware of the undertaking.

There are several areas of inquiry for the due diligence team:

- **Confirm that the nonprofit being acquired** has necessary licenses and permits, and that the licenses and permits will remain in effect after the transaction is completed.
- **Obtain approval** by the required governmental agencies.
- **Examine both nonprofits'** bank loan agreements. If these loan agreements prohibit a merger (as is often the case), secure the lenders' consent before proceeding.
- **Make sure that the transaction** won't adversely affect any financial covenants imposed by your organization's lenders.
- **Review the target nonprofit's** charter and bylaws, and confirm that the target nonprofit has maintained its tax-exempt status.
- **Find out if the other nonprofit is involved** in any significant litigation.
- **Examine and summarize** financial statements, tax returns (IRS Form 990s), audit reports, and major contracts and leases.
- **Scrutinize the terms and conditions** of all major gifts and bequests to make sure that these resources will continue to be available after the transaction closes.
- **Identify key employees** of the other nonprofit, and confirm that their services will be retained after the merger.
- **Arrange for an inspection** of the other nonprofit's buildings, improvements, and equipment.

STEP FOUR: IMPLEMENTATION

Implementing the transaction requires proper documentation. You'll need to enter into a merger agreement and file articles of merger with the secretary of state. The transaction may also require consents from other government agencies, such as the state attorney general's office. For an acquisition, there will be an asset purchase agreement between the nonprofits. You will need bills of sale to obtain ownership of personal property and deeds to the real property being acquired. Again, approval from governmental agencies will likely be needed.

The merger will require appropriate votes of the nonprofits' members and boards of directors. You should obtain a legal opinion from an attorney, confirming that the transaction is properly authorized and doesn't violate any applicable laws or contracts. Be sure you have employment contracts in place with key employees, whose expertise will be necessary to implement a successful merger.

The paperwork described above is time-consuming and challenging, but it's only the beginning. The hardest work lies ahead. While the transaction may be closed on paper, with legal documents signed and exchanged, and government and lender approvals secured, you still must assimilate the other nonprofit's managers, employees, and stakeholders. The success of this most important phase of the transaction requires wise leadership, competent and dedicated employees, and a skilled human resources department. The task becomes more manageable if you keep in mind the guiding principles of your mission and strategic plan.

Christopher R. Vaccaro (cvaccaro@dfllp.com) is an attorney at Dalton & Finegold, LLP, and a board member of Bridgewell, a leading human services provider in Massachusetts.

The Four Steps: A Quick Review

1. **Consider:** Decide whether a merger is in your organization's best interests, and identify a desirable partner.
2. **Negotiate:** Determine the terms and conditions of the transaction.
3. **Investigate:** Scrutinize financial and legal matters to assure that the merger strengthens both organizations.
4. **Implement:** Complete the merger, a process that can take years to finalize.

More Resources
(www.NonprofitWorld.org/members)

What Happens when Nonprofits Consolidate? (Vol. 20, No. 3)

Keys to a Successful Nonprofit Merger (Vol. 10, No. 3)

Pool Resources for Success (Vol. 16, No. 5)

Alliances Are Not Mergers: What Problems Should You Expect? (Vol. 17, No. 2)

Partner with Your Chamber to Obtain Income & Resources

Raise hundreds of thousands of dollars at lunch? Here's how one group did just that.

By Karen Eber Davis

Last October, Resource Assistance for Youth (RaY) helped 800 local business leaders learn about its cause. The same day, it raised $285,000.

RaY is a street-level agency that works with homeless youth in Winnipeg, Canada. The funds were raised at a special event sponsored by the Winnipeg Chamber of Commerce while Sir Richard Branson, founder of the Virgin Group, was in town. RaY was aware of Branson's interest in both helping homeless youth and visiting Winnipeg, but had only a few days to create the event.

Kelly Holmes, the agency's executive director, says, "It all came about because we were positioned correctly with the business community and we could quickly mobilize our supporters." Branson was in Canada to launch a series of Virgin FM Radio stations. Most of the other organizations that served homeless youth across Canada invited Branson to visit their site and meet their youth, but Holmes and her staff wanted to go further. They saw the opportunity to engage the community and raise funds.

With the Chamber's help, they developed a luncheon and auction for the business community. At lunch, four trips to Branson's Necker Island were auctioned for $30,000 each, providing $120,000 of the revenue.

How might your nonprofit learn from this fortuitous sequence of events? The story showcases a way to work with visiting celebrities by asking them for an in-kind gift of their time. The example points to the benefits of belonging to and partnering with civic groups.

How the Celebrity Event Worked

1. **A person of renown with specific philanthropic interests** was scheduled to visit.
2. **An event, in this case a business luncheon and auction, was organized** to support the visitor's philanthropic interests. The event was a "win" for all the participants:
   - ***The business community benefited from the chance to hear the celebrity*** and learned Branson's perspective on social responsibility.
   - ***The nonprofit benefited from increased awareness*** and event proceeds.
   - ***The celebrity benefited by supporting a cause he cared about,*** meeting many business leaders, and enhancing his brand.
3. **Instead of hosting the event themselves, the nonprofit's leaders partnered with a chamber of commerce.** This expanded the invitation list, increased media coverage, involved more of the community, and resulted in a sell-out audience.

> "Ask visiting celebrities for an in-kind gift of their time."

How You Might Use These Concepts to Benefit Your Nonprofit

Here are three ways to adapt this concept for your nonprofit:

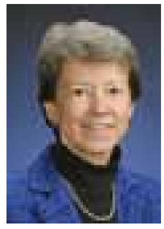
First, if you know any celebrities, invite them to do an event to benefit your cause. Instead of hosting it, seek out a partner. Then, work to ensure everyone has a wonderful time while learning more about your nonprofit's work. Find ways to capitalize on the opportunity before, during, and after the event with press releases, photo ops, and thank-you letters.

Second, if you don't know any celebrities, reach out to community leaders who do plan to host a celebrity. Encourage them to invite their celebrity guests to take part in a fundraising event. Many celebrities will say no, but some will say yes. Many who say yes will have favorite causes; some will not. Your nonprofit can be included as a suggested beneficiary.

Finally, to create top of mind presence, be sure you belong to and are active in at least one civic group. Your chamber is a logical place to start, but other groups might be advantageous, too. Besides gaining a better understanding of your community, active participation offers additional benefits to your nonprofit, including:

- ***Improve*** your brand in the community.
- ***Gain*** more name recognition.
- ***Create*** more supporters and donors.
- ***Enhance*** existing relationships.
- ***Find*** volunteers and board members.

Long-term, the connections you make may far surpass the proceeds that RaY experienced. "New people continue to contact us," says Holmes. "The experience helped us to see our potential to reach new supporters and has taken us to the next level."



Karen Eber Davis (karen@kedconsult.com) is an expert in maximizing philanthropic impact and the author of 7 Nonprofit Income Streams: Open the Floodgates to Sustainability! *Sign up for her free newsletter "Added Value" at kedconsult.com.*

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What Makes a Great Team?

By John Condia & Golnaz Sadri

Teamwork can have a dramatic effect on your organization's performance. Here are secrets of success.

Work teams are key to high-performing organizations. We can define work teams as groups that regulate their own behavior to complete tasks. Two key characteristics of self-managed work teams are:

- **interdependent people** contributing to a product, project, or service
- **discretion over decisions** such as work assignments, methods, and scheduling.

Why Create a Team?

Although it takes time to develop successful teams, the advantages make the effort worthwhile. Self-managed work teams can help your organization do the following:

Increase employees' roles by adding more managerial and leadership activities to their responsibilities.

