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FALL 2016



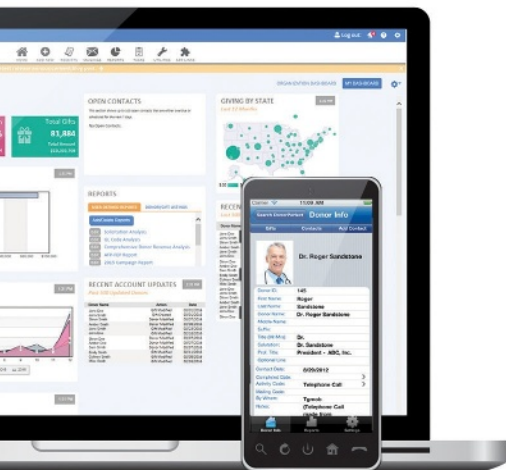
WHAT IS SUCCESS,
ANYWAY,
AND HOW DO YOU
MEASURE IT?

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Service and Impact

By JASON LEE, J.D.

When you boil down our work as donors, volunteers and fundraisers, the very core of our sector—the very core of philanthropy—is about service. Our causes, our organizations, our donors and our communities thrive because of our services and the values and principles we espouse through service.

Service is one of my most important values and philosophies. To me, it means giving all of myself to the commitments I have made as a husband and father and to my past and current capacities at AFP. My goal is to ensure that the tenet of service remains deeply embedded in the culture of our association.




You've probably heard that over the last two months we've seen the departure of more than 10 staff. Those individuals were not just colleagues. They were valued friends and mentors who were committed to AFP and the massive task of building a worldwide culture of philanthropy.

However, with change comes new, fresh perspective. We may ask, do our programs and services reflect our most important priorities and values? What can we do to empower AFP members to be successful in a rapidly evolving philanthropic environment?

I want AFP to flourish in a culture that prizes creativity, dedication, inclusion and accountability, all values that I have worked to make a priority in my own career. Why? Because service, and the values it incorporates, leads to impact. For example, we have streamlined our budget and are evaluating programs and opportunities carefully against criteria for measurable returns on our investment. At the same time, we're moving ahead with our strategic plan focusing on education, diversity and inclusion, advocacy, ethics and capacity building for the future.

We're engaged in strategic, long-term discussions and plans regarding ethics, credentialing and new ways to bring value to our membership. We've surveyed our community to understand the value of the AFP brand, and we will honor that brand value with a fresh look and approach to the AFP experience. We're moving forward on a new website, and I know how much interest there is in that project: More than 3,000 of you volunteered to assist us!

We've seen great impact in our work in public policy. In response to our collective grassroots efforts, the IRS rescinded its proposed substantiation regulations that would have required organizations to collect your donors' Social Security numbers. The IRA rollover was made permanent at the end of 2015, and now we have the opportunity to push for further expansion of that provision, along with other proposals to increase giving.

As we look to the future, we are committed to continuing that high level of service to ensure that you, in turn, can serve your missions, your organizations, your donors and the people who depend on your programs. And together, our service will lead to a great impact on our profession and the philanthropic sector. 



AFP, an association of professionals throughout the world, advances philanthropy by enabling people and organizations to practice ethical and effective fundraising.

The core activities through which AFP fulfills this mission include education, training, mentoring, research, credentialing and advocacy.

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ADVANCING PHILANTHROPY © 2016

Volume 23, Number 4

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Reprints: To request reprint permission and reprints, email jboice@afpnet.org or write to the address above. For bulk reprints of 100 copies or more, call 703-519-8463.

Printed in the U.S.A. *Advancing Philanthropy* (ISSN 1077-2545) is published quarterly by the Association of Fundraising Professionals, 4300 Wilson Blvd., Suite 300, Arlington, VA 22203-4168. The annual subscription rate for U.S. nonmembers is \$100. Periodicals postage paid at Arlington, Va., and additional mailing offices.

POSTMASTER: Send address changes to *Advancing Philanthropy*, 4300 Wilson Blvd., Suite 300, Arlington, VA 22203-4168.

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your new choice. **NOTE: Collegiate, Global, Young Professional and Small Organizational members automatically receive the digital magazine only.** If you have questions, please email jboice@afpnet.org.

Is Your Organization Ready for the New Federal Overtime Laws?

How will the new federal overtime laws affect the day-to-day staffing and operations of charities, particularly small or midsize organizations? The laws take effect in December and include redefining exempt versus non-exempt employees. One blog, <http://nonprofitwithballs.com/2016/08/why-the-new-overtime-laws-are-good-for-nonprofits-and-thus-for-our-community/#more-3572>, offers some interesting insights, and if you work in California, you may be interested in the CalNonprofits article “New overtime rules for nonprofits: what’s different about California?” (<http://calnonprofits.org/publications/article-archive/495-new-over>

time-rules-for-nonprofits-what-s-different-about-california).

