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Nonprofit World

Advancement Through Sharing

What Can Your Angry Customers Teach You?

Published by SOCIETY for NONPROFITS
Advancing the nonprofit world together

PLUS: How To Introduce Employees to New Tech • Is Your Budget Bulletproof? • Planning for the Quiet Disasters: Technology Mishaps • Three Steps to Streamline Your Processes • Who Will Be Your Best Employee? • When Your Beloved Leader Leaves • Craft a Customer-Centric Culture • Can a Small Organization Create a Good Strategic Plan? **... and more**

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FEATURE ARTICLE

Your customers – everyone your organization supports, both internally and externally – are your best source of feedback. Not only do you want to make them happy – you want to hear their ideas about improvements you can make. That's why it's so important to handle their complaints in the right way. **"What Can Your Angry Customers Teach You?"** (page 14) shows you how.

ARTICLES

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DEPARTMENTS

SOCIETY for NONPROFITS
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NONPROFIT WORLD **is published by the Society for Nonprofits.**

Process Is the Path

There's a leadership adage that says, "Leaders lead people and manage processes." In *The Diamond Process* (greenleafbookgroup.com), authors Mike Diamond and Christopher Harding argue that leaders must lead *both*. Since people lead processes, leaders must lead the *process* as well as the *people*.

Some organizations haven't established any processes at all. Thus, people *are* the process. Lack of process-leadership creates inefficiencies, which spiral into chaos, the authors maintain. They define process-leadership as the iterative act of developing a process, applying resources to it, and monitoring the results. That means designing processes in steps that are systematic, predictable, and measurable. Process, then, is the path that leads not only to results but also to order and balance.

Creating balance is especially fraught in purpose-driven organizations. When people believe strongly in their organization's mission, they work hard – often too hard, leading to burnout and health problems. If you don't manage people's work-life balance, they'll eventually become miserable and leave. Turnover leads to the high costs of hiring and training someone new, not to mention the disruption and unhappiness that spreads throughout the organization.

Another risk is that leaders who focus too intently on purpose can neglect the importance of making a profit, and without money an organization can't fulfill its vision. To understand how to fix this and other problems that are common in purpose-driven organizations, see "Avoiding the Pitfalls of Purpose" on page 31.

Because leaders in purpose-driven organizations like to focus on leading people, they tend to overlook process-leadership. But leading processes is just as important as leading people, as "Three Steps to Streamline Your Processes" (page 26) makes plain.

Diamond and Harding highlight a crucial question: "What person in your organization could you least afford to lose?" If there's someone you can't live without, that person is likely driving a critical process. You can resolve that dangerous situation by creating and documenting a process to achieve what that person does. Then you can have the person train others. That way, if you do lose the worker, you haven't put your organization in peril.

You may discover that the person who's driving a key process isn't an expert. Having critical processes driven by inexperienced and untrained workers puts your organization at great risk, as Diamond and Harding warn.

You also need to ask, "What optimal traits should each employee possess to guarantee we meet our goals in the future?" Once you match the right person against the work process, you can resource the worker with the proper equipment to support the process. (Take a look at "Who Will Be Your Best Employee?" on page 18.)

> "You must lead process as well as people."

Having the right processes is imperative when it comes to keeping your data safe. You can't prepare for every possible mishap. Yet technology glitches are sure to happen, and they can result in a loss of crucial data. It's also common for communication channels to break down. You need a process in place to prevent such problems and also to solve a catastrophe when one occurs. "Planning for the Quiet Disasters" (page 16) gives you the tools to do so.

To assure that you have good processes in place, schedule reviews of all your processes. Also, establish improvement targets. Then look for ways to improve each process.

Ask for lots of feedback, and analyze problems with that input in mind. One of the best feedback sources? Your customers. See "What Can Your Angry Customers Teach You?" (page 14) and "Create a Customer-Centric Culture" (page 22).

Without process development, people have different interpretations of what a process entails. This ambiguity can create a belief that "he who is loudest is right." The result, as Diamond and Harding tell us, is a lack of the vision that will help you rule the future.

Jill Muehrcke, muehrcke@charter.net

Five Things to Do Next Monday

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

1. **Take the first steps to a visionary plan** by deciding who you want on your planning committee and choosing a day to hold your planning session (see page 4).
2. **Take a look at your revenue mix,** and see if you need to tweak it. "Is Your Budget Bulletproof?" (page 10) provides the keys.
3. **Every day for the next week, choose and answer at least one of the questions** highlighted in "Planning for the Quiet Disasters" (page 16) to assess your technology risks.
4. **Make a list** of your organization's processes so that you can begin to improve them. (See the ideas on pages 26-28.)
5. **Prepare a plan** for handling complaints, and share it with others in your organization. (For tips, read the article on page 14.)

How to Introduce Employees to New Tech

New technology can do more harm than good if you don't introduce it the right way.

By Jesse Wood

New technology can have a positive impact on your office culture. It can bring great new efficiencies. But new platforms can intimidate and alienate workers who are used to working in traditional systems.

It's normal for workers to be apprehensive about change. That's why you need to see things from their point of view and understand that change is tough.

Help Them See the Value

It's important to help people understand why you're implementing the new technology and what it will do for the organization. Explain how it will benefit their specific roles and what the impact will be.

If it's a tool that's meant to streamline a certain process, impress on them the time they'll save. If it's a solution that will free up more resources, discuss how they can use that saved budget and labor in productive ways.

Let people know that the skills learned from training will reflect across their entire career and showcase their adaptability. If they can see the value the new tech will bring to them personally, they'll be excited to learn more about it and look forward to its implementation.

Make a Plan & Keep Them in the Loop

Tech solutions require time for implementation and onboarding. A change to new technology rarely happens overnight, so having a roadmap for implementation is essential to make sure it all goes smoothly.

Stay transparent with your employees about this roadmap. Let them know what they can expect during the implementation period. Keep them up to date on a daily basis to ease their anxiety about the change.

Give Them Time

New technology always has a learning curve, and this is especially true for those who aren't used to working with it as part of their job. While some are quick learners and early adopters, an equal number struggle with new learning. They won't get it overnight, so it's important to be patient and encouraging.

> "New platforms can intimidate and alienate workers."

If possible, have a transitional period where people are allowed to get their job done the old way while learning the new way. As long as they're willing to learn and aren't resistant, let them grow at their own pace. Provide plenty of support, training, and mentoring.

Incentivize

If some employees are resistant to adopting new platforms, it doesn't hurt to throw out some incentives to encourage them to embrace the change. Having perks such as free lunch with training will make those employees a little more enthusiastic.

Get creative with tying small rewards to the use of the new tech solution. Give bigger forms of recognition for demonstrating proficiency and enthusiasm for the new system.

Listen to Them

Get as much feedback as you can. Ask people to discuss their experiences with the current processes and their feelings about how the new system will work. Be open to their ideas of how to transition. Address their concerns.

Their responses will help you plan the best training for them. Also, knowing that you hear them will make them feel part of the process. They'll be more likely to accept the change if they don't feel it's being forced upon them.

Jesse Wood is the CEO of eFileCabinet (efilecabinet.com), a document-management system. Wood has over 20 years of leadership experience innovating custom technical solutions for a wide range of tech applications.

Making Good Change

For more insights on introducing change into your organization, see these articles at NonprofitWorld.org:

- **Dealing with Change in A VUCA World** (Vol. 37, No. 4)
- **How to Make Your Training Stick** (Vol. 39, No. 4)
- **Why Feedback Is the Key to Your Success** (Vol. 35, No. 3)
- **Creating a Culture of Productivity** (Vol. 36, No. 2)
- **Manage for Today, Mentor for Tomorrow** (Vol. 23, No. 5)
- **How to Create a Motivating Environment** (Vol. 28, No. 5)
- **The Promise and Pitfalls of Organizational Change** (Vol. 28, No. 4)

Can a Small Organization Create a Good Strategic Plan?

What are the steps to planning on a small budget?

Q Our organization is small. We have a budget of less than $100,000 and a board of only nine. We see the value of strategic planning and feel we're ready to embark on this process. However, we can't afford to bring someone in to help us create a strategic plan. Can you give us an outline of the steps we should follow – steps that will result in something worth the time and effort?

A Your organization is lucky to have a board that recognizes that it can't operate effectively by taking each day at a time. "Strategic planning" – and I put it in quotes because everyone you talk with will define and approach it differently – is ultimately what you make of it.

Some organizations dive deep, spending months, money, and many, many person hours on determining the direction that's right for them. Others get together for a half-day of concentrated effort to come up with a few key goals. Of course, organizations may fall anywhere in between. Since you're a small organization that hasn't done a strategic plan before, I recommend keeping it simple.

I know you want to do it yourself, and I'll give you steps for doing so, but I do recommend you get someone to lead you through the process. This person needn't be a costly consultant. You might find, for example:

- **a professor** who teaches planning
- **a strategic-planning officer from a bank,** hospital, or major corporation
- **the board chair of another nonprofit** who has been through this process who will be happy to volunteer.

Such a person will keep you on track – and free all your participants to engage fully in the process.

Then, follow these steps:

1. Determine who you want to involve in the planning process. Ask yourself these questions:

Will you bring in some community stakeholders? Their input can be extremely valuable, especially since you exist to serve the community. If you decide to include their voice, who among them can provide the most useful insights? And if you forgo having these individuals, how can you be sure to capture their wisdom?

If you have staff members, do you want to include them in the planning? You certainly should involve the executive director, but you may want to take advantage of the expertise the others can offer as well.

2. Pick a day that works for the greatest number of people. This process will take you a good six, seven hours.

3. Choose a place where you can work uninterrupted. Many small organizations like meeting at someone's house, which is certainly pleasant. But you want to be sure that the dog is in the back room and the space is large enough for tables and comfortable chairs to accommodate everyone. You might find the boardroom in a law or CPA's office more conducive.

Arrange for flipcharts (there are table-top varieties that don't require stands), markers, and tape that won't damage walls. If you use a stand, be sure it's not one of the flimsy ones or you'll spend the entire day trying to rebalance the pad of paper.

Don't forget the food! You want everyone well fortified.

4. Start the day with a short exercise tied to introductions to allow everyone to meet one another. This is especially important if you bring in community stakeholders who may not know your board members. Choose an activity that's tied to the goal of the day, such as having each person name one program your organization offers that they see as essential to the fabric of your community. If they can't name any, that tells you something!

5. Spend time reviewing your mission, vision, and values to make sure that they're easily articulated and that they speak to how the community will be a better place as a result of your organization's accomplishments. Take the time to tweak your current mission, vision, and values if needed. This is critical because everything you do from this point forward will be based on these three. Consider your vision as the meta-goal, the big end result.

In groups or as part of one large brainstorming entity, work backwards, identifying the goals you'll need to meet to reach your vision. Consider any challenges for which you'll have to find work-arounds.

The idea of working from the vision instead of from where you are now is key. You may expend a great deal of time on less relevant work if you brainstorm goals without the vision clearly in mind. And, if you can identify most of the steps it will take to reach the vision, you have in essence plotted out your goals not just for this year but for years to come.

6. Put the goals into some sort of loose order, combining those that naturally go together.

7. Identify three to seven goals that you can realistically tackle over the next 12 to 18 months. These should be significant goals that are consistent with your vision and

values and will require a concerted effort. The "no brainers" – those goals that can be easily achieved with minimal resources – should just be put on your to-do list rather than added to your strategic plan.

8. For each of your identified goals, determine your criteria for success. In other words, spell out how you'll know that you've achieved what you set out to do. Make the indicators measurable where possible to leave no doubt in anyone's mind that the organization has reached its target.