Arrange tasks according to measurable systems, allowing team members to evaluate their own work.

Provide greater job satisfaction and stronger employee commitment to the organization.

Improve quality and efficiency over traditionally managed groups.

Boost flexibility due to cross-training of employees.

Develop better problem-solving due to team members' increased knowledge of processes.

What Are the Keys to a Successful Work Team?

First of all, teams must have the support of the entire organization. They can't succeed if they aren't given the resources, autonomy, and backing they need. In addition, the following characteristics define a successful work team:

THE TEAM MUST UPHOLD ETHICAL VALUES.

The members of successful teams recognize and uphold ethical values for themselves as individuals, for the team, and for the organization. They abide by the organization's ethical guidelines and make decisions based on these values. They also communicate these values to other team members, clients, customers, and stakeholders.

TEAM MEMBERS MUST ORGANIZE THEIR WORK ENVIRONMENT.

To help complete goals, people need to manage their work processes and surroundings using a systematic approach. One such system is the Japanese "5S" method, which includes:

Sorting: identifying what's needed in the work environment and what's not

Simplifying: assuring that there's a place for everything and everything is in its proper place

Sweeping: performing a physical and visual analysis of the work environment to ensure that it is clean, in good order, and safe, and that routine maintenance has been performed

Standardizing: making sure that all work stations are arranged in the same way to ensure easy review across multiple workgroups

Self-Discipline: reviewing the work environment for continual improvement.

In addition, managing the team's work processes needs to include training new team members, innovating, and problem-solving when needed. All team members must agree to complete their assigned objectives within the time constraints set up by the team.

THE TEAM MUST PARTICIPATE IN THE ORGANIZATION'S SYSTEMS AND STRATEGIES.

Though self-managed work teams are set up to be autonomous, they still need to align their systems and strategies with those of the organization. It's important for the team to define its reason for existing and its relationship to the organization.

TEAM MEMBERS NEED TO ALIGN PERSONAL AND GROUP GOALS.

It's crucial that people have individual goals as well as team goals. The best results occur when everyone's personal goals reinforce the goals, values, and purpose of the team and the organization.

Creating key performance indicators (KPIs) will help the team evaluate its effectiveness. Such indicators assure that results are measurable, attainable, and manageable.

What Skills Should Team Members Have?

Each person's abilities, knowledge, and talents contribute to the group's success. In addition to any required technical expertise, needed capabilities fall into four types:

1. Interpersonal Skills

To have the necessary interpersonal know-how to succeed as a team member, you must be able to do the following:

- **Resolve** conflicts.
- **Use appropriate negotiating strategies** to create win-win situations.
- **Encourage a diversity of opinions, including disagreements** that are beneficial to the team.
- **Initiate** and participate in problem-solving sessions.
- **Use good communication skills** that include active listening.
- **Provide supportive feedback** to others.

2. Self-Management Skills

- **Establish** personal and group goals.
- **Monitor** progress toward goals, and evaluate results.
- **Plan self-actualization activities** for individuals and the team as a whole.
- **Create** strategic plans, and coordinate tasks that will lead to the fulfillment of these plans.

3. Self-Leadership Skills

Going beyond self-management, self-leadership is your ability to enhance your own efficacy. Defined as your belief in your capacity to execute a particular course of action, self-efficacy is a vital team attribute.

Those with higher levels of self-efficacy try harder to complete a task than those with lower levels and therefore have a better chance of achieving high performance. Gaining self-efficacy requires you to do the following:

- **Use positive thought patterns** to deal with unpleasant team tasks.
- **Reward yourself** when you feel you've done a good job.
- **Provide self-feedback** to correct any missteps and continually improve your mastery of the task at hand.

4. Shared-Leadership Skills

To be a good team member, in addition to the above types of skills, you must:

- **Foster a collaborative approach** to leadership.
- **Step up and lead** when the situation calls for it.
- **Step back and encourage others to lead** when their abilities best fit the task at hand.

When all team members have shared-leadership skills, the right person will come forward to provide direction based on who can best fulfill the group's needs. Everyone in the group will be a leader.

What Roles Can Team Members Take?

Effective teams include people who take on five roles within the team:

1. **Navigators** help the team establish direction and purpose. They ask, "Why do we exist?" and "Where should we be going?" Good navigators provide clear team direction while aligning team goals with those of the organization. Communication and problem-solving skills help a leader succeed in this role.
2. **Engineers** optimize work flow by maximizing each person's contributions. They adapt tasks and processes to fit the environment and resources available. Leadership in this role allows the team to have the right people in the right place at the right time doing the right thing.
3. **Social integrators** answer the question: "How should the team interact when doing its work?" They help the team develop a productive environment through collaborative efforts. When this role is performed successfully, team members will regulate their behavior. They'll establish effective group norms, cohesively build skills, and share member knowledge throughout the team.
4. **Liaisons** connect the team to external stakeholders and groups who control the resources needed for success. They act as advocates and negotiators for sources of material and knowledge. Skillful liaisons create and maintain networks and build relationships between those inside and outside the team.
5. **Coaches** serve as motivators, facilitators, guides, and sounding boards. They help people develop themselves as individuals as well as good team members. The role of coach is especially important when a team first starts out and during transitions, as when people join and leave the team.

One person can take on all these roles if necessary. But the best teams include someone who is best at each of these roles. That's what makes a productive, successful, and high-performing team.

John Condia is technical sales specialist for computing infrastructure at Nth Generation Computing. Golnaz Sadri (gsadri@fullerton.edu) is a professor of organizational behavior in the Mihaylo College of Business and Economics at California State University, Fullerton.

RESOURCES

Build a Powerful Staff Team (Vol. 18, No. 4)

Shared Leadership: A New Model (Vol. 14, No. 5.)

The Organizational Personality & Employee Performance (Vol. 21, No. 1)

Key Performance Indicators: Nonprofits Need Them, Too (Vol. 31, No. 2)

How to Create a Motivating Environment (Vol. 28, No. 5)

What Kind of Team Leader Are You? (Vol. 32, No. 5)

How to Develop Anything in Writing

By Stephen C. Rafe

Try this simple, proven way to get words to work for you.

Writing is an integral part of leading an organization. Yet it's usually given short shrift in leadership education and training. If you're lucky, you may find a mentor to help you learn the ins and outs of writing well. In the meantime, try this quick and easy process for writing reports (or just about anything else). Even the most experienced communicator will benefit from this fresh look at making words work.

1. WRITE IT DOWN

Decide on the broad topic you want to cover.

Consider the many aspects of that topic that you *might* cover. Then select one.

Choose three points you want others to learn. Write down those points.

2. ORGANIZE IT

Put each of your key points on a separate sheet of paper (or page in your computer). Decide what your readers need to know about each point: Jot down thoughts, ideas, or fragments on the appropriate page. Include any new terms, concepts, definitions, and the like.

Group "like" things together. Organize your random musings into clusters of words that relate to each other. That will simplify your task, and your reader's.

Arrange the flow of your word clusters into a logical sequence.

Link your sequenced chunks together. So far you have mostly nouns. Now you'll add verbs, modifiers, linking words, and so on.

3. KEEP BASIC RULES IN MIND

As you write, think of your audience. Know what they know, and you'll be able to give them what they need. Keep the writing at an appropriate level – not too fundamental, but not too complex. Find the appropriate middle ground between "See Spot run," and "Through careful observation it can be seen that Spot is in a rapid-paced ambulatory modality."

The first time you use a new term, spell it out rather than using initials, acronyms, or jargon. Put the term's "nickname" right next to it in parentheses. For example: "The Leadership Task Force (LTF) suggests that ...." Otherwise, you're likely to confuse your readers and lay the groundwork for their failure.