In addition, you can download, at no charge, the *7 Step Guide: Mastering Final Department of Labor Overtime Updates* at www.paycor.com/dol-overtime-changes.

It Was a Very Good Year

Donations from America’s individuals, estates, foundations and corporations reached an estimated \$373.25 billion in 2015, setting a record for the second year in a row, according to *Giving USA 2016: The Annual Report on Philanthropy for the Year 2015*.

That new peak in contributions is record-setting whether measured in current or inflation-adjusted dollars. In 2015, total giving grew 4.1

percent in current dollars (4 percent when adjusted for inflation) over 2014. The revised inflation-adjusted estimate for total giving in 2014 was \$359.04 billion, with current-dollar growth of 7.8 percent and an inflation-adjusted increase of 6.1 percent.

Charitable contributions from all four sources increased in 2015, with those from individuals once again leading the way in terms of total dollar amount (\$264.58 billion). This follows the historical pattern seen over more than six decades.

For 2015, charitable giving by source was as follows:

- Individual giving: \$264.58 billion, increased 3.8 percent in current dollars (3.7 percent when inflation-adjusted) over 2014
- Foundation giving: \$58.46 billion, was 6.5 percent higher than in 2014 (6.3 percent when inflation-adjusted)
- Charitable bequests: \$31.76 billion, increased 2.1 percent (1.9 percent when inflation-adjusted) over 2014
- Corporate giving: \$18.45 billion, increased 3.9 percent (3.8 percent when inflation-adjusted) over 2014

When looking at the nine categories of recipients, all but one (giving to foundations) had growth in charitable donations last year.

- Religion: At \$119.30 billion, 2015 giving increased 2.7 percent in current dollars and 2.6 percent when adjusted for inflation.
- Education: Giving increased to \$57.48 billion, 8.9 percent more in current dollars than the 2014 total. The inflation-adjusted increase was 8.8 percent.
- Human services: Its \$45.21 bil-

lion total was 4.2 percent higher, in current dollars, than in 2014. The inflation-adjusted increase was 4.1 percent.

- To foundations: At an estimated \$42.26 billion in 2015, giving declined 3.8 percent in current dollars and decreased 4 percent when adjusted for inflation.
- Health: The \$29.81 billion estimated for 2015 giving to this category was 1.3 percent higher, in current dollars, than the 2014 estimate. When adjusted for inflation, the increase was 1.2 percent.
- Public-society benefit: The \$26.95 billion estimate for 2015 increased 6 percent in current dollars over 2014. When adjusted for inflation, the increase was 5.9 percent.
- Arts/culture/humanities: At an estimated \$17.07 billion, growth in current dollars was 7.0 percent in 2015. When adjusted for inflation, the increase was 6.8 percent.
- International affairs: The \$15.75 billion estimate for 2015 increased 17.5 percent, in current dollars, from 2014. The increase was 17.4 percent when adjusted for inflation.
- Environment/animals: The \$10.68 billion estimate for 2015 was up 6.2 percent in current dollars, and 6.1 percent when adjusted for inflation, over 2014 giving.

In addition, 2 percent of 2015's total, \$6.56 billion, went to individuals, mostly via in-kind donations of medicine contributed by pharmaceutical foundations' patient assistance programs.

Published by the Giving USA Foundation, a public-service initiative of The Giving Institute (www.givinginstitute.org) in Chicago,

Giving USA is researched and written by the Indiana University Lilly Family School of Philanthropy (<https://philanthropy.iupui.edu>).

AFP members can get a 30 percent discount off of all Giving USA 2016 products. To get your special AFP member code, visit www.afpnet.org/Audiences/ReportsResearch-Detail.cfm?ItemNumber=24719 and then <http://givingusa.org>.

To see the infographic, visit <http://benefactorgroup.com/giving-usa-2016-3/>.

Canadian Charities and Socially Responsible Investing

Have you ever wondered how or to what level Canadian charities participate in socially responsible investing? That is exactly what Chelsea Hunt and Sean Campbell, both at the University of Waterloo, set out to assess. With the support of a research grant from the AFP Foundation for Philanthropy—Canada, their study reviewed the investing strategies of Canada's charitable sector to uncover the current socially responsible investment (SRI) techniques for comparison and best practices.

SRI, sometimes also referred to as responsible or ethical investment, is about taking steps to ensure that a charity's investments reflect its values and do not run counter to its aims. It describes an investment approach that takes environmental, social, ethical and governance factors into consideration in investment decisions. Impact investing is a form of SRI that seeks to generate a measurable, beneficial social or environmental impact alongside a financial return. In the past few years, finance—and

especially the dangers of an irresponsible approach to finance—has taken center stage. Within this period, public expectations around charities' approaches to SRI also have increased.

The financials (T-3010s) of the largest Canadian charities were reviewed for investment income to investigate their financial performance and associated characteristics. In addition, a qualitative review of investment policy statements and disclosures of investment practices was conducted to determine the scope of practice and transparency (disclosure) provided by individual charities.