Put a target date on each goal, and assign someone to be accountable for seeing each of these goals through to completion.

Write down the goals with their deadlines, the person responsible, and the criteria for success.

At the end of the day, back at your organization, put your list of goals, deadlines, and criteria where it can be easily and regularly accessed to measure progress.

9. Build your board agendas around the three to seven main goals you've identified. Committee and staff reports should focus on what's being done to further these goals.

Spend a good portion of your meetings discussing whether you're on target and how to proceed if not. Consider if the goals are still applicable and whether they should be adjusted based on the most current realities. Strategize about the resources required to achieve each goal and the role the board can play in ensuring that these resources are available.

10. Make a plan to celebrate your achievements.

– Terrie Temkin, Ph.D.,
Founding Principal, CoreStrategies for Nonprofits, Inc.
(terriet@nonprofitmanagementsolutions.com) and editor of You and Your Nonprofit Board: Advice and Practical Tips from the Field's Top Practitioners, Researchers and Provocateurs *(charitychannel.com).*

Making a Plan

Delve deeper into strategic planning with articles such as these at NonprofitWorld.org:

Strategic Planning on a Budget (Vol. 23, No. 4)

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

Before You Plan Where to Go, Find Out Where You Are (Vol. 29, No. 3)

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

How Can Your Board Participate in Strategic Planning? (Vol. 30, No. 2)

Ten Steps to Excellence: Mission to Action (Vol. 23, No. 4)

Build the Latest Trends into Your Planning (Vol. 17, No. 6)

Should You Change Your Mission? (Vol. 20, No. 3)

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

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!

WHAT'S UP ONLINE?

Would you like to discuss some of the issues addressed in ***Nonprofit World*** with other nonprofit professionals? Do you have questions to ask or expertise of your own to share?

Society for Nonprofits is actively engaged on LinkedIn, Facebook and Twitter. Find us on your favorite social media platform by visiting **social.snpo.org**

If you have any questions, contact Jason Chmura at jchmura@NonprofitWorld.org

Do All Board Members Speak Up in Meetings?

Use these proven strategies to give everyone an equal voice.

By Kim Donahue

You choose your board members for their unique skills and insights. But sometimes it feels like you hear from the same four people in every board meeting. Why are the rest of the board members silent? How can you ensure that every member has a voice and feels comfortable sharing with the group? These proven tips will help.

Share Key Points & Agendas Early

Some board members are adept at thinking on their feet and answering in the moment. Your quiet members may simply be mulling over a topic or deciding what to say – and then the opportunity to chime in slips away. When you share your agenda and preparation documents with your board early, these more thoughtful, analytic members have time to formulate their responses.

Sharing key points of discussion beforehand also helps committee members make more tailored reports. And early sharing ensures you can work with complete information on everything from finances to employee issues.

Often, silence from your board members isn't an indication of disinterest. Your silent members may feel more comfortable speaking up if they have a chance to think things over or to research issues first. A simple e-mail sent a week before the meeting with the agenda, key points, and similar information can give reticent members the chance to plan ahead.

Break the Ice

Getting everyone to speak at the beginning of the meeting makes it more likely they'll speak up later. Providing that opportunity to share for new or more reserved board members at the start of the meeting takes away some of the fear of speaking up. It also establishes a board culture that respects everyone having a turn to say something.

Try going around the table and having everyone answer a question that's non-threatening and applicable to everyone, such as:

- What do you like best about this season of the year?
- What's your favorite way to get in some exercise?
- What have you been watching on TV lately?
- What's your favorite Starbucks order?

Be creative and appeal to the personalities of your board members.

> "Give reticent members the chance to plan ahead."

Take Turns Talking, & Encourage Everyone to Talk

What do you do about that one board member who, in good faith, has a stance on every issue, and always has something to say? Consider pulling this person aside before the meeting and saying something like this: "Everyone on the board respects you so much. I know a lot of members have opinions about issues but often wait to see what you'll say about it first. I wonder if you'd mind holding back for a few minutes on today's topics, and let's see if we can get the others to weigh in earlier."

It's important for the board chair to be able to read the other board members. The trick is to know your board members well enough to tap into their personalities for a robust discussion. If someone's body language suggests that they disagree with what's being said, try to draw that person out. To keep the conversation more comfortable, you could say, for example, "Let's play devil's advocate for a minute. What do you think someone might say is the other side of this idea?"

Assign a Report

If your junior or new members don't yet feel comfortable enough to speak up and be heard in the course of a normal meeting, providing them with a report assignment before the meeting can help. Making a quick presentation about a recent fundraising or community event, covering some marketing metrics for the past quarter, or presenting an idea from a committee can make it easier for a new member to speak up.

Another useful exercise is to start each meeting with a profile of a person or organization connected with your mission. Each week, for instance, a different person might volunteer to research a nonprofit or community member that could be a resource or partner for your organization. Or someone could research and report on one of your clients or vendors. Having a specific topic like this is a great way to encourage people to speak up in a well-defined and valuable way.

Keep Everyone Engaged

Members who don't speak up are likely to be less engaged than their more outspoken counterparts. Working to improve engagement can empower silent members to add to the conversation. From giving clear ground rules to empowering members to speak up, you can help boost engagement and buy-in and make it more likely that all of your members will provide you with insight.

When you make it easy for your quieter board members to join the conversation, you'll find them talking more. From giving them a voice to actively listening, engagement is good for your entire organization.

Kim Donahue is the governance coach at Boardable (boardable.com), an online board management portal that centralizes communication, document storage, meeting planning, and everything else that goes into running a board of directors. Founded in 2017 by nonprofit leaders and founders, Boardable has a mission to improve board engagement for nonprofits. Boardable is based in Indianapolis, Indiana.

Keep Board Members Interested & Eager to Help

You can boost members' interest in what the board is doing and how they can play their part with articles such as these at NonprofitWorld.org:

Turn Your Board Members into Strong Owners (Vol. 28, No. 2)

35 Questions that Will Transform Your Board Vol. 24, No. 3

Planning the Board Orientation: 12 Key Messages (Vol. 34, No. 4)

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

How Can You Boost Board Turnout? (Vol. 38, No. 4)

From Bored to Blazing: Fire Up Your Board (Vol. 37, No. 3)

Twelve Ways to Liven Up Your Board Meetings – And Your Board (Vol. 36, No. 3)

Increase Your Organization's Influence in Just 15 Minutes a Month (Vol. 38, No. 1)

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

Challenge Your Board to Take These Seven Quick Actions instead of Checking Messages (Vol. 38, No. 2)

How to Run the Perfect Board Meeting – While Inspiring Board Members to Raise Funds (Vol. 36, No. 4)

Sneaky and Insightful Board Room Questions (Vol. 37, No. 1)

Seven Creative Ways to Energize Your Board Meetings (Vol. 16, No. 3)

Five Ways to Improve Board Engagement

1. Help new board members hit the ground running. Provide them with materials such as a board manual and a list of contact information for people they can turn to with questions. Add the new member to your board management platform. Match each new person with a mentor from the current board. Invite new members to an organizational event.

2. Keep your organization's mission statement top of mind – always. Make sure each board member has a solid grasp of the organization's big picture. It helps to reiterate the mission statement at the start of each meeting.

3. Establish ground rules for board meetings and events. It seems like common sense, or common courtesy, but a refresher on the basics is never wasted time or effort. For example, one person talks at a time, and others listen fully before jumping in with their opinions.

4. Balance the amount of detail given at meetings. The real work of planning a meeting agenda is done before the meeting even takes place. To improve board member engagement during meetings, it helps to distribute the agenda well in advance. In an open and supportive atmosphere, the amount of detail presented can be adjusted as the meeting goes along. Feedback in the way of questions, comments, and concerns about the meeting process itself is best kept for the end of the session.

5. Help board members get to know one another. How familiar are your board members with one another? Make sure everyone knows the names and faces of other members. (To help with this, you can use the board member directory at boardable.com. Each entry includes a headshot, contact information, and links to social media profiles.)

– from boardable blog site, boardable.com

Are You Using These Drivers of Fundraising Success?

Rank your organization on the strength of these fundraising drivers.

By Karen Eber Davis

What's a fundraising-success driver? It's a habitual activity that inspires donor engagement. In many ways, drivers are like the transportation options and highways around Disney World. They provide quick ways for donors and supporters to arrive, linger, and get to the good stuff at your nonprofit.

Rate the Strength of These Five Drivers

Rank yourself from 1 (weak) to 10 (strong) on these five fundraising drivers at your nonprofit. How well does your organization accomplish the following?

1. Attract people who have an interest in your cause and the means to fund it.

Donors move, drift away, and die over time. To stay even, you must expand your prospect list by at least 10% yearly. If your goal is to grow your contributions, you need even more newcomers.

How much did your contact list grow last year? What activities gathered new people? Does this driver need to be built, replaced, or refurbished?

2. Engage newcomers.

Once you catch their attention, you want people to form a web of connections with your nonprofit. This process begins with a hello and ends, years from now, with a bequest. From the donors' point of view, this driver offers valuable opportunities to get involved and not just "drive by" your nonprofit.

For example, getting newcomers to attend an event is step one of your engagement process. At the event, they'll learn about your organization and decide to support it. After these attendees make a gift, you send a personal thank-you note with a brochure. Then a staff member sends an e-mail inviting them to an open house, and a while later a volunteer leaves a voicemail reminder. At the open house, they become further engaged as they learn of more ways they can get involved with your cause. Perhaps you arrange for them to meet organizational leaders, see a program in action, or tour your facilities. With additional encouragement, the newcomer becomes a board member and later leaves a bequest.

Throughout all these steps, don't forget to lavish supporters with appreciation. There are countless stories about donors who feel unthanked, unacknowledged, unappreciated, and overlooked. Make sure you avoid that pitfall by taking every opportunity to say thank you.

> "Expand your prospect list by at least 10% yearly."

What is your process for transforming strangers into donors who eventually leave bequests? Where are there gaps in your engagement process? How successful are you at each step?

3. Provide value that makes people want to give.

This driver recognizes that, on the surface, people want to be left alone. Underneath, they seek to make a difference. It's a bit like going out for a regular run, walk, or bike ride. For the first bit, your body complains, "I don't want to do this." After a while, that voice quiets, and you find satisfaction in moving.

Similarly, donors don't want to be asked for money. Yet they want to change lives, give back, help someone in need, and make the world a better place. Measure this driver by evaluating the number and focus of opportunities offered to donors and prospects.

For example, the Kravis Center for the Performing Arts treats its major donors to a catered lunch with the executive director and board chair – a straightforward offer of value. The payoff? High renewal rates, loyalty, and an increased likelihood of these donors leaving bequests.

You *might* offer luncheons or new events as part of this driver, but that might be silly with your schedule. You'll be delighted to learn that you probably already offer or can quickly provide opportunities that inform, inspire, and uplift donors. For example, suppose you read a new research article with results that support the approach you use. In your update to donors, you send a paragraph about this research, provide a link to it, and explain why you found the research significant. When you set up a call with the researchers as part of your professional education, you invite interested donors to join you.

The key to making this driver work? Make these donor engagements a regular activity.

Many nonprofit leaders worry about donor burnout. Adding more donors is the first cure. Another is switching your perspective and refining what you offer to "your regulars." If they don't know about the kinds of value you offer, you're not sharing enough.

> "On the surface, people want to be left alone."

When you offer opportunities, do you focus on providing value to donors? How will you make this driver one of your organization's habits?