Write in active rather than passive voice. It makes learning a lot easier when the reader understands who is supposed to be doing what. A recent instruction on a medicine container, written for caregivers, read: "The correct dosage can be delivered by mouth." Somehow this brings to mind nurses carrying pills between their lips, like puppies carrying a pair of slippers. The instructions to the caregiver make more sense as, "Put the correct dosage in the patient's mouth."

Review your draft to ensure that you've covered the key points to your satisfaction. Provide definitions, examples, visuals such as charts and graphs, and other essential details that will contribute to understanding.

Put the draft away for a few days. Then take it out and reread it. This new perspective will highlight things that might still be unclear or need rewording.

Ask others to read the draft and tell you if they understand the main ideas covered. Is it clear, organized, simple, and understandable? If not, keep rewriting and editing it until it fulfills these criteria.

Stephen C. Rafe (stephen@rapportcommunications.net) is president of Rapport Communications (rapportcommunications.net), a consulting and coaching firm specializing in behavior-based communication (written and spoken), which he founded in 1986. Author of three HarperBusiness books on presentations and interviews, he has held executive positions in the nonprofit sector.

The Write Way

Use articles such as these (www.NonprofitWorld.org/members) to sharpen your leadership and communication skills:

How Jargon Undermines Communication (Vol. 27, No. 2)

Writing Well By Doing LESS: A Five-Step Plan (Vol. 30, No. 5)

The Nonprofit Executive as Chief Learning Officer (Vol. 16, No. 2)

Tips for Evaluating Financial Management Systems

By Daniel Todd

It's one of the most important decisions you'll ever make. Be sure to choose the right financial management solution.

Nonprofit managers are required to perform a balancing act between downward and upward accountability—in other words, responsibilities to nonprofit beneficiaries on one hand (downward accountability), and responsibilities to senior management, boards of directors, and donors (upward accountability) on the other. Putting the needs of beneficiaries first (remaining true to the organization's vision) while ensuring the organization's financial stability is a tall task for even the most skilled manager.

Unfortunately, traditional accounting methods deny nonprofit managers the ability to carry out this balancing act effectively. Limited information delivered unpredictably places strain on staff resources. Traditional methods are also less timely, since managers in many cases see reports only once a month, and even these reports are subject to tardiness. Perhaps most important, traditional accounting methods can't identify subtle risks that could jeopardize the organization's health.

The Potential of New Systems

The good news is that you needn't rely on traditional accounting methods. Today a wealth of computerized financial systems exist. Such technologies include, for example:

- **real-time data reporting**, which provides up-to-the-minute financial data to interested parties
- **managed access rights**, giving designated individuals or groups access to specific information.

These advances offer strategic oversight not only for management but at the board level and in some cases for donors directly. And when transparent oversight becomes possible in real time, good governance increases.

Eight Essential Questions

While there are plenty of high-powered systems to choose from (all promising to solve every accounting problem imaginable), choosing one can prove overwhelming. To simplify this choice, here are eight critical questions you should ask about any financial management solution under consideration:

1. What are the *short term costs*? What are the *long term costs?*

In the *short term,* exactly how much does the solution cost to purchase (or in the case of leased systems, how much does it cost to host)? Beware of installation fees, module up-sales, and system training costs.

In the *long term*, consider the system's viability in the marketplace. How long has the solution been around? What type of industry standards does it implement? Be sure to understand the maintenance agreement, identify any long-term support fees, and ask about cost of upgrades.

2. Does the system provide *risk management* functionality?

Identifying risk early is key to the health of any nonprofit organization. A financial management system must provide sufficient business-critical information in a timely manner so that managers can spot trends or potential areas of risk and react accordingly.

3. Does the system support *transparency?*

With increasing public demand for openness and accountability, a system that ensures transparency is essential. The best solutions let you showcase records publicly while also providing safeguards to protect internal activities.

Transparent accounting and reporting practices, rooted in timeliness and integrity, can bolster confidence in nonprofits. Transparency also creates a healthier, more productive working environment within organizations.

4. Is *managed access* supported? If so, to what extent?

A system should provide managed access to as much (or as little) information as necessary to all interested parties — from managers to board members and donors. Preferably, a system should furnish access to critical data from a remote location. Managed access not only provides greater confidence in the organization but simplifies evaluation and auditing.

5. How user-friendly is the system?

Functionality is often achieved at the expense of usability. Often overlooked are the costs of systems requiring extensive training and support, even additional personnel, to operate. When evaluating systems, consider ramp-up time as well as the potential for increasing productivity among staff. Intuitive, user-friendly systems not only save raw labor costs but empower staff members to contribute in new and meaningful ways.

6. Is accounting functionality comprehensive?

Accounting functions should be all-encompassing, including budget and cash flow (in real time), daily book closing, payroll, and check writing capabilities. Having all functions under one roof increases efficiency while saving money.

7. How flexible is the system?

Two questions should dominate any evaluation of a financial management system:

- ***How easily will the system integrate your current processes?***
- ***Can the system grow with your operation?***

Growth planning is crucial, especially if you anticipate growing into multiple projects or locations. Ensuring that your financial system can assimilate horizontal and vertical growth will create smoother transitions when the time comes to expand.

> **"Traditional accounting methods can't identify subtle risks that could jeopardize the organization's health."**

8. What type of reporting is the system capable of?

Verifying the validity of nonprofit activities is extremely important to donors and board members. To accommodate demands for accurate reporting, a financial management system should deliver relevant, up-to-the-minute, customized reports. Ideally, a manager should be able to automate as much of this reporting as possible.

Daniel Todd (djoetodd@gmail.com) teaches English and Business Communication at Cincinnati State Technical and Community College. He also co-manages Chase Public, an art and assembly space in Cincinnati that hosts readings, lectures, and collaborative arts projects. He co-founded Project Esperanza, a humanitarian project created to develop relationships between organizations in the U.S. and orphanages and children's homes in Guatemala.

More Financial Resources (www.NonprofitWorld.org/members)

Do You Have Enough Cost Information to Make Good Decisions? (Vol. 15, No. 6)

Setting Up a Control System for Your Organization (Vol. 16, No. 3)

Are You Financially Empowered? A Quiz (Vol. 15, No. 1)

Don't Forget Your Indirect Costs! (Vol. 14, No. 5)

Are You Fulfilling Your Financial Trust? The Three Key Financial Roles in Every Nonprofit (Vol. 16, No. 4)

Time's Up! What Do You Really Want?

What's the best way to get what you want? Here's the magic formula.

If you're like most nonprofit professionals, you're uneasy about being direct and telling people, "Here's what I want." Think about it. There's a conspiracy that encourages people to bury their most important desires. Marketing trainers use consultative selling to draw people out. Social media consultants say "Selling directly is suicide." People are afraid to ask for what they want the most. They feel vulnerable about being honest and up-front. It petrifies even the best of us.

Yet when it comes to being successful in the nonprofit business, clearly asking for what you want wins the day.

John Baker, author of *The Asking Formula – Ask For What You Want And Get It* (theaskingformula.com), says the world would be a better place if marketers were up front and said, "I'm selling windows today; are you buying?"

Baker spent years studying human interactions and documenting the tactics used by those who got exactly what they were after. His discovery was earthshattering in its simplicity:

The most successful people ask for what they want. Then they give the three best reasons why it makes sense to say yes, and they back up each of those reasons with three facts.

Here's an example: You've worked for months with a potential donor, getting to know him and telling him all about your organization and the work you do. You know you've gotten your points across. But you're not sure if the donor is ready to commit to the amount of money you're hoping he'll give.