Here are some highlights:

- Each charity considered in the review had a unique approach to SRI. Among the top 25 charities, those that disclosed a responsible investing approach (RI charity) did so in the actual characteristics (field type and designation status), not their financial structure or relative performance.
- Each charity that has been considered a RI charity has a unique approach. Some charities have offered comprehensive approaches that addressed all six topics the researchers considered to be relevant to SRI—investment philosophies, screens, impact investing, proxy voting, evaluation of ESG (environmental, social and governance) and investment management governance—while others may have disclosed only one topic.
- In many cases, after reviewing the financial statements of charities operating under the same field type and designation status, it appears that there are no financial hurdles to prevent one charity from implementing SRI strategies versus another.

- Direct impact investments, which do not rely on public market investment, could continue advancing the charitable purpose of a charity while earning a return, even during a bear market period.

Among the key learnings from the study are the following:

- It is critical for the charities that are engaging in SRI strategies to disclose their best practices, their reasons for choosing these approaches and how they transitioned to being an RI charity, to bring awareness and opportunity to other charities.
- The new regulation permitting limited partnerships for foundations has provided charities with the ability to have direct investments in organizations that can further their missions. These impact investments can create larger societal impacts than conventional investments can. It is essential to have proper metrics and accountability in place prior to these new strategies being deployed.
- The laws and regulations that govern investment policies need to be more thoroughly explained. Investigation is needed to understand the gaps to create a solid recommendation for better responsibility and disclosure of investment practices.
- Most RI charities are beneficiary-facing and may experience greater stakeholder pressures than their peers. It is advantageous to engage stakeholders to understand how they make their decisions when supporting a charity and how a charity can incorporate stakeholders into the development of its investment philosophies.

A special thanks to donors to the AFP Canada Foundation's Every Member Campaign and 2015 Canadian Leadership Retreat attendees for supporting this research.

Also, the following groups helped make the research possible: the AFP Foundation for Philanthropy–Canada board of directors and the AFP Foundation for Philanthropy–Canada Research Committee (Lorelei Wilkinson, CFRE, chair; Nowshad Ali, CFRE, past chair; Mary Bowyer, CFRE; John Gormaly; and Lori Gusdorf, CAE, ex officio).

To read the full report, visit www.afpnet.org/files/ContentDocuments/ResponsibleInvestinginCanadasCharitableSector.pdf.

What Motivates Giving to Women's and Girls' Causes?

Women are motivated to give to women's and girls' causes based on personal experiences, whether positive experiences, such as the birth of a child or participation in a job training program for women, or negative ones, such as discrimination, as well as the belief that giving to women is a powerful way to effect large-scale societal change.

This is just one of the findings from *Giving to Women and Girls: Who Gives, and Why* from the Women's Philanthropy Institute (<https://philanthropy.iupui.edu/institutes/womens-philanthropy-institute>) in Indianapolis.

"As more and more people make the connection between giving to women and societal change, we can see that giving to women and girls is not just a temporary trend but is here to stay," says Debra Mesch, Ph.D., director of the Women's Philanthro-

py Institute and the Eileen Lamb O'Gara Chair in Women's Philanthropy at the Indiana University Lilly Family School of Philanthropy. "Understanding the demographics and motivations of those who are giving to women's and girls' causes is increasingly important if we are to improve the lives of women and girls and their families and communities."

In order to understand who gives to women's and girls' causes and what motivates them to give, the Women's Philanthropy Institute (WPI) conducted a study that specifically focused on giving to women and girls in the United States using surveys of a nationally representative sample and focus groups. The report found common threads linking the motivations of donors in the women's and girls' space, as well as a set of factors that would prompt people who currently do not give to women's and girls' causes to support them.

Other findings from the report include:

- Both men and women give to women's and girls' causes. Of the survey respondents who donate to charity, 50 percent of women and 40 percent of men said they give to women's and girls' causes.
- Many women donors are motivated to give to women's and girls' causes based on their desire for gender equality in society.
- Women are changing philanthropy. Through the increase in their wealth and their rise into leadership roles, we see that women are influencing the direction that money is moving in and even the platforms by which people give.

The WPI aims to fill this knowledge gap and offer academic expertise on how and why women give. The latest research, funded by the Bill &

Melinda Gates Foundation, adds empirical evidence to the conversation on gender differences in philanthropy. A series of three reports, *Giving to Women and Girls*, *Do Women Give More?* and *Where Do Men and Women Give?* along with a comprehensive literature review, illuminate the role that gender plays in philanthropy and offer important insights for fundraisers and the philanthropic community on how and why women give differently than men.

Taken together, these reports offer a comprehensive look at how women have developed distinct habits and platforms for giving. For example, the research finds that women spread their dollars across a larger number of organizations than men; that women remain generous as they age and are reliable donors over time; and that they are collaborative in