4. Share results so people know how contributions changed lives.

The fourth fundraising driver is the chance for donors to know the results of their philanthropy. Activities around this driver mix gratitude and recognition with proof. Proof can include testimonials in your newsletter, statistical evidence, photos, and video outcomes.

Sharing what happened with donations serves many purposes, including:

You affirm donors (even if they remain anonymous).

You clarify what otherwise might not be obvious: Donations magnify other financial contributions, since they buy the extras that make the difference.

You motivate prospective donors.

You attract new donors (when you combine this step with marketing and publicity).

What does your organization do to share your results with donors? Do you offer donors opportunities to see their philanthropy in action? Do you reserve your biggest public thanks to the donors who invested when the results were a dream? Do all donors feel you've used their gifts as they hoped you would?

5. Give people a chance to make friends.

Inter-donor relationships are your fifth driver. Relationships between donors bind people to your nonprofit and encourage them to remain.

Donor friendships introduce peer pressure and friendly competition. Both increase gifts.

One Habitat affiliate benefited from a "beat the other neighborhoods' Habitat fundraising campaign." Two donors who lived in different neighborhoods organized and drove these competitions.

This inter-donor driver reduces your labor. For example, friends call friends to make sure they bought tickets for your event. The inviting donors can't wait to tell you that their friends (and your prospects!) will attend your event.

How else do donor connections drive fundraising results? Quality friendships provide donors with additional value. They reduce donor churn by creating multiple contacts. So, when your beloved development director departs, donors remain because of their relationships with others.

How will you be more intentional about encouraging donor friendships? How will you make this a habit so that your donor's connections flourish? How are you encouraging donors, volunteers, and newcomers to meet and get to know others? The good news is that some of this happens naturally by putting people in the same room (or in the same Zoom breakout room).

Move into Action

How did you rank your organization on these drivers? Don't be discouraged if several drivers need work. Building fundraising drivers isn't an easy or quick task. Success comes from planning, execution, testing, and tweaking. Pick one of these drivers to strengthen in the next 30 days.

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

Inspire People to Give

To be powerful, your donor-stewardship toolkit must transform people into educated, committed, and thoughtful donors. Read about ways to enhance donors' lives while inspiring them to give (NonprofitWorld.org):

- **The Five Most Dangerous Fundraising Fallacies** (Vol. 32, No. 2)
- **What's the "Right" Amount of Communication with Donors?** (Vol. 36, No. 4)
- **How to Obtain More Bequests** (Vol. 23, No. 2)
- **Five Things that Aren't Fundraising** (Vol. 38, No. 2)
- **Use Data to Cultivate Long-Term Donor Engagement** (Vol. 38, No. 4)
- **Harnessing the Internet to Raise Funds** (Vol. 31, No. 2)
- **The Best Way to Tell Your Organization's Story? Capture It on Video** (Vol. 35, No. 4)
- **E-Mail Mistakes that Could Be Damaging Your Fundraising** (Vol. 36, No. 2)
- **This Is How It Feels when You Don't Acknowledge a Donor** (Vol. 37, No. 3)
- **Three Keys to Building Relationships in Life (and with Your Donors** (Vol. 38, No. 1)
- **Newsletter Strategies that Will Open Donors' Hearts & Wallets** (Vol. 36, No. 4)
- **What Are the Three Most Boring Words in Fundraising Appeals?** (Vol. 36, No. 2)

Is Your Budget Bulletproof?

Not all money is created equal. Which should you pursue?

By Andy Robinson

A growing number of nonprofits have been asking these "What if . . ." questions:

What if we weren't so dependent on grants and government funding?

What if we had more money in the bank?

What if we created a more resilient mix of income?

Followed by, "Then we wouldn't be so freaked out." Indeed.

As you build your budget, you make many choices. Which grants will you pursue? How deeply will you engage with individual donors? Do you have the potential to earn money from your programs? Which mix of revenues will make you resilient and self-sufficient?

You've got lots of options – that's the good news – but not every option is relevant to every organization.

Consider the following facts and principles.

Who Gives You Money?

Broadly speaking, nonprofit organizations generate revenue in three ways:

1. Grants are provided by charitable foundations, corporations, and government agencies: federal, state, local, and so on. In addition, some service clubs and faith-based organizations offer grants.

Nearly all grants require an application or proposal. Some funders pre-select groups and invite proposals, and not everyone is invited.

2. Individuals give in many ways, ranging from membership and automatic monthly giving to major gifts. (You decide what "major" means, based on the budget and culture of your group. These gifts are usually solicited in person.)

People also contribute online, via crowdfunding sites, and at benefit events. Some give through their workplaces; others use donor advised funds. Many individuals include

> "Smart organizations weigh the pros and cons of each."

TABLE 1: PROS & CONS OF THE THREE TYPES OF REVENUE

PROS	CONS
Grants	
Large amounts; short-term, it's a good return on the time invested	Competitive; lousy odds of success
Good source for program funding	Mostly restricted money
Get organized! You need goals, impact metrics, budgets, etc. in your proposal	Possible mission drift: "chasing grants"
	Government grants are affected by outside forces that are hard to control
Individuals	
Lots of options: more than half the population gives to nonprofits	Donor retention and upgrading take time and investment
Unrestricted money	Board resistance – this is the category where boards can potentially help the most, but often don't
Demonstrates community support	
"Lifetime value" – donor giving adds up over time	
Earned Income	
Requires strong financial systems	Tendency to under-price and therefore lose money on fee-based programs
Potential for greater program impact through participant investment	Some programs can't be monetized
Diversifies revenue	Can be controversial or challenging, especially if you serve low-income participants
Mostly unrestricted income	

nonprofits in their estate plans and bequests – these are known as planned gifts or legacy gifts.

3. Earned income is generated by charging for your services – for example, program fees or tuition. Some organizations sell products related to their charitable mission, while others receive investment income from their reserve funds or endowments.

Of these three categories, earned income is the largest source of funding for U.S. nonprofits. If that's not part of your revenue mix, ask yourself: Why not?

Pros & Cons of Each Strategy

Each flavor of money carries its own benefits and risks. Table 1 offers a simple summary.

As you can see from this table, "free money" doesn't exist. Each strategy has potential but also comes with risks and challenges. Smart organizations weigh the pros and cons of each and build their fundraising plans accordingly.

Why Diversify?

The most resilient groups raise money from a variety of sources. This approach offers more opportunities to grow your budget while mitigating the risks of losing a primary grant or donor.

Here's an example. During recessions, the organizations with the most diverse revenue make it through with the least pain. In contrast, groups that rely primarily on government funding suffer the most.

The time to diversify is now.

How Do You Benchmark Income Diversity?

There's no optimal ratio – for example, 20% grants, 50% individuals, 30% earned income – that's relevant to every organization, because every circumstance is different.

Nonetheless, I humbly propose these three benchmarks:

1. The big funder test: If you receive more than one-third of your budget from one foundation, one donor, or one government contract, watch out. If that grant or gift goes away, you'll struggle to survive.

2. The unrestricted income test: Ideally, you want at least two-thirds of your operating budget to be unrestricted

CONTINUED ON PAGE 12

money. This usually comes from individual donations and program revenue, rather than grants.

Unrestricted money provides maximum flexibility to run your organization as you see fit.

3. The "Who owns your organization?" test: Once upon a time, I met with representatives of a nonprofit that needed advice. I asked them, "Who owns your organization?"

"Our members," they said proudly.

"Excellent. And what percentage of your budget comes from membership donations?"

Their answer was worrisome: Only 10% came from the membership, while the balance came from foundation grants. As we talked through the implications, the group became uncomfortable.

Like it or not, your biggest investors tend to have the greatest ownership stake and therefore the most power over mission, strategy, programs, and so forth.

In the ideal world (which isn't always the real world), the community members you serve and engage – your customers, clients, participants, and members – would be your primary owners and investors. As you build your budget and your fundraising plan, keep that in mind.

Andy Robinson (trainyourboard.com) is a consultant to nonprofit organizations and author of What Every Board Member Needs to Know, Do, and Avoid: A 1-Hour Guide *and* Train Your Board (and Everyone Else) to Raise Money *(co-written with Andrea Kihlstedt).*

> "If that's not part of your revenue mix, why not?"

Answering the Income-Mix Question

For more on the three main sources of income and finding the best mix for your organization, see these articles at NonprofitWorld.org:

INDIVIDUAL DONORS

Three Simple Questions that Get Donors to Give (Vol. 35, No. 2)

Are You Making These Mistakes in Your Fundraising Letters? (Vol. 37, No. 4)

Improve Your Special Events (Vol. 30, No. 5)

Why Focus on Bequests? The Facts Tell the Story (Vol. 36, No. 4)

GRANTS

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

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

Two Keys to Successful Grant Proposals (Vol. 15, No. 3)

How Much? Five Factors to Consider When Choosing a Grant Request Size (Vol. 31, No. 3)

EARNED INCOME

Looking for Customers Rather than Handouts (Vol. 22, No. 6)

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

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

Six Tips for Better Pricing (Vol. 30, No. 4)

A GOOD MIX OF INCOME

From Government Funds to Income Diversity: A Map For The Quest (Vol. 35, No. 4)

Not a "Someday" Dream: The Steps to Sustainable Income (Vol. 37, No. 4)

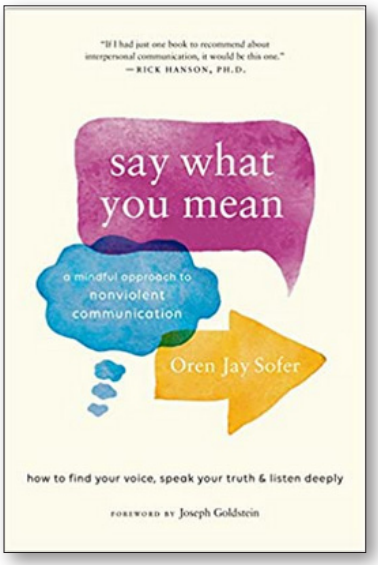
Purging Misinformation, Hearsay, & Errors about Nonprofit Income (Vol. 34, No. 4)

Cracking The Diverse-Income Code (Vol. 35, No. 1)

How to Find Your Voice, Speak Your Truth, & Listen Deeply

These skills will benefit you and your entire organization.

Reviewed by Terrence Fernsler



Say What You Mean. *By Oren Jay Sofer. Softcover. 286 pages. Shambala Publications, shambhala.com.*

Communication in Western society tends to be task-oriented, even in relationship-oriented contexts such as nonprofit organizations. In *Say What You Mean,* Oren Jay Sofer describes how to be more aware of our thoughts, perceptions, and emotions in order to balance task and relationship types of communication. By being thoughtful about how we express ourselves, we can develop less polarizing communication and accomplish more.

Sofer suggests techniques he learned from Eastern studies to help us become more relational. Relational attitudes toward communication create more understanding, something that will benefit nonprofits in achieving goals together.

> "Communication is often used to exploit fear."

Communication is often used to exploit fear, driving us toward polarization, hatred, and violence. But it can also be inclusive, bringing us together and preventing violence of all forms. Such inclusive communication doesn't just happen. It's something we need to learn. It takes mindfulness and practice.

This book provides communication methods we can use to meet the needs of our organizations, our stakeholders, and ourselves. Using the principles offered here, we can change our communication approach to one of mutuality and understanding.

Perhaps the book's only limitation is that it restricts itself to one-on-one situations, omitting the group communications so common to nonprofits. Its great strength is the way it encourages us to consider communication in a holistic way. As a result, we're likely to take a closer look at the way we communicate and make changes for the better.