What's the next step? Go up to your prospect, and say, "What do we need to do to get your support? Would you please let me know specifically? You've seen how everything works and that your donation's going to make a real difference. I want to know what to do to move things forward. Let's plan to meet tomorrow morning at 10 a.m."

Then, when you meet, clearly state what you want and give three reasons why it's to the prospect's advantage to do so as soon as possible. Take time to brainstorm before you decide on the three reasons. Select each reason with care, and then back it up with three facts.

This strategy is powerful in interactions not only with donors but with vendors, staff, board members, and other stakeholders. You can use it in structuring direct-mail packages, personnel reviews, and e-mail messages. It makes any conversation clearer, avoids misunderstandings, and earns points for being thoughtful.

> "Give the three best reasons why it makes sense to say yes."

Marketing and relationship-building are vital building blocks, but they can get in the way of finalizing the deal. They allow for procrastination. They can be a way for you to avoid risk. If you're probing your prospect's needs, you don't have to face the possibility of rejection.

Yes, it's important to take time to craft meaningful relationships. But don't forget to ask for what you want.

More on Getting What You Want

Direct, honest communication is the key to getting what you really want. It's simple – but not always easy. These articles (www.NonprofitWorld.org/members) will help:

How Do Effective Nonprofit Leaders Communicate? (Vol. 13, No. 1)

Asking for Money (Vol. 17, No. 2)

How Jargon Undermines Communication (Vol. 27, No. 2)

Face to Face (Vol. 14, No. 1)

11 Communication Keys that Will Change the Way You Lead (Vol. 14, No. 2)

Turning the Direct Ask into Gold (Vol. 30, No. 1)

Cynicism Rx: Authentic Communication (Vol. 24, No. 6)

The Real Secret: Moving Beyond the Law of Attraction (Vol. 29, No. 4)

The Five A's of Influence (Vol. 29, No. 3)

How to Fix Communication Breakdowns (Vol. 29, No. 1)

Why Can't More Nonprofits Achieve Brand Status?

By Pasquale Trozzolo

The solution comes down to smart thinking and a three-part strategy.

It happens all too easily. There are too many people – too many audiences – to please. And with efforts focused on raising more money and gaining the support of as many people as possible, you lose sight of the one thing that will truly move the needle: your brand, and how your target audience perceives it.

> "Resist the temptation to reach for everyone."

Many nonprofits choose to play it safe, delivering their message in a "me too" fashion – because they think they don't have the resources or know-how to do something innovative and memorable. But it doesn't take a Coca-Cola budget to build a powerful, differentiated brand.

Take the story of the all-natural personal care brand, Burt's Bees. Burt was a beekeeper, selling honey out of the back of his pickup truck. Roxanne was a single mom, living in a one-room tent. In 1984, Roxanne volunteered to help with Burt's bees, and soon the two teamed up to make candles from Burt's stored-up beeswax. With hard work, a quality product, and a lot of brain power, what started as a $200 sale at a local craft fair has become a household name and a business worth more than $1 billion. Consumers wanted a natural product and a company that cares about the environment. Burt and Roxanne didn't get lucky; they got strategic.

> "It doesn't take a Coca-Cola budget to build a powerful, differentiated brand."

Successful marketing or rebranding campaigns aren't just for consumer brands or high-dollar budgets. You can achieve the same level of emotional connection that brands like Disney or Apple do. It just takes provoking the right kind of response from your audience – delivering a brand *driver* instead of the expected mission statement.

You already have a cause worth joining. All you have to do is light the fire. How? With smart thinking and a disciplined approach – a three-part branding process that begins with four foundation points, asks three important questions, and keeps its sights set on five reasons why branding efforts succeed.

First: Four Pillars

As Allen P. Adamson points out in his book *BrandSimple,* you can't go anywhere before establishing a strong foundation to withstand the changing environment. Great brands are bound to have these in common:

Difference. Define what makes your brand unique. Many organizations have great programs, methods, environments, and people. What do you do that's different? Think about "why" you are, not "what" you are.

Relevance. Uncover how important your difference is to the people you want to reach. A differentiator is only as good as how much it matters to your audience.

Esteem. The most effective brands are highly regarded. These are the brands people stand by even during a crisis. Does your relevant difference connect with your audience in a way that creates this level of loyalty?

Knowledge. Determine how well customers know and understand your brand. It's important not to focus on this before the other three pillars are in place.

Then: Three Questions

These three fundamental questions will help you truly get to know your brand before taking any further action:

Who do you want to talk to? You have many audiences – internal staff, board members, donors – but it's time to make a choice. Resist the temptation to reach for everyone. Who is it you really want to reach most? A good brand position is not meant to be relevant to everyone.

What are you up against? In other words, whom or what do you need to beat? Assess the competitive landscape to find out what you're up against. Then make the decision to overcome it.

How will you win? This is where your relevant difference comes into play – to aim for the hearts and minds of your audience, rather than straight for their wallets. A good place to start is with a new theme line that will capture your difference and rally the troops.

Finally: Five Reasons

There are five main reasons why some branding efforts succeed while others fail. You can circumvent these pitfalls if you're aware of them. Here are five ways to be sure you're one of those who succeeds:

Play your differentiation card upfront. A mission-driven, non-conflict spirit overwhelms the nonprofit sector. It can be difficult to go your own way. But make differentiation the thing you won't compromise on. Be bold, and lead with what makes you distinctive.

Respond with consistency rather than urgency. A common trap – especially as more new people come into an organization and want to make things fresh – is to respond to what others are doing and not think long term for the brand. Taking the long view can be the difference between wildly successful and wildly off mark.

Define and refine your audience. If everybody is a target, nobody pays attention. By narrowing your targets, you're creating impassioned champions who will help you get others to join your cause. Stay close to your audience. Tap into their cultural cues.

Be consumer-centric. Nonprofits aren't provocative by nature, so it's important to make an extra effort to think like a consumer brand. Begin with the end in mind, because it doesn't matter what you say – it's what they hear. Smart consumer brands take a consumer position. When the recession hit, Tiffany's launched a campaign that hit home with consumers: "Here's to less." They knew the mindset was to downsize and save for that special item that will last forever. When someone is exposed to your brand, what response do you want to provoke? Rethink the traditional response, such as compassion, which is unlikely to lead to action. Instead, maybe your audience members want to feel like savvy philanthropists.

Beat your competition. Great branding doesn't come without a fight. Every nonprofit has something it needs to overcome, and playing too nice won't get the job done. The competition isn't always an organization – it could be a misconception. And it has to be beat. Attacked. Forget the pretty logo, designed to avoid offending anyone. Take a risk. The work you're doing is too important to play it safe.

How to Stand Out

Here are more articles on how to differentiate your organization from others to achieve brand status (from the Society for Nonprofits' Library at www.NonprofitWorld.org):

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

The Most Important Question You Should Be Asking Right Now (Vol. 27, No. 2)

Defining Your Leader Brand (Vol. 25, No. 2)

The New Marketing Model for Nonprofits (Vol. 22, No. 6)

How to Transform Your Brand (Vol. 28, No. 5)

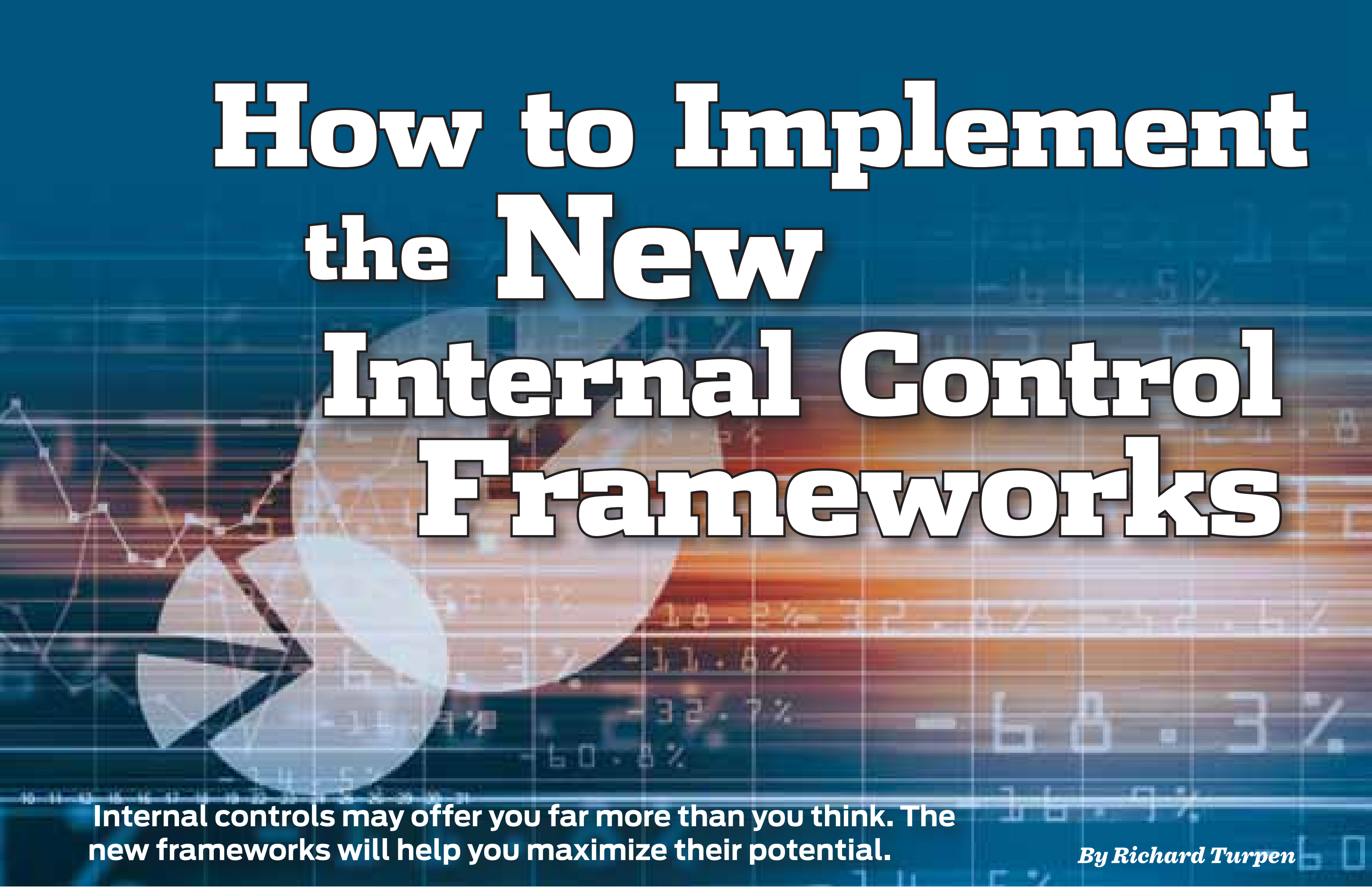
This strategic approach applies to any nonprofit, no matter the size or the cause. Here are some nonprofits that get it:

- **Feeding America** (They call us to take action in ending hunger, not by showing us sad images but by making us feel educated on the topic.)
- **Camp Fire** (This youth organization builds a better kid, with no uniforms or false creeds. And starting now, not after 30 chapters or a series of meetings.)
- **Values.com** (They remain consistent, sticking to their values while keeping their billboards fresh and relevant.)
- **Nonprofit Leadership Alliance** (Aspiring leaders are called to change the world through a nonprofit certification – to lead us all to a greater good.)

The moral of this story is that your brand doesn't have to settle for its current position. Any brand has all the money it needs to set itself apart. So forget pleasing every person, and start thrilling the right people.

Pasquale Trozzolo is founder and CEO of Trozzolo Communications Group (trozzolo.com) based in Kansas City, Missouri.

How to Implement the New Internal Control Frameworks



Internal controls may offer you far more than you think. The new frameworks will help you maximize their potential.

By Richard Turpen

Is your nonprofit achieving its goals? Is it effective and efficient? Is it able to adapt to a constantly changing environment? If not, help is here in the form of two new internal control frameworks.

> "The new frameworks make clear that reporting is not limited to financial statements."

Yes, that's right—internal control. If you're skeptical about internal control's relevance to your nonprofit's success, you're not alone. It's unfortunate that many managers in both the nonprofit and commercial sectors have been led to believe that internal control is something only accountants do or, worse, that it's all about creating roadblocks that slow organizations down and keep them from getting things done.

The reality is far different. While internal control certainly encompasses accounting matters and often does take the form of limits and restrictions, the bigger picture is holistic. Internal control is, collectively, all the proactive steps an organization takes to make sure it achieves its objectives. Internal control is integral to virtually every aspect of a nonprofit's activities, and it ranges from the basic to the strategic. For example, protecting cash and securing assets is a key concern of internal control, but so is managing change and assessing risk. And it's this broad perspective that prompted the release of the new frameworks. Both are designed to help management and boards focus on what matters most.

What are the new frameworks?

Issued within a year of each other, the first is Internal Control—Integrated Framework from COSO (the Committee of Sponsoring Organizations of the Treadway Commission) and is applicable to all types of organizations, including nonprofits. The second is Standards for Internal Control in the Federal Government from the GAO (the U.S. Government Accountability Office) and, despite its title, is meant to be useful to nonprofits as well as governmental entities. The GAO Standards (commonly known as the "Green Book") are intentionally modeled after the new COSO Framework and incorporate virtually all its major changes.

Both these frameworks are much-needed updates to guidance issued over two decades ago. Since that time, dramatic changes in technology, increasing complexity of markets, and greater demands for transparency have made it far more challenging to maintain effective internal control. So the frameworks were updated in response.

Because COSO is a private sector initiative and the GAO Standards technically apply only to federal agencies, nonprofits aren't required to formally adopt either. However, internal control is critical to every type of organization, and a nonprofit that fails to follow an established internal control framework jeopardizes its credibility and its funding.

To understand the new frameworks, it's easiest to start with what hasn't changed. At their highest levels, each framework retains essentially the same core definition of internal control, its three objectives, and the five components of those objectives.

Therefore, to implement either framework, a nonprofit begins by identifying its primary goals as defined by its mission. Under the frameworks' terminology, these represent the organization's "operating" objectives. They in turn determine its goals for adhering to relevant laws and regulations ("compliance" objectives) and remaining accountable to its many stakeholders ("reporting" objectives).

Even at this high level, the changes to the frameworks begin to become apparent. For example, the reporting objective was previously termed the "financial" reporting objective, which led nonprofits to fixate on their accounting records. Though these controls are obviously crucial, the new frameworks now make clear that reporting isn't limited to financial statements. Therefore, your controls shouldn't be limited either.

Consider, for instance, the content of your Web site or your use of mail-outs and press releases. What processes do you have in place to assure that your communications are accurate, timely, and consistent with your mission? Non-financial reporting has always been vital to nonprofit success, and now both new frameworks recognize that importance by placing it alongside financial reporting as a key focus of internal control.