Terrence Fernsler, MNPL, PhD, has been a nonprofit professional for over 35 years. He is currently an instructor and advisor in the James Madison University Nonprofit Studies minor program, an instructor in the Nonprofit Management and Leadership for the Master of Public Administration in the Bush School of Government and Public Service at Texas A&M University program, and principal of Sustainable Nonprofit Leadership Strategies.

Be Mindful about How You Speak, How You Listen, & How You Respond

Unconscious patterns of communication can create misunderstandings. The result can be hostility and even violence, as Oren Jay Sofer warns in *Say What You Mean.* He offers helpful advice for making your conversations more intentional, thus uniting rather than separating you from others:

- **Avoid words** that exaggerate or interpret, such as always, never, ever, whenever.
- **Make "I" rather than "you" statements.** For example, say, "When I hear . . ., I feel. . . ." rather than "When you say . . ., you make me feel. . . ."
- **When giving feedback, be specific** about what is and isn't working and why. Rather than just saying "Thank you," describe what the person did that you liked and why you liked it.

As you work to improve your communications, practice using these phrases:

- **"Can we sit down together** and look at what we both need, and see how to work this out?"
- **"Here's what** I hear you saying. . . . Do I have that right?"
- **"Tell me** more."
- **"Anything else** you'd like me to understand about this?"
- **"Yes,** that's important. Can we finish talking about this first and come back to that in a moment?"
- **"What's leading you** to say no? Do you have other ideas?"
- **"Could we explore** some other options that might work?"
- **"I'd like some time** to take that in. Could we pause for a moment?"

What Can Your Angry Customers Teach You?

Instead of seeing complaints as attacks, see what you can learn from them.

By Joe Curcillo

If it hasn't already happened to you, it will soon enough. Your phone rings, and you're suddenly faced with an irate customer. Perhaps it's a client who is unhappy with your organization's services or a donor or board member who feels slighted and unappreciated.

Whoever it is, the way you handle the next few seconds will determine whether the caller will continue to support your organization. Not only that, but your response may be the difference between whether the customer ends up criticizing or praising your organization throughout the social media world. If the animosity is great enough, the fallout could cause serious damage to your organization's reputation.

So, how should you respond? It's a tough situation, but it will be easier if you're already prepared. Preparedness comes by having the structure in mind that will allow you to control the situation. As you listen to the complaint, pay attention to how the caller became disgruntled, and match their words to the organizational structure and discipline that you have in place. Many times the caller has reached your desk because someone in the chain of command failed to listen and address their concerns.

Let's begin with the approach. How you manage your response will define the experience as educational or confrontational. Keep in mind that the best way to initiate control is to take the high ground – not just the high road of virtue and doing the right thing, but the high ground as a vantage point to observe the situation as a whole. Prepare to remove yourself from the fray and look at the big picture. The best means of accomplishing this is to remember the following rules.

Don't speak until you've truly listened.

The opposite of speaking isn't listening — it's waiting to speak. Listening is a separate task, and in fact is an art. If you're waiting to speak, you're preparing to address the other person with words.

Step back, and let the speaker talk. As you listen, don't formulate your responses. Instead, follow the speaker with an eye toward understanding the nature of the accusations and allegations.

Resist the all-too-natural urge to react defensively. Effective communication hinges on your understanding of their argument, not on the merits of your own. There's no benefit to pointing out your position until you've heard theirs.

> "If it hasn't already happened to you, it will soon enough."

Taking control requires you to pay attention so you can use all you've heard as you map out your proposed solution. Adopting the other person's arguments in your solution will make it much more difficult for a person to rebuff your offer of resolution.

Identify the true nature of the complaint and the complainant.

There are many reasons why a person will complain. For example:

Some people are simply disappointed with your entire industry. Perhaps they've heard stories about fraud and inefficiencies in the nonprofit sector and have become suspicious of all nonprofit organizations. In such cases, you need to set yourself apart from the herd and let the speaker know that you care.

Some complaints are born from a lack of clear expectations. Explore people's concerns and guide them back to a more realistic path.

Many complaints are rooted in poor communication. Sometimes people misunderstand a fundamental fact, and this confusion gets them off on the wrong foot. It's essential that you speak to these complainants as you would to a friend. Explain the situation in clear, simple vocabulary without jargon, but don't allow yourself to come across as condescending. Remain social and human as you address your customer.

People may be upset about something different from your first assumptions. Never assume you know how they feel or why they feel that way. Ask plenty of questions to clarify the root cause of the problem. You may find that they're mad about something deeper than what they're complaining about or even what they think the trouble is.

The most common hostile customer – and the easiest to deal with – is the one who just wants to be heard. You've probably already dealt with people like this. They express every detail of their complaint to every person in your organization. They tell their story to the parking lot attendant as they park their car and to each person they encounter en route to the manager's office. Their repeated rehearsal of the story should be your first indication that all they need is understanding and reassurance. They want someone to listen; step up and make that person you.

Focus on areas in which you and your organization can improve.

Learn. Even the most irrational or self-absorbed customers can teach you valuable tools to improve service. As you listen, consider steps you can take to keep situations like this one from happening again. By looking for areas of improvement in each and every conversation, you'll not only actively listen, but you'll enjoy the opportunity to grow and become better.

Ask yourself these questions.

Consider the following checklist as a starting point. Obviously, your organization may have specific questions or concerns that you should also consider. Allow these thoughts to operate as a springboard into your next irate customer moment.

With whom have they spoken?

Have they allowed their anger to fester?

What remedies have failed?

Is the problem real or imagined?

Is the problem related to a personality conflict with the representative with whom they've been working?

What do they expect? Are their expectations reasonable? Are these expectations something you can address?

How many people have they spoken with at your organization? Have these people given them sound advice or bad advice?

Is their disappointment with your organization, a specific situation, or a specific person?

Have they been given good advice but the problem rests with their inability to understand and listen?

What can I learn from the situation to improve my organization?

Joe Curcillo, "the Mindshark" (themindshark.com), is a speaker, entertainer, lawyer, and communications expert. As an adjunct professor at Widener University School of Law, he developed a hands-on course based on the use of storytelling as a persuasive weapon. He has been a professional entertainer, helping organizations improve their communication techniques, since 1979.

More Lessons in Communication

For more insights, see these articles at NonprofitWorld.org:

Are You Delighting Your Customers? (Vol. 18, No. 5)

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

Eight Steps to Managing Conflict (Vol. 20, No. 4)

Be a Better Leader by Being a Careful Listener (Vol. 37, No. 1)

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

Seven Kinds of Listeners & How to Approach Them (Vol. 39, No. 2)

Unleash the True Power of Conversation (Vol. 37, No. 2)

Why Feedback Is the Key to Your Success (Vol. 35, No. 3)

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

Planning for the Quiet Disasters: Technology Mishaps

Ask yourself these questions about your vulnerable areas.

By Christy Grano

When you hear the word "disaster," you probably think of natural disasters such as hurricanes. But in the risk-management world, technology disasters immediately come to mind. An unexpected loss of data or communication can bring an entire organization to a halt if power, internet, e-mail, or cell service is compromised.

Information-technology professionals use the word "disaster" to refer to data loss because the loss of records, websites, files, and other data is so devastating to an organization. This kind of disaster can be caused by internal mishaps like an employee losing a laptop, a sprinkler system going off in a server room, or a colleague accidentally wiping a financial record. Losses also come from outside in the form of ransomware, phishing attacks, or other cybersecurity threats.

Unfortunately, many nonprofit leaders are unaware of where their technology and data live, much less what steps to take if they are lost. To combat technology risks, thoughtful organizations develop two things:

- **disaster recovery plans** to map out recovery strategies for various types of data loss
- **business continuity plans** to assure that critical operations continue through a technology mishap.

Ask These Questions about Three Key Areas

Rather than anticipate every technology disaster that could occur, delve into tech risks by focusing on three areas of vulnerability:

1. Data:

What kinds of data does your organization possess and use? It's fairly certain that you have important data in the form of valuable e-mails, personnel files, financial records, and volunteer information. You could even have bank information in the form of copied checks or passwords to bank accounts.

How much space is your information taking up, and how quickly is it growing? Keep in mind that scans, photos, videos, and presentations can take up more space than other types of data.

Where is your information physically stored? Every type of data lives somewhere, even data stored in "the cloud."

> "Loss of data can bring an organization to a halt."

Are you aware of backup information and how it's stored?

Do you know how to restore information if it is lost or compromised?

What is the order of priority if more than one type of data is lost? What information is most critical to essential functions in your organization? When disaster occurs, which data should be restored first?

2. Communication:

What forms of communication does your organization depend on most? Many organizations plan for a breach in data but not for a gap in communications. E-mail, text, and cell phones are likely the lifeblood of your organization, so it's essential that you know what to do if these forms of communication are lost.

Are there backup communications to get you through bumps in the road if power is lost, cell service is out, or an internet provider drops service?

Do you know what communications are most critical in a crisis so you know where to focus first? Usually e-mail and internet are the most important, but for some organizations internal networks or phone lines may come first.

Do members of your team know what to do if go-to communications are unavailable?

3. Personnel:

Are your data and communications highly dependent on specific in-house or contract personnel? If that's the case, do you have a plan to cope in the absence of those key players? If your data and communications are managed by a single person, you're exposed to avoidable chaos or interruptions in service if that person is unexpectedly unavailable.

To what extent have others been cross-trained to step up and pitch in to manage and trouble-shoot systems and IT resources when the principal players are on injured reserve?

Have you documented these steps and processes in a desk manual, procedures document, or simple "how to" guide customized for your IT environment?

If your answer to any of these questions is "I don't know," resolve to get up to speed with the answers *before* the information is lost, the phone lines are down, or the webmaster gets the measles!

Plan for Technology Problems

A bit of good news is that since technology concerns and risks are virtually universal – regardless of organization type or size – there are countless resources, advisors, and tools to help organizations anticipate and prepare for technology mishaps. With so much critical information being sent back and forth on the internet today, technology providers are motivated to provide secure data solutions. With the help of a knowledgeable IT professional, affordable plans can be created to prepare for most types of technology loss.

Reinforce & Test Your Plans

After identifying assets and exposures related to data, communication, and personnel, it's time to put a plan in place to reduce the time it takes to get back up and running with your regular IT resources. Don't forget to test and reinforce your recovery and backup plans. Organizations that conduct emergency drills and tests are much more likely to find calm in the storm of a true crisis.

Reinforcing your policies and practices can be as simple as doing the following:

- **reminding employees** where an emergency handbook can be found
- **including your plan** as part of new-employee orientation sessions
- **conducting data-recovery exercises** on a regular basis.

A robust, tested plan will be well worth it when a real technology disaster arrives.

Christy Grano (christy@nonprofitrisk.org) is senior consultant at the Nonprofit Risk Management Center. The Center teaches leadership teams how to take thoughtful risks and make their nonprofit missions more resilient.

Lessen Your Vulnerability

Learn more ways to reduce tech risks at NonprofitWorld.org:

Don't Get Caught by Phishing Schemes (Vol. 35, No. 2)

Nine Surefire Steps to Lock Down Your Cybersecurity (Vol. 36, No. 3)

Wire Transfer Fraud: It Could Happen to You (Vol. 35, No. 3)

Keep Your Online Identity Safe (Vol. 35, No. 4)

The Purposeful Techie: Nonprofit IT with Intention (Vol. 30, No. 5)

What to Do When an Employee Becomes a Cybercriminal (Vol. 39, No. 4)

Don't Go It Alone in a Crisis (Vol. 37, No. 2)

Mitigate Cyber Risks with the Right Security Controls (Vol. 36, No. 1)

Who Will Be Your Best Employee?