Other revisions to the frameworks are less subtle. Probably the single biggest change is their incorporation of 17 new "principles" into the five components that provide the foundation of internal control. These embody the values shared by every nonprofit, including a commitment to integrity and the creation of policies that keep it mission-focused. They also address threats to nonprofit success, such as whether the organization has specific fraud prevention and detection practices in place and, more broadly, whether it is assessing all types of risk on an ongoing basis.

The most important point to note about these 17 principles is their prominence in the new frameworks. Both frameworks state that all 17 principles must be present and functioning in order to conclude that the overall internal control system is effective. Many organizations will have work to do before they can make this claim. Getting started is more urgent for nonprofits that have been following the former COSO Framework because it was superseded as of December 15, 2014. So the initial step is selecting a framework for transition.

Which one should you use?

You can apply either framework. They both state that they're suitable for not-for-profit organizations. The majority of nonprofits have been following the former COSO Framework, but they may want to consider the GAO Standards. Why? Many will find its terminology preferable and less profit-oriented. For example, COSO makes reference to "investors," while the Green Book uses the term "stakeholders."

Another factor is whether your nonprofit receives grants that make it subject to Single Audit requirements. If so, your auditors may be guided by the terminology of the new GAO Standards, making it important to discuss your decision with them.

It's equally important to discuss the choice with your board. The members who come from the business sector will be far more comfortable with the COSO Framework, as it long ago became the gold standard in every for-profit entity. And if you've followed it in the past, you'll likely find implementation of the new guidance fairly straightforward.

Where do you begin the transition?

The answer depends in part on the formality of your existing controls and the extent of your related documentation, which is usually a function of size. Larger nonprofits tend to have more formalized controls and a greater investment in written policies

Internal Control: Definition, Objectives, Components, and Principles

Differences in Terminology between the Two Frameworks

Adapted from the COSO Internal Control—Integrated Framework:

Definition Internal control is a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of three categories of objectives.

The Three Categories of Objectives

- operations objectives
- reporting objectives
- compliance objectives

Applicable to each of these three objectives are five components and their 17 principles.

Control Environment

1. The organization demonstrates a commitment to integrity and ethical values.
2. The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.
3. Management establishes (with board oversight), structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.
4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

Adapted from the GAO's Standards for Internal Control in the Federal Government

Definition Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved. These objectives and related risks can be broadly classified into one or more of three categories. (These are the same as the COSO Framework above.)

Control Environment

1. The oversight body and management should demonstrate a commitment to integrity and ethical values.
2. The oversight body should oversee the entity's internal control system.
3. Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
4. Management should demonstrate a commitment to recruit, develop, and retain competent individuals.
5. Management should evaluate performance and hold individuals accountable for their internal control responsibilities.

and procedures. For them, transition may be mainly a matter of modifying their controls and documentation to conform to the expanded scope and new language of the frameworks.

Regardless of size, every nonprofit should approach transition by recognizing that effective internal control is the result of a top-down process. It begins by identifying and prioritizing the organization's objectives. Then the focus becomes the design and implementation of specific controls to support those objectives. With a clear understanding of what your organization is trying to accomplish, you can then decide on the steps needed. Those steps are the controls, and they include both offensive and defensive measures. Ask yourself:

- **What steps do we need** to achieve this particular objective?
- **What could threaten our ability** to achieve this objective, and what steps are necessary to address these threats?

Beyond this common starting point, there's no one-size-fits-all approach to creating effective controls. But for a nonprofit that already has at least some minimal controls in place, transition to the new frameworks should proceed in three phases:

1. Establish buy-in. Initial discussions should include the executive director and chief accounting officer, and for large nonprofits, the head of internal audit. Education and training are essential here. These key people must be familiar with the frameworks so they can choose which one to recommend to the board for adoption. In smaller nonprofits, the officers of the board or the full board itself will need to be involved in the initial discussion. Equally important is to meet with your external auditors early in the process. Ask them how they'll be interpreting and applying the new frameworks in their audits. As transition progresses, regular communication among all these parties will be essential.

2. Perform gap analysis. As determined by your objectives, identify the controls that are currently in place. Then, to identify gaps, map either controls to principles or principles to controls. The direction you choose may depend upon the extent of existing documentation. If you have ample documentation already, mapping to the framework's principles may be easier and more efficient. In addition, mapping controls to principles can be useful in identifying inadequate controls as well as policies and procedures that may no longer be needed. For example, controls that can't be mapped to at least one principle raise the question of "Why are we doing this?" Likewise, the mapping process can focus attention on aspects of your operations that you may have overlooked.

3. Implement a response. Ultimately, the direction of the mapping is less important than the outcome. Once you've identified your organization's areas of weakness, decide how best to address them based on the priorities of the related objectives. Because the process starts with your organization's goals, your gap analysis will clarify which areas need your attention first. For most nonprofits, these are likely to be controls over funding, cash processing, and program spending. Remember the importance of consulting with your external auditors here. Their professional standards require them to tell you the most serious internal control deficiencies they observe during their annual audits. So if you've received a letter from them in the past, any weaknesses they identified should be at the top of your list for remediation.

Keep these cautions in mind

Throughout the transition process, remember:

The move to the new frameworks is likely to take some time. While transition needs to be a priority for your nonprofit, it's important not to rush the process. Transition is a chance for thoughtful consideration of your nonprofit's mission, so take advantage of it.

Don't let a checklist mentality creep into the process, especially when performing your gap analysis. Documentation is an essential and critical part of transition and is meant to clarify your nonprofit's strengths and weaknesses. It shouldn't become an exercise in completing forms.

Don't be overwhelmed. Internal control is all about staying focused on what truly matters: "What's most important to us? What do we most want to accomplish and what could keep us from doing so?"

Regardless of the current state of your internal control, don't view transition as simply a matter of "more paperwork." The new frameworks represent an opportunity to take a fresh look at why your organization exists and how it operates. Internal control is integral to that self-examination.

Richard Turpen (rturpen@aum.edu, 334-244-3496) is a professor of accounting at Auburn University Montgomery.

For More Help & Advice

Many templates and tools are available to help organizations implement the new frameworks. Start with the frameworks themselves:

Internal Control—Integrated Framework, Committee of Sponsoring Organizations of the Treadway Commission: http://www.coso.org/IC.htm

Standards for Internal Control in the Federal Government, U.S. Government Accountability Office: http://www.gao.gov/products/GAO-14-704G

Several professional associations also offer internal control-related resources, including these sponsoring organizations of COSO:

American Institute of Certified Public Accountants: www.aicpa.org

The Institute of Internal Auditors: theiia.org

Many articles from *Nonprofit World* (www.NonprofitWorld.org/members) explain more about creating the best possible internal control environment for your organization:

New Internal Control Guidance: What You Need to Know (Vol. 28, No. 1)

Can Your Organization Afford to Lose $100,000? Safeguards Every Nonprofit Needs to Implement (Vol. 30, No. 3)

Six Ways to Reduce Risk & Comply with the Law (Vol. 25, No. 6)

How to Have an Audit without Breaking the Bank (Vol. 20, No. 4)

Setting Up a Control System for Your Organization Vol. 16, No. 3)

Need a CPA at Little Or No Cost? Five Ways to Find Help (Vol. 28, No. 2)

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

What Is the Board's Role in Managing Risk? (Vol. 15, No. 5)

The Results-Focused Manager

These principles will help you achieve results for the long haul.