What should you look for during the hiring process?

By Walt Grassl

Bob and Mark, new nonprofit managers, were discussing hiring strategies for an upcoming college job fair. The conversation turned into a debate on what type of graduate made the best employee.

Mark prefered to hire the 4.0 GPA graduates, regardless of how driven they appeared or how well they seemed to "play with others." He figured he could instill the drive and the teamwork.

Bob believed in hiring people who were smart but not necessarily the smartest. He focused on those with 3.0 and above GPAs who demonstrated good collaboration skills. He figured that they were smart enough to learn and that teamwork would carry the day.

Patricia, a seasoned manager, joined the discussion. She believed that intelligence and high GPAs weren't the most important factors in choosing good employees. Instead, she liked to hire people who were hard workers. As long as people had a minimum amount of talent and intelligence, hard work would make them successful, she believed.

Who Has the Best Hiring Strategy?

Patricia is right. Hard working people make the best employees. Determination and perseverance are crucial traits in the workplace. You want employees who are determined to get things done, make things happen, and find better ways of doing things. Hard workers have honed those skills.

People are more likely to continue in the face of adversity if they think intelligence is only peripheral to their future success. Studies reveal that when facing difficulties, those who believed they could transform their performance through effort not only persevered but improved, whereas those who believed that intelligence was everything regressed.

When seeking productive employees, persistence and purposeful effort are more important than talent and intelligence. Without hard work, few will find a level of productivity that will pay off for your organization over time.

> "When people are praised for their intelligence, they tend to avoid risk."

What Should You Look For, & What Should You Ask?

Here are some qualities that indicate workers' ability to rise to the occasion, along with questions that will help you pinpoint people with those traits when you're interviewing potential hires:

ABILITY TO ADAPT TO CHANGE

In the workplace, success often depends upon the ability to change from one process to another. Highly intelligent people often have a set way of doing things and it works extremely well for them. They don't like to change what worked in the past. Change requires hard work, and many intelligent people aren't so flexible.

In your interviews, ask people to describe times that they were required to make large changes. Ask them how they were able to adapt.

INTEREST IN LEARNING

Many intelligent people feel that they don't have anything new to learn in their chosen field. They believe that what got them there is enough.

Those who are determined and who work hard often spend a lot of time and effort to maintain their skills and learn new ones. They frequently possess the most current knowledge of new technology and ideas. Having employees who will improve themselves over and above your organization's sponsored training is critical to an organization wanting to innovate and grow. No matter how smart they are, the lack of initiative, curiosity, and eagerness to improve will keep them in the mediocre zone.

Have interviewees tell you the most interesting new thing they've learned lately and how they learned it. Notice their body language to see if they're enthusiastic about the idea of gaining knowledge. If they haven't learned anything recently that excites them and if their eyes don't light up as they talk about it, they're unlikely to transform your workplace with the new ideas your organization needs.

> "The best goals are "stretch" goals – challenging but attainable."

REALISTIC EXPECTATIONS

People who are highly intelligent may believe they're entitled to high pay levels, promotional opportunities, and unwarranted admiration. They can be the workplace equivalent of rockstars. Those who succeed based on hard work tend to have more realistic expectations.

Ask interviewees what they expect from the job. You'll get a sense of whether their perspective is skewed and self-important or reality-based and down-to-earth.

WILLINGNESS TO TAKE APPROPRIATE RISKS

Studies have shown that when people are praised for their intelligence, they tend to avoid risk when given a choice in their next assignments. Why? If they're less than perfect in the future, they're afraid of not looking as smart. However, when people are praised for their hard work, they tend to welcome more challenging assignments.

While interviewing job candidates, probe their feelings about taking appropriate risks. Are they always challenging themselves? Do they like to take on ever-more-difficult tasks?

GOAL SETTING

People who set goals are usually more successful than those who don't. The best goals are "stretch" goals. Stretch goals are challenging but attainable. Hard workers tend to set such goals for themselves. They gain satisfaction from setting and working toward new targets. Unlike many highly intelligent people, hard workers avoid resting on their laurels.

In your interviews, ask people where they see themselves in a year, two years, five years. Note whether they have a plan to develop and improve themselves. Consider whether their goals are ones that will stretch them, challenge them, and help them grow.

Walt Grassl (waltgrassl.com) is the author of Stand Up and Speak Up. *Walt's accomplishments include success in Toastmasters International speech contests and performing standup comedy at the Hollywood Improv and the Flamingo in Las Vegas.*

More on Picking the Best

See these articles at NonprofitWorld.org:

Three Top Tips to Attract, Energize, and Retain Winning Employees (Vol. 31, No. 1)

The High Cost of Employee Turnover – and How to Avoid It (Vol. 31, No. 3)

Hiring a Concern? Learn What Talent Magnets Do (Vol. 24, No. 5)

Seven Steps to Hiring & Keeping the Right Person (Vol. 32, No. 4)

Take the Gamble Out of Hiring with Assessments (Vol. 25, No. 4)

When Your Beloved Leader Leaves: Finding the "Perfect Successor"

Reframe the situation to drive positive change.

By Naree W.S. Viner

As millions of people retire, many nonprofit organizations are losing their beloved founders or long-term executive directors. Replacing the person synonymous with the organization (and its successes) can be challenging.

Board members tasked with finding the "perfect successor" often find it difficult to separate the individual from the institution. Therefore, the search process hinges on board members reframing their thinking to find the next leader who will help drive positive change.

While it may be difficult to imagine an organization without its long-time leader at the helm, if done carefully and strategically, it's possible to recast this situation as an *opportunity* for the board to honor the leader's legacy while simultaneously positioning the next leader for success.

Tips to successfully manage this potentially tricky transition include:

Expect This to Be Emotional

Saying good-bye to a long-time, beloved leader is hard. It's human nature to resist change and crave stability, so a leadership transition often involves feelings of sadness, stress, and uncertainty. Employees may fear the unknown, worrying that the new leader will have a different management style, want to build a new team, and make large changes.

> "Plan disruptions as part of your content."

Think Big Picture

Begin by asking these questions:

- **What are your organization's highest-priority goals?** Do you want to boost fundraising, recover from a deficit, create a better operational model, increase diversity, strengthen your endowment?
- **What kind of leader will help your organization get where it needs to go?** What strengths, skills, and experience will help your organization grow, thrive, and reach its most vital, high-priority goals?

Avoid Leader 2.0

The organization's mission may be so affiliated with the leader's ideas and vision that it can be difficult to envision replacement. The board and staff often want the *exact same type of leader* but that's not necessarily the right move.

Leadership needs change as an organization evolves; organizations require different leaders at different moments. For example, a leader who excels in a start-up phase may require a successor who is geared toward stabilizing systems after a period of growth. Recognize that change can be valuable in driving an organization to its next successful chapter.

Fix the Flaws

Long-time leaders are likely doing a solid job overall, but may have some flaws that the organization has overlooked over

the years. Perhaps the leader was outgoing and personable, great at engaging stakeholders and donors, but not great at business and operations. Or the leader may have been a brilliant visionary with amazing ideas yet not an effective day-to-day leader.

Take a hard look at the departing leader's weak spots. Embrace the opportunity to bring on a new leader who has the strengths your organization may have been lacking.

Gain Fresh Perspective

When leaders are in place for a long time (10 years or more), they can become more "stuck in their ways" and less adaptable to change. This inertia is common. Everyone in the long-term leader's sphere tends to react to new ideas by saying or thinking, "But this is how we've always done things."

Becoming stagnant can prevent organizations from reaching their full potential. New leaders, with fresh ideas, energy, and perspective, can help organizations evolve, grow, and reach new levels of success.

Talk to the Team

Have honest conversations with the board and staff at all levels. Find allies who recognize and support the need for change. Ask the team:

- **What's working,** and what gaps need to be filled?
- **What do you envision** for the organization's future?
- **With the right leader, what will be different** in five years and what will be the same?
- **What are we proud of** and want to retain? Growth? Diversity? Social responsibility?
- **Is the organization's mission** still relevant?
- **What needs** to change?

Let Go of Fear

The board and staff may panic when they hear their long-time leader is leaving. They may worry about losing the leader's institutional knowledge, strong relationships, and familiar leadership style. Yes, your leader has a great network, deep knowledge of the organization and its history, and a passion for its mission. Change is hard and scary but it doesn't have to be bad.

You'll be better off in the long run by staying positive. Trust that your new leader will be fully capable of doing great work, and will bring new vision, inspiration, and contacts to help the organization's continued success. Give your new leader the opportunity to succeed.

Celebrate the Departing Leader

Acknowledge and honor the long-term leader's legacy and accomplishments in memorable and meaningful ways. Provide a final "victory lap," with events, tributes, and accolades over the course of several months, to place a well-deserved spotlight on the departing leader. Then, encourage a graceful exit.

You may be tempted to keep the former leader involved in some way. As a general rule, however, leaders shouldn't have an active role in the organization (or on its board) immediately after they leave. Continued involvement by ex-leaders can make it awkward and difficult for successors.

While it can be challenging to separate the individual from the institution, know that your long-time leader isn't synonymous with the organization and its future. A new leader can bring valuable skills, experience, contacts, and perspective to help your organization thrive moving forward.

Embrace Something New

Help everyone in your organization welcome leadership change by sharing articles such as these at NonprofitWorld.org:

- **What to Do Before a Long-Term Leader Departs** (Vol. 30, No. 5)
- **Overcome People's Resistance with These Steps** (Vol. 38, No. 3)
- **Why Wisdom Is Being Lost – and How You Can Capture It** (Vol. 27, No. 6)
- **Before You Hire an Executive Search Consultant** (Vol. 13, No. 6)
- **Founder's Syndrome: How Founders & Their Organizations Recover** (Vol. 16, No. 6)
- **Risk & Your Brain** (Vol. 38, No. 4)
- **Match Your Change Strategy to Your Organization's Maturity** (Vol. 21, No. 5)
- **Grounded Visioning: A Quick Way to Create Shared Visions** (Vol. 26, No. 4)
- **Why Succession Planning Is an Outdated Concept – & What to Do Instead** (Vol. 40, No. 1)
- **Will & Vision: Keys to Advancing Your Organization** (Vol. 26, No. 2)
- **The Board Member's First Duty: Accountability** (Vol. 18, No. 6)
- **How to Tap into Purpose to Motivate People** (Vol. 38, No. 2)

Naree W.S. Viner, Managing Director at Koya Leadership Partners (koyapartners.com), has deep experience in executive recruiting with an exclusive focus on mission-driven clients. Naree has partnered closely with board members at prominent public and private organizations to identify, develop, and evaluate executive talent. She has recruited chief executives and senior team members for many organizations.

Craft a Customer-Centric Culture

The secret is simple: Reduce pain, increase pleasure.

By Tron Jordheim

Your customers are the source of your organization's revenue and the key to fulfilling your mission and goals. That's why it's so important to create a culture that puts them at the center of everything you do.

Here are six touchstones to establishing a customer-centric culture:

1. Know Your Customers

First, be clear about who your customers are.

Your primary customers are the people your organization exists to serve.

Your secondary customers might include foundations, individual donors, and other funding sources.

Your internal customers include your staff, board members, volunteers, and others who work for your organization.

You'll want to focus your efforts on your primary customers, of course, but don't forget your other stakeholders. They include everyone your organization touches and everyone you'd like to influence.