By Terrence Fernsler

Managing to Change the World: The Nonprofit Manager's Guide to Getting Results. By Alison Green & Jerry Hauser. Softcover. 233 pages. John Wiley & Sons, Inc. (wiley.com)

Strong, effective nonprofit organizations can have a dramatic impact on resolving social problems. Managing well makes it easier to be a strong, effective organization that gets results. Management, in this book, is defined as how to get things done through others. There are three components:

1. Managing the work. Getting the work done requires delegation, and the authors clarify how to do this well by using clear goals and concrete measures. They also explain how guiding organizational culture steers staff in how they perform the work. Alison Green and Jerry Hauser present a few easily implemented management systems that will help managers delegate clearly and shift the culture of the organization to improve how work gets done.

2. Managing the people. Having the right people may be the single most important tool a manager has – and the most difficult to hone. Hiring and developing staff to get the best from them, and holding on to them, help make a strong organization. The authors introduce guidelines for determining who to look for, selecting the right person for a position, and selling the job to the candidate.

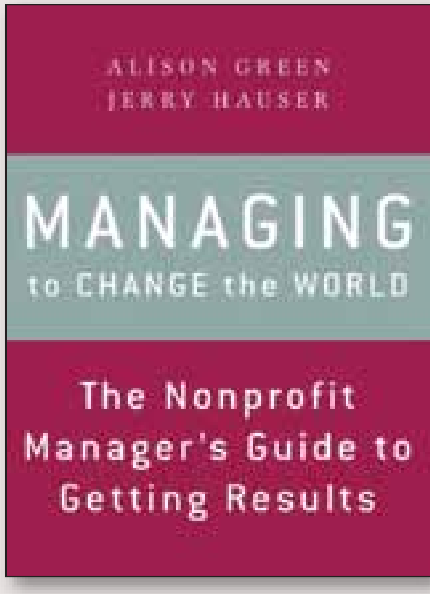
3. Managing yourself. The manager sets an example for others to follow. Using time effectively, being organized, and exercising authority empathically help build a high-performing team and organization. Focusing on strengths creates new possibilities for the organization's work.

Throughout their book, Green and Hauser stress the need to be results-focused. Does that mean nonprofits should be run like hard-nosed businesses? Their answer: Because the work nonprofits do is so important, they need to be *more* hard-nosed about management than for-profit enterprises are.

To that end, the authors cover a range of skills needed and discuss how to bring them together. They offer excellent tools for the practices of delegating, hiring the right people, and being organized. Their methods to accomplish more with less stress will make an organization stronger and more effective and build a high-performing nonprofit organization. And after all, isn't accomplishing more toward resolving seemingly overwhelming social problems why most of us get into this business in the first place?

Terrence Fernsler has been a nonprofit professional for over 30 years and is currently in the School of Strategic Leadership Studies Ph.D. program at James Madison University in Virginia.

"Should nonprofits be run like hard-nosed businesses?"



The Five Ws of Delegation

There's always going to be more work than you can handle on your own. The key to effective delegation is to communicate your expectations clearly. One way to do so is to ask yourself these crucial questions:

Who should be involved? Managers sometimes fail because they assign the wrong person to a project. Take care to select the best person for the task, and make sure that person takes ownership of the project.

What does success look like? The outcomes you and your staff agree on should be as specific as possible.

Where might the staff member go for resources? What money, people, supplies, and other tools can the employee use? Is there a budget for the project? Are there others with expertise on the issue? Make sure people know that *you* will always be a resource for them – that staffers can come to you whenever they have questions, need support, or want someone to brainstorm solutions with them.

When is the project due? Be explicit about deadlines and where the project falls in relation to other priorities.

Why does this work matter? You'll create more excitement and buy-in when you communicate the big picture, where the project fits, and why it's important.

The Matrix Map Revisited

When the authors of *Sustainability Mindset* introduced the matrix map five years ago, they'd had little practical application of this planning tool. Now they have a better understanding of how powerful it is for organizational evaluation. It helps nonprofit leaders (staff and board) change their focus from programs to impact. An organization often falls into the trap of continuing programs simply because no one else offers them, but this perspective doesn't account for organizational sustainability. Just as a hospital might view itself as treating patients rather than providing health care while patients drift away in favor of clinics and on-line medicine, nonprofit organizations must begin strategy development with a broader view of their purposes.

In their new book (published by Jossey-Bass), the authors (Steve Zimmerman and Jeanne Bell) take you step-by-step through the process of evaluating all your programs—including fundraising—for impact and profitability. A program needn't be profitable to be retained—except fundraising—nor does a program need to have the highest impact to be retained—especially fundraising. However, you must have a valid reason for keeping an unprofitable, nonimpactful program and examine how to improve its value (whether that value is profit, impact, or both).

The matrix map helps leaders determine how each program fits into mission, and clarifies where the organization is currently investing resources. It demonstrates how programs work together to create impact and financial viability. It guides you in deciding who should be involved in making strategy.

Sustainability Mindset is intended to direct organizations away from strategic plans that gather dust toward adaptive strategy, and to develop people who are constantly thinking strategically. It helps people within organizations think more sustainably through a six-step process:

- **Spell out** your intended impact.
- **Define** the business model.
- **State** intentions and determine if the model reflects them.
- **Develop** strategies (not programs).
- **Prioritize.**
- **Clarify** objectives.

The book is a guide for navigating complex decision-making about an organization's impact. It carefully explains the how and why of each step of the matrix map process to ensure your organization has meaningful strategies. It's a powerful tool for the sustainability of any organization that adds value to communities.

— reviewed by Terrence Fernsler

Are You Picking the Right Frames?

When making decisions, we all bring with us a stack of "frames" – perspectives organized by our assumptions about the world. To think in a strategic way, we need to understand those frames, as Julia Sloan (sloaninternationalconsulting.com) tells us in her masterful book *Learning to Think Strategically*. She emphasizes six framing traps that can trip us up:

1. **Satisfaction.** Don't become so content with the status quo that you see no reason to change. If you're too satisfied, then critical reflection will be a threat to your sense of self. Remember that discomfort, imbalance, and discontent are powerful triggers for learning.
2. **Immediate Gratification.** If you're all about action, wanting results right now, you may neglect all-important strategic thinking about the future.
3. **Same Frame Thinking.** Beware of the tendency to gather only the information that fits into your existing view of the world.
4. **Expertise.** Sometimes highly expert people make up their minds so quickly that they overlook critical flaws. They can fail to consider surprise elements that may be crucial. Those who lack specific expertise and think more slowly can have an unexpected advantage. Such a person may follow a more deliberate and careful thinking process – noticing more signals, weighing all the factors involved, noticing where data are missing, identifying blind spots, and noting paths of questioning that haven't been taken.
5. **Conformity.** Rituals and group think can be useful in times of stability, because they help create bonds and feelings of solidarity. But when challenges arise, conformity makes it impossible for the group to detect the signals of change and envision new ways of thinking. That has disastrous implications and highlights the need for diversity of thought in strategy meetings.
6. **Over-simplification.** As situations become more complex, fast-paced, and chaotic, it's natural to try to reduce things to their more basic parts. But when you deny the real complexity of the world, you can be caught off guard and derailed when the unexpected happens. Again, adding diversity to your group of advisors will help keep you attuned to the complications and contradictions of the world.

Balancing the Drives of Power & Love

In solving tough problems, we often rely either on power (asserting our authority to achieve our purpose) or love (compromising in order to unite with others). But in Martin Luther King, Jr.'s words, "Power without love is reckless and abusive, and love without power is sentimental and anemic."

As Adam Kahane explains in *Power and Love: A Theory and Practice of Social Change* (published by Berrett-Koehler Publishers, bkconnection.com), you need both power and love, in balance, to reach your organization's full potential. Love makes power creative instead of destructive, and power makes love generative instead of toxic.