It's important to know who all your customers are, how they feel about your organization, and how you can meet their wants and needs. Reaching out to them, asking them questions, and listening to the answers will provide a solid base for all your efforts.

> "An experience-audit identifies your customer type."

2. Audit Your Customers' Experience

An experience-audit helps to identify your customer type and to model your organization based on their needs. When you put yourself in your customers' shoes, you know how to serve them best – and build a successful organization in the process.

Put yourself in the mind of your customers by conducting a simple audit of the pains and pleasures involved in their interactions with you. Make two columns on a piece of paper and title one *Pain* and the other *Pleasure* and walk through the entire process your customer walks through while dealing with you. Track each perception of pain or pleasure. You may be surprised at the number of negatives.

> "It's vital to know who your customers are."

Next, eliminate, mitigate, or counteract each of the negative points. Then heighten each experience of pleasure as much as you possibly can.

Of course, some pain may be inherent in the activity, as when you ask people to open their wallets and hand over their hard-earned money. But you can counterbalance that pain by making it clear that the gains will be worth it.

Instead of a button on your website saying "Donate" or "Give," for example, you might say something like, "Change a child's life" or "Move a family out of poverty." Focusing on the concrete payoffs that customers will receive makes them willing to accept the pain of ending up with less money.

3. Learn Your Regulars

Your regular customers become your mouthpiece in the market: recruiting new customers and support simply by word-of-mouth praise. When you form longstanding relationships with your regulars and recognize their individual likes and dislikes, you can tailor an experience that feels distinctly personal.

4. Hire People Who Mirror Your Culture

All your effort to make your organization a one-of-a-kind, individualized experience is negated if your staff members don't mirror these values and ideals. Your employees are the keepers of your culture: the ones who maintain your operating standards, customer-service practices, and

> "Your customers include everyone you want to influence."

> "Your employees are the keepers of your culture."

the atmosphere that distinguishes you from any other organization.

You must be meticulous with your hiring practices to ensure you're bringing the correct people on board. Reject candidates who don't parallel your customer-centric model. Instill in your new hires your passion for meeting – and exceeding – your customers' wants and needs.

5. Trust in Feedback

Considering any and all feedback is a major part of running a thriving organization. Your experience-audit will help you determine the validity of the input you receive. But even if you don't take action on every piece of feedback, you should always heed what your customers are saying. Be sure you let them know you're listening to them, respect their opinions, and are happy to hear from them. Follow up with them, and let them know the results of their advice.

Or, if you can't act on their input, explain why. Ignoring feedback is a sure way to lose support and good will.

> "Track each individual perception of pain or pleasure."

6. Honor Your Promises

If your services don't live up to the assurances you give, people won't return. There must be a direct parallel between the way you treat people and what you promise them. Otherwise, your base will dwindle.

Your customers, like everyone else, are subject to conditioning. They want to repeat actions that bring them pleasure and avoid those that cause pain. They go through this process during all contacts with you, and it's paramount that they finish every one of those experiences with a desire to return. A customer-centric culture defines you and is the key to your success.

Tron Jordheim (tronjordheim.com) is an entrepreneur, public speaker, and blogger. He consults on marketing, people management, and cultural competency (jordheimconsulting.com).

More on Pleasing Your Customers

You'll find these and other articles on shaping a customer-focused culture and exceeding your customers' expectations at NonprofitWorld.org:

- **Are You Delighting Your Customers?** (Vol.18, No. 5)
- **Surveys Provide Crucial Feedback** (Vol. 22, No. 5)
- **Quick and Dirty Research** (Vol. 19, No. 2)
- **How to Keep Your Customers Happy: Market Research Is the Key** (Vol. 14, No. 4)
- **Turn Your Board Members into Strong Owners** (Vol. 28, No. 2)
- **Total Quality Management: Adopting a Customer-Oriented Philosophy** (Vol. 11, No. 2)
- **The Peer-to-Peer Fundraising Evolution** (Vol. 30, No. 6)
- **Focus on Your Customers as Well as Your Clients** (Vol. 22, No. 2)
- **Tell Me a Story: Using Case Research to Discover Unmet Needs** (Vol. 17, No. 5)
- **Empower Your Employees to Be Mini-Marketers** (Vol. 25, No. 6)
- **Grounded Visioning: A Quick Way to Create Shared Visions** (Vol. 26, No. 4)
- **Looking for Customers Rather than Handouts** (Vol. 22, No. 6)

Don't Overlook the Stakeholder Survey – a Key Tool for Success

Be sure you're meeting people's needs with this indispensable resource.

By Celeste Frye

A crucial tool that nonprofits often neglect is the stakeholder survey – a questionnaire to help you understand the people you serve. Without such surveys, you can stray from your mission and strategy.

Of course, conducting a stakeholder survey isn't as simple as dashing off a few questions and clicking "send." You need a plan to ensure you'll get the answers you need. Below, find four steps to creating your next stakeholder survey.

1. Do your homework.

Before getting to work on the survey itself, it's essential to have clear, concise answers to big questions like: ***What are the intentions of our survey?*** And, ***Who are our stakeholders?*** The answers will be your guiding stars through the rest of the process.

The first step is to determine the specific insights you're hoping to glean. For example, your goal may be to learn how you can effectively expand your programming. Or, conversely, your goal may be to determine what programming is superfluous and can be phased out.

Then, think about stakeholders who can provide insights that will support your goals. Make sure you understand their specific needs. That way, you can tailor the survey to them.

2. Craft it with care.

Think through the substance, word choice, and style of each question. Avoid broad and overly general questions. They won't capture useful data. Instead, carefully craft each question to be as specific as possible. For example, if you're a college or university, don't simply ask students, "How was your semester?" Instead, ask, "How did you find the quality of your science labs?" or "Did you take advantage of the writing center?"

Use language that's clear and accessible to your audience. It's easy to fall into a trap of using acronyms or jargon. Casual observers aren't as familiar as you are with the concepts you use every day, so take time to introduce each idea fully. Have a colleague or stakeholder review your survey for word choice before you release it.

> "Don't assume everyone has internet access."

Also ensure you're crafting the survey with an open mind. Reaching conclusions before a survey is launched is a surefire way to fail. The point of a survey is to collect insight, not confirm assumptions. Surveys should be unbiased and free from leading questions.

It's not just the survey questions that need careful thought – it's the survey style, too. Survey flow should be tested multiple times for simplicity, clarity, and user experience so that the launch runs smoothly.

3. Take distribution seriously.

It's crucial to prioritize distribution. If you don't, your survey won't get into the right hands.

Make certain that you have effective and equitable distribution plans. Understand your stakeholders' preferred form of communication. If it's a younger audience, an app-based survey may work best. If it's an older audience, a web-based or paper survey could be a better option.

It's a good idea to make surveys available both online *and* offline. Don't assume everyone has internet access. For example, during a recent survey that Public Works Partners facilitated for the New York City Housing Authority, 30% of responses were pen-and-paper based.

Similarly, always consider your stakeholders' availability: Are they able to commit one hour to a survey, or just 10 minutes?

Another key distribution strategy entails partnership. Your nonprofit can partner with community organizations – from libraries to youth groups – to help distribute surveys. Nobody knows communities better than those who directly serve them.

4. Analyze your results.

Start analysis immediately after you launch the survey, not weeks or months later. At this stage, analyze how many people are taking the survey and how they're accessing it. This can yield helpful insight to drive better distribution.

Traditional survey analysis – that is, a close look at the answers themselves – should begin after the survey is closed to respondents. This analysis must be done carefully and with one or more team members versed in mid-to-high-level statistics. While basic statistics can provide basic findings, many helpful survey takeaways are visible through more complex statistical analysis.

Finally, use your analysis to make change. The whole impetus of a stakeholder engagement process is to gather feedback

> "The point is to collect insight, not confirm assumptions."

that can help your organization better meet its goals. So, use what you learn. Apply findings garnered through the analysis of feedback to make appropriate changes. And be transparent about this process. By showing you've followed up on the feedback you received, you build trust with your stakeholders and invite further conversations about how to best serve your community.

As you work on creating your strategic plans, be sure a stakeholder survey is part of your strategy. And don't rush: This survey may well be one of the most important parts of your planning. Using the tips above, you can ensure you're collecting rich data to better understand – and ultimately serve – your stakeholders.

Celeste Frye, AICP, is co-founder and CEO of Public Works Partners LLC (publicworkspartners.com), a WBE/DBE/SBE certified planning and consulting firm specializing in multi-stakeholder initiatives and building strong connections across the nonprofit, government, and private sectors.

What Are They Thinking?

Learn what people think, want, and need by connecting with them on a frequent basis. Build such regular connections into your plans with articles like these at NonprofitWorld.org:

Surveys Provide Crucial Feedback (Vol. 22, No. 5)

How to Keep Your Customers Happy: Market Research Is the Key (Vol. 14, No. 4)

A Quick Way to Tell If Your Organization Is Meeting Its Goals (Vol. 9, No. 3)

Are You Using the Power of Assessments and Audits? (Vol. 14, No. 3)

Quick & Dirty Research (Vol. 19, No. 3)

Why Feedback Is the Key to Your Success (Vol. 35, No. 3)

Using Surveys & Focus Groups to Gather Market Data (Vol. 13, No. 3)

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

Take a Marketing Field Trip (Vol. 30, No. 5)

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

Three Steps to Streamline Your Processes

Improve your processes with these steps.

By Tim Wacker

Here's a thought: Your staff doesn't have to do *everything* to get everything done.

You can streamline common management activities, especially those that are paper intensive, by using digitization and automation. For example, consider automating such processes as:

- accounts payable
- application submission and processing
- case/client management
- compliance with legal and tax regulations
- grant management
- hiring
- records management.

Here are the three steps to optimize such processes and enhance efficiency, accuracy, and cost-savings:

> "Clinging to the status quo is an imbedded human trait."

1. Diagram Existing Processes

The first step is to list the key components of the process you want to improve. These should be fundamental, unchangeable aspects of the process. For example, to identify key components of your grant management process, consider these questions and answers:

Q: What is the goal or desired outcome of this process?

A: To gain funding.

Q: When does the process begin and end?

A: It begins when someone starts the grant proposal application and ends with the announcement of an offer or rejection.

Q: What activities move the process forward?

A: Information gathering, proposal writing, cover-letter writing, internal reviews, and submission.

Q: What employees and departments are involved?

A: Executives, finance department, project manager, and grant writer.

Q: What information is being transferred between steps?

Financial information, project strategies, proposal, and application review notes.

Answering questions such as these should provide you with enough information to map out or diagram an existing process. This will allow your team to visualize automation opportunities. An effective diagram of a process shows the initial task that starts the process, the final result, and every step between. Figure 1 is a diagram of a simple grant application process.

Ideally, diagramming a process and planning for improvements should include input from everyone involved with that process so no detail is left out.

Diagramming a process helps you do the following:

Audit your processes, and remove any unnecessary steps.

Look at the big picture, and account for all types of potential scenarios.

Gather the requirements you need to make improvements.

Produce a visual aid that everyone can agree on – ensuring that everyone is on the same page.

Reduce upfront errors, and prevent unnecessary changes down the road.

Once you've diagrammed your process, you'll have a better understanding of how to improve it.

2. Identify and Alleviate Pain Points

A good example of how to identify your pain points is provided by a community action group in Minnesota. The organization provides energy assistance to low-income families.

The organization's leadership team began by analyzing its grant application process. It discovered that bottlenecks stemmed from filing paper documents, storing them, and finding them later. In other words, managing paper was its major pain point.

Next the team analyzed the tasks involved in processing client requests for home-energy assistance. Again, it found that keeping track of paper records was the organization's pain point.

To address these problems, the team researched digital document management systems and decided to purchase Laserfiche. The resulting automated system allowed the organization to:

Streamline the approval process by automatically routing applications to the designated staff member.

Sort incoming documents much faster to determine grant amounts as soon as possible.

Respond immediately to client inquiries by allowing staff members to retrieve applications from a computer instead of searching through 30 extra-deep, four-drawer filing cabinets.

Easily comply with state-regulated record-keeping standards.

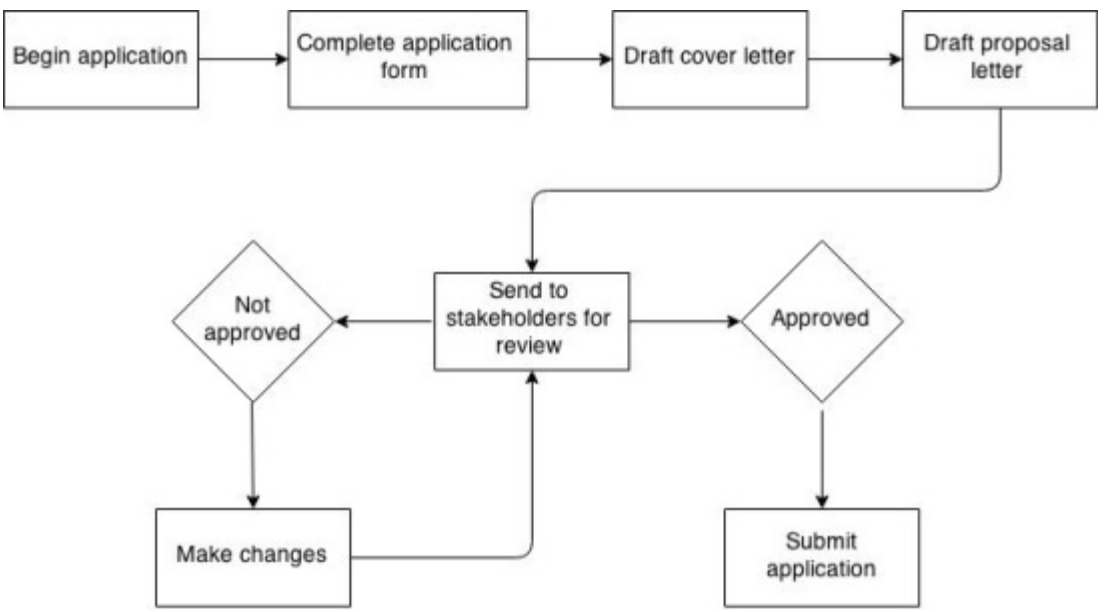
Allow for secure passage of confidential records over the internet.

Automatically create folders to consolidate applications, worksheets, and case note logs.

Assure greater accuracy. Handling records often leads to mishandling them. The same applies to making numerous copies of one file. By eliminating all that, automation decreases errors.

CONTINUED ON PAGE 28

FIGURE 1: EXAMPLE OF HOW TO DIAGRAM YOUR GRANT APPLICATION PROCESS



Accelerate the ability to help households in need. What once took days now takes hours. When clients are faced with having their heat or lights shut off for nonpayment of utility bills, the increased efficiency can save much more than time.

Archive files using an automated indexing module.

Let staff work from home or mobile devices by accessing records through a password secured portal via the internet.

Prepare for biannual audits easily and quickly.

Protect sensitive information while making processes more efficient.

Resolve emergencies instantly. The new software can communicate the status of files immediately – a big help to people in crisis situations.

3. Change the Culture

Unless employees are experiencing discomfort with inefficient processes, they most likely won't respond favorably to change from the start. Even if they're unhappy with current processes, they aren't apt to be enthusiastic about change. Clinging to the status quo is an imbedded human trait.

> "Research shows that nearly 75% of all organizational change programs fail, not because leadership did not adequately address infrastructure, process, or IT issues, but because they did not create the necessary groundswell of support among employees."
>
> – Mark J. Dawson and Mark L. Jones, PricewaterhouseCoopers, "Human Change Management: Herding Cats"

To make change successful, recognize the importance of your organization's culture *before* you make major changes. Take these steps to be sure your culture is one that accepts change:

Use mistakes and errors as learning opportunities. Encourage people to bring problems into the light and deal with them rather than worry about losing face or being reprimanded.

Actively urge people to provide their input. Follow up on their suggestions.

Be sure that everyone who will be affected by a change is involved in discussions and decisions from the very beginning.

Align people's daily activities with your organization's values.

> "Allow for secure passage of records over the internet."

Be an advocate for change. People will follow what the organization's leaders do.

Never try to force change on people. You will only meet defiance. Find ways to enlist staff members as allies in overcoming the natural resistance to change. Help them see how the change will improve their lives in the long run.

During any change process, schedule regular group meetings to let employees air their worries and discuss ways to make the transition easier.

Seize the Opportunity to Improve Efficiency

Optimizing your processes through digitization and automation requires more effort than simply purchasing software. Needs change over time, so an improved or automated process that works well this year might not be as efficient two years from now.

Revisit your processes on a regular basis. Each time you do so, work through the three crucial steps: Analyze existing processes, identify key pain points, and ensure that staff members are on board with the change.

And remember, perfection isn't a goal – it's a process.

Tim Wacker (tim.wacker@nbnpresscom.com) is a Pulitzer Prize winning technical writer for NBN Communications, a writing and research services company.

Making It Work

For more on transforming your organization's processes, see these articles at NonprofitWorld.org:

- **Creating a Values-Based Road Map** (Vol. 23, No. 2)
- **How to Change the World by Changing Your Culture** (Vol. 31, No. 2)
- **The Purposeful Techie: Nonprofit IT with Intention** (Vol. 31, No. 4)
- **Why Feedback Is the Key to Your Success** (Vol. 35, No. 3)
- **The Promise and Pitfalls of Organizational Change** (Vol. 28, No. 4)
- **Grounded Visioning: A Quick Way to Create Shared Visions** (Vol. 26, No. 4)
- **Overcome People's Resistance with These Steps** (Vol. 38, No. 3)
- **Dealing with Change in a VUCA World** (Vol. 37, No. 4)
- **Organizational Culture: It's in the Walk, Not Just the Talk** (Vol. 29, No. 6)
- **Making Better Mistakes** (Vol. 38, No. 4)
- **Accomplish More by Climbing the Productivity Pyramid** (Vol. 36, No. 3)

How to Engage Next-Gen Donors

The next generation of donors want active learning to be part of their philanthropic experience, according to "Next Gen Donor Learning" (johnsoncenter.org). The report describes keys to engaging these donors:

Next-gen donors prefer experiential and peer learning and are eager to learn in these ways. They want to be heard, to step into leadership roles, and to share perspectives. To engage them, create a "brave space" for diverse peer learning, one that allows for candid dialogue and personal growth.

It's essential to keep these young donors on a "journey" that continues beyond a one-time program. Help them hone their skills, evolve their philanthropic approach, and deepen their sense of identity as donors.

Find ways to keep next-gen donors engaged with a peer cohort over time.

Feature examples of young donors who have found ways to implement their giving plans.

Develop coaching and mentoring programs as well as multigenerational family programs to keep donors on track with their philanthropic plans.

Separate different types of content into different programs or stages to meet the learning needs of both novice and experienced donors. Seek help in crafting a curriculum from myriad resources in the field of donor learning. Include identity development, not just facts or technical knowledge, as part of the content.

Estimate honestly the true costs of your donor program, including such intangible costs as professional development for staff, which is critical for success.

Actively look for potential underwriting donors, especially among those who have seen first-hand the benefits of next-gen donor learning in their family or community.

Be willing to go on your own learning journey, to reflect and adapt over time. Doing so will benefit all who want philanthropy to thrive.

Raise More Money with This Unique Fundraising System

You can increase your return on fundraising by at least 100%, Joanne Oppelt tells us, by using the system she describes in *The Sustainable High ROI Fundraising System* (joanneoppeltcourses.com). She takes a strategic approach that mobilizes all stakeholders – your board, staff, and community.

Your board is where a dynamic fundraising culture begins, Oppelt points out. Boards have a legal responsibility to make sure resources are available to achieve the organization's mission. You can develop a board that raises funds by recruiting members with fundraising in mind and then following Oppelt's four strategies:

Teach board members what fundraising truly is. It's not about the money. It's about meeting mission. It's through conversations that motivate donors to give. "Teach your board members to talk about their passion for your nonprofit, not a need for money," Oppelt says. "The money will follow the passion."

Give them words that are transformational, not transactional. Teach them to talk about the value your organization brings to the community, which is far more than any monetary value. "Connecting on values is where you will start to see transformation," she explains.

Give them tasks that result in appreciation of their efforts. "We all want to be acknowledged and appreciated for who we are," Oppelt says. "Create opportunities for board members to just say thank you to donors. And create opportunities for your donors to show appreciation of board members' leadership. Your donors and your board have at least one thing in common – passion for your nonprofit. Find ways that work for donors and board members to share their joint passion and watch the fundraising fires ignite."

Lead by example. Whatever you ask your board to do, do it yourself. Then share your experiences with them. Show how what you tell them works.

> "By changing ourselves we change our world."

Sustainability Begins with Our Attitude

Our choices are often a result of unreflective responses. Our education has conditioned us toward achievement, control, comfort, and economic growth – even within nonprofits. This attitude has caused population growth, water use, and greenhouse gas emissions that are unsustainable.

There are alternatives, Isabel Rimanoczy tells us in *Big Bang Being: Developing the Sustainability Mindset* (routledge.com). Reflection can help us shift our priorities, which can lead to greater balance, collaboration, and respect for others.

By changing ourselves we change our world. Rimanoczy likens this to spiritual journeys that begin with the self and then connect to whole systems.

Rimanoczy profiles 16 people who champion sustainability in their work. These interviews are only the beginning of an adventure into discovering our collective potential, making our organizations more relevant, and turning the world into a more livable place.

–reviewed by Terrence Fernsler

Five Tips to Create an Effective Hybrid Workplace

The issue of how to navigate a return-to-work policy is becoming more urgent. While it won't work for everyone, many organizations are opting for a permanent hybrid workforce. Liz Uram, an expert on workplace strategies (lizuram.com), has developed a leadership training curriculum to address this new reality and passes along these tips to creating a highly effective hybrid workplace:

Have a clear understanding of communication styles and preferences. A one-size-fits-all communication strategy won't work. When you don't see people face-to-face, you lose 55% of the message that comes from non-verbal cues such as body language and facial expressions. To be effective, you need to know who needs more interaction and who wants less.

Think like a project manager. Have clear expectations about how much work needs to get done and when it needs to be done. If you make these expectations clear, you don't need to micro-manage. It's not about the number of hours people work or what hours they work. It's about completing tasks accurately and on time.

Freshen up your writing and grammar skills. Written communication becomes much more important since that's how you'll do most of your communicating. Writing clearly and concisely is the name of the game.

Schedule one-on-one time with employees. Out of sight means out of mind and it can be easy for time to slip by. Make these meetings a priority.

Workplace culture still matters. While they love the option of remote work, people miss interacting with their co-workers. Schedule time to get together to talk about the big picture, primary purpose, core values, and accomplishments.