This concise, easy-to-follow book serves as an important reminder to us in nonprofit organizations that balance drives social change and that we often get there through trial and error. *Power and Love* demonstrates ways through the process of finding balance.

People achieve great things not because they have a perfect plan but because they begin to act. They move forward together, taking steps such as the following:

- **Bring together diverse people** with different perspectives, and share ideas.
- **Shift your thinking** from "Someone should..." to "I will..."
- **Practice moving** between power (self-realization) and love (unity with others). Realize that nothing great can be accomplished without both.

—reviewed by Terrence Fernsler

Five Questions for Ethical Choices

When considering a course of action, ask yourself:

- **Will this avoid causing harm?**
- **Will it make things better?**
- **Is it respectful?**
- **Is it fair?**
- **Is it a loving thing to do?**

If you can answer yes to each question, it's an ethically intelligent thing to do, says Bruce Weinstein in his book *Ethical Intelligence*. He lays out a number of ethical dilemmas you may face as a leader, manager, and employer. For instance, expecting staff members to tilt their work-life balance in favor of their jobs is unintelligent management.

An especially useful section of Weinstein's book is his detailed descriptions of books, movies, and TV shows that will enrich your ethical intelligence. The authors he lists range from Aristotle (who considered an ethical life to be one of interconnectedness, in which our choices honor both ourselves and others) to Dr. Seuss, who, in *The Sneetches and Other Stories,* illustrates how stubbornness is ethically unintelligent because it can prevent us from doing beneficial things.

How to Improve People's Choices

As a leader, one of your most important jobs is to help others make good decisions. Here are some keys:

- **Provide clear, simple information.** Studies show that people make better choices with simpler information. Break down complex ideas into their basic components before presenting them to your board or staff for their input.
- **Educate people about the fact that we're all less rational than we assume.** Many of our decisions relate to fight-or-flight choices our ancestors made in a world of risks that don't exist today. Other choices are based on arbitrary decisions we made in the past. Often we've built our lives around these choices. But we need to ask ourselves: Were those original decisions wise? Are they relevant today? Were they smart in the first place? Our erroneous decisions can lead to predictable mistakes. Understanding that fact provides a starting point for improving decision-making.
- **Teach people to prioritize their decisions and then use their most productive time of day** to make their highest-priority judgments.
- **When people make mistakes, hold meetings to dissect what went wrong and strategize about what to do next time.** Don't penalize people for making bad decisions, but offer plenty of feedback to assure that they won't continue to make the same poor choices.
- **Remind people what their ultimate objective is** and what values are at stake.
- **Don't provide either-or options.** Even if you think there are only two possibilities, others may come up with choices you haven't considered. Always leave room for more options rather than limiting possible choices.
- **Encourage people to take time to sleep on the decision or distract themselves with a walk or other activity.** Studies find that doing so helps us make better decisions.

— adapted from *Predictably Irrational* and *How We Decide* (both published by HarperCollins)

How Anyone Can Be a Philanthropist

In *Middle Class Philanthropist,* Melinda Gustafson Gervasi details ways for ordinary, middle class people to leave important legacies:

- **Direct "in lieu of flowers" memorials** to a nonprofit.
- **In your will, ask that your possessions be sold** at a garage sale with proceeds going to a nonprofit.
- **Leave items to a charity** to auction off.
- **Add a pay-on-death card** to your savings or checking account, leaving the balance to a nonprofit.

Consider sharing these and the other tips in this empowering book with your supporters.

The Nudge Factor: Overcome Biases in Making Decisions

A nudge is anything you do to change someone's behavior. When nudging others toward the decision you want them to make, be aware of these common decision-making flaws:

Status quo bias. People are much more likely to stick with their current situation than to make a change. Nonprofits can use this bias to their advantage by encouraging donors to sign up for electronic fund transfer (EFT) so that contributions are made automatically each month.

The planning fallacy. When people make plans, they invariably think things are going to take much less time than they actually do. You can counteract this problem by building extra time into your schedules and timelines.

The availability error. People assess the likelihood of risks by comparing their situation to the most readily available examples. If lots of examples come to mind, they're much more likely to be concerned. If they can't think of any examples, they tend to dismiss the risk. That's why most nonprofit leaders think the risk of an employee stealing from them is small. Nonprofit fraud is far more common than we think, because most nonprofits don't prosecute it or make it public. *Nonprofit World* publishes frequent articles on fraud to counterbalance this tendency (see NonprofitWorld.org/members).

— Source: *Nudge* (Yale University Press)

How Green Is Your Organization?

Looking for cost-effective sustainability practices? *Street Smart Sustainability: The Entrepreneur's Guide to Profitably Greening Your Organization's DNA* by David Mager and Joe Sibilia (Berrett-Koehler Publishers, bkconnection.com) provides action steps toward becoming a more sustainable operation, which often opens new opportunities.

This comprehensive book explains a myriad of ways to reduce costs, keep talented employees, improve stakeholder and public relations, increase constituent loyalty, and build partnerships by becoming more sustainable. Clear and cogent, it paves the way for your organization to move forward by becoming more environmentally responsible.

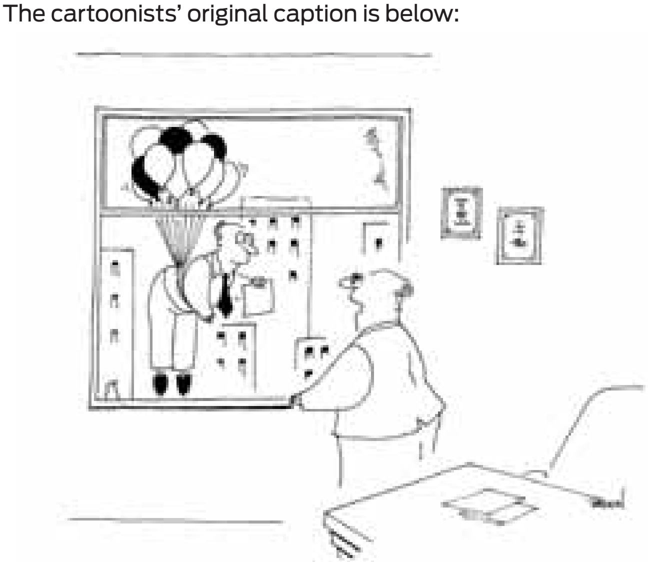
– reviewed by Terrence Fernsler

laughter alert

YOU WRITE THE CAPTION CONTEST

Thanks to all of you who entered the contest. You'll have another chance to win with a new cartoon in our next issue. We're glad to see you all have a solid sense of humor! Keep laughing! And keep sending us your nonprofit jokes, riddles, observations, humorous anecdotes, and the funny experiences that occur every day in the nonprofit sector. Please send to **Jill@NonprofitWorld.org** with "Laughter Alert" in the subject line.

The cartoonists' original caption is below:



"I don't care if it is a worthy cause, next time make an appointment."

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and the winner is....

"This isn't what I had in mind when we talked about your floating Tuesdays."

The winner of this issue's *Nonprofit World*'s cartoon contest is **David Poulin**. Volunteer Programs Manager. Chandler Christian Community Center, Chandler, Arizona (david@chandlerfoodbank.org, www.chandlerfoodbank.org), who submitted the above caption. (The cartoon on the left is the cartoonist's original caption.)

Congratulations, David! As the winner, David will receive a card deck of "52 Ways to Motivate Your Board and Volunteers" from Carol Weisman (carol@boardbuilders.com), founder of Board Builders (www.boardbuilders.com).

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