Avoiding the Pitfalls of Purpose

There are many advantages to having a culture driven by purpose. People are highly motivated when united by a common cause. But, as Louis Efron points out in *Purpose Meets Execution* (taylorandfrancis.com), there are also dangers in such an organization. Ask yourself these questions about the following pitfalls of a purpose-driven organization:

1. Purpose over Profit

- Do you focus on making a profit as much as you do on engaging people around a purpose?
- Is your organization making money or on track to do so in the short term? (If not, you may need to rethink your strategy. Profit is essential to your success.)

2. Burnout

- Do your employees work to the point that their health, well-being, and personal lives start falling apart? Do they report losing sleep over their work, missing important family events, and disregarding other priorities?
- Is turnover high? (If so, check your industry averages and work to make improvements on that benchmark.)
- If turnover is high, why are people leaving? How can you address turnover in the short and long term?
- Do you pay attention to creating a healthy work-life balance for everyone?
- Do you make sure all workers (including yourself) use all their allotted vacation days? Do you encourage them to stay home when they're sick? Do you make sure they don't work to exhaustion? And, most important of all, do you model all these behaviors yourself?

3. Leaders Who Can't Lead

- Are the people in leadership and management roles best suited for those positions and playing to their strengths, or do they lack leadership ability and training?
- Do you have a process in place for evaluating present and future leaders to assure they have the proper skills and training?

4. CEO Mindset

- Does your organization's leader have a CEO-focused mindset so that the purpose is centered around the individual leader rather than built into the organizational DNA? (Such a stance is risky and unsustainable in the long term.)
- Does the leader feel a need to control every aspect of what goes on in the organization and be involved in every detail?
- If the organization's leader quit today, would your organization continue to be successful and grow, with minimal long-term disruption?

Analyze your answers to be sure you're avoiding the snares that often trip up nonprofit leaders. After creating a purpose-driven culture, take the next step, and build in protections against these pitfalls.

> "Profit is essential to your success."

A Guide for Global DEI Change

Breaking down the complexities of global diversity, equity, and inclusion (DEI) is a herculean job, but Rohini Anand has achieved it in her comprehensive, insightful book, *Leading Global Diversity, Equity, and Inclusion* (Berrett-Koehler, bkconnection.com). She bases her approach on five principles:

Make It Local. For global DEI change to be effective, Anand writes, "it must be anchored in an understanding of local culture," rooted in the history, language, and laws of each place.

Leaders Must Change Themselves. First of all, leaders need to look at themselves and internalize the benefits of DEI. Doing so may require that they transform themselves, doing the painful work of introspection.

Give People a Compelling Reason to Change. Developing a powerful story to galvanize change is core to success. All employees of an organization need to understand and embrace the rationale for DEI.

Go Deep, Wide, and Inside-Out. DEI needs to be integrated into all of the organization's systems and embedded into the organization's culture.

Know What Matters and Count It. Metrics let you know if your DEI efforts are successful. People are often resistant to holding teams accountable, and Anand examines causes of that resistance and ways to counter it.

We often apply limited, one-dimensional views to unfamiliar situations. Anand shows us how to draw on multi-dimensional perspectives and take a much larger view of the world. Her book can help us transform ourselves and those around us so that we can begin creating a world that is diverse, inclusive, and fair to all.

Don't Expect Board Problems to Fix Themselves: Take These Action Steps

News flash to nonprofit leaders: The board members who frustrate you are probably frustrated with you, too. And that frustration is why good board members become disengaged, Hardy Smith (hardysmith.com) posits in *Stop the Nonprofit Board Blame Game* (rivergrovebooks.com).

The subtitle of his provocative book – "How to break the cycle of frustrating relationships and benefit from fully engaged boards" – lays out his premise. His research provides answers to why board members are so discouraged and how to engage them. Some of his pointers:

Recruit board members in a targeted, mindful way. Make board recruitment part of your strategic plan. Be sure each recruit has a passion for your organization's mission and isn't already spread too thin with other responsibilities. "Good people with good intentions don't automatically make good board members," Smith points out.

Clarify roles and responsibilities. Before choosing people to join your board, be sure they understand what they'll be asked to do. Don't "soft-sell" expectations. It's important to "have the money talk," Smith makes clear. If you want your board members to raise money, explain exactly what that entails.

Create a positive board experience. Learn what motivates each board member, play to those strengths, and follow up on their suggestions. Make them feel like family. Show them the appreciation they deserve. Reward their loyalty. It's all about building relationships.

> "Good people with good intentions don't automatically make good board members."

Ensure that meetings are well planned. Structure agendas so that time is devoted to priority topics. Research reveals that the majority of board meeting time is viewed as unproductive. Board members will become disengaged if they feel their time is being wasted.

Commit to board diversity. Identify a champion to lead the diversity initiative. And be sure these diverse people feel included. To create a culture of inclusion, arrange times for board members to get together socially, and give each board member a mentor.

Connect with Your Self and Others through Nature

Nature opens a flood of energy that you can use to empower yourself and others. Joseph Bharat Cornell's *Flow Learning* (crystalclarity.com) describes ways to take full advantage of the benefits provided by the natural world.

He calls his process "flow learning" because, he says, his methods create an "accelerated flow toward greater awareness." Such learning is retained in a way most formal education and training are not.

The principles inherent in nature – stillness, wholeness, clarity – help us open our hearts and minds, Cornell says. In such a state of openness, we become more playful. Playfulness encourages immersion in the present moment. Cornell's book provides playful exercises and games you can use to awaken joy and enthusiasm.

Cornell emphasizes the importance of storytelling as a way to make deep connections with others. When you tell a story, he explains, your brain activity becomes synchronized with that of your listener. A story is,"literally, a shared brain experience."

Just as good storytellers transport listeners into their world, Cornell says, "people of high consciousness have the ability to transport others into a more beautiful world." Nature is a common denominator that can lift us into a high level of engagement, kindness, and kinship.

Even just thinking about a favorite place – in the mountains, by a river, in a forest – or looking up at the sky through your office window – is calming. In such a state, you think more clearly, make better decisions, and learn new things more readily. You're also more compassionate when you quiet your ego, silence the chaotic world of tweets and texts, and return to your natural state of being.

Make the Most of Today's Fundraising Trends

Here are ways to make good use of the latest fundraising trends, as reported by fundraising expert Gail Perry (gailperrygroup.com):

Approach capital campaigns in new ways. Capital campaign strategies have been upended, Perry says. She recommends a change away from the traditional "silent phase" and "public phase" of a capital campaign. She suggests eliminating the public phase altogether and reaching your campaign goal much more quickly – even in the campaign's "silent phase."

Don't miss out on major-gift prospects in DAFs. When donors give from their donor-advised funds (DAFs), it shows they're major-gift prospects. It means they have money set aside for giving. It should send out a loud alert signal to the fundraising team. Too many fundraising programs are missing this great opportunity because they don't recognize the major-gift prospect, properly acknowledge the gift, and optimize their follow up.

Let donors stay in their favorite armchairs. Forget all the lunches and meetings, and instead hone your virtual and digital techniques. Learn to do it all over Zoom: connecting with new donors, nurturing their passion for your causes, and even asking for six- and seven-figure gifts – all online.

Get set up to receive donations in the form of cryptocurrency. If you don't encourage people to donate with bitcoin and other digital currencies, you're forgoing an enormous source of funds.

Master the art of hybrid events, meetings, and galas. Everyone has gotten comfortable doing business from home, and that includes donors. Virtual and hybrid events are here to stay, and leading them is a skill all fundraising teams must learn.

> "Those who follow these trends will see tremendous success."

Put your focus on a supportive work environment. Organizations are being forced to reckon with the awful work environment in many nonprofits, Perry says. Your dedicated staffers deserve reasonable compensation, flexible hours, and supportive bosses. Self-care is a major theme this year and will continue to be in the future.

Make connecting with your donors your highest priority. Many nonprofit messages continue to be about money, money, money. Even worse, the messages say, "We're so great! You should support us because we're smart and hard-working." Even after all the talk about donor-centered fundraising in the past 15 years, little has changed, Perry laments. Most nonprofit communications aren't donor-centered – and miss a huge opportunity to open donors' hearts.

There are a lot of opportunities hidden within a disrupted environment, as Perry reminds us. Those who follow these fundraising trends and seize the opportunity will see tremendous success.

Top Performers Have a Superpower – Happiness

Happy people perform far better at their jobs than do those who are unhappy, according to new research (sloanreview.mit.edu) by Paul Lester and Martin Seligman (positivepsychology.com). Happier employees are healthier, have lower rates of absenteeism, are highly motivated to succeed, are more creative, have better relationships with peers, and are less likely to leave an organization.

"While we expected that well-being and optimism would matter to performance, we were taken aback by just how much they mattered," says Lester. "In short, not only do happiness and optimism matter to employee performance, but they matter a lot, and both *predict* how employees will do."

What can leaders do to promote employee happiness? The study's authors urge leaders to commit to these actions:

Measure happiness in both employees and job candidates. "We advocate using measures of happiness and optimism as discriminators, or 'tiebreakers' in the hiring process as the risks are low and benefits can be very important," notes Lester.

Develop happiness in the workplace. Use training that promotes well-being. Such training is cost-effective and doesn't require a large time investment.

Retain employees who are happy. "While organizations should *want* happy employees because they perform significantly better than those who are unhappy, organizations also *need* happy employees because happiness is in fact contagious," says Seligman.

Be willing to invest in well-being efforts by not only advocating for them – for example, by securing resources for a program and promoting it – but also by participating in the training and incorporating it into your own behavior. If leaders want to improve employee happiness, they must model that which is taught so that it becomes integral to the organization's lexicon and culture.

How to Make an Exceptional Ask

The first lesson when asking for money is that there's more to it than simply asking, as Laura Fredricks notes in *The Ask* (wiley.com). An exceptional ask requires considerable research. You need to know the prospect, and you must prepare responses to expected questions, figure out the best time to ask, and understand your own passions and biases.

The second lesson is to keep practicing. As you do so, you'll be able to learn from your mistakes and successes, because each ask will be an adaptation of previous asks.

Fredricks points out how empowering asking is, not only for the asker but also for the one being asked. It provides an opportunity for the prospective giver to make a difference. Understanding this can help you overcome your hesitations about asking.

A hidden lesson in the book is the importance of maintaining relationships. Fredericks offers many valuable tips and checklists both for relationship-building and effective asking. All the information is arranged well and covers enough ground to make the book well worth reading.

– reviewed by Terrence Fernsler

Beyond the Briefs

To explore issues raised in these briefs in more detail, take a look at these articles (NonprofitWorld.org):

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

Three Keys to Building Relationships in Life (and with Your Donors) (Vol. 38, No. 1)

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

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

The New Fundraising Frontier: Cryptocurrency (Vol. 39, No. 3)

The Peer-to-Peer Fundraising Evolution (Vol. 30, No. 6)

"Help! My Board Won't Help Raise Revenue" (Vol. 39, No. 4)

Assess Your Work Style for Better Communication (Vol. 37, No. 4)

To Make an Impact, Improve Your Non-Verbal Skills (Vol. 38, No. 3)

Are You Offering the Right Perks? (Vol. 35, No. 1)

A Path to Stronger Programs, Greater Engagement, *and* Less Burnout? (Vol. 36, No. 1)

Should Chief Happiness Officer Be One of Your Titles? (Vol. 36, No. 3)

Vacation Time: More than an Administrative Matter (Vol. 24, No. 2)

Diversity and Inclusion – Why Now? (Vol. 29, No. 1)

How Your Board Members Can Raise Funds without Asking for a Dime (Vol. 19, No. 6)

The High Cost of Employee Turnover – and How to Avoid It (Vol. 31, No. 3)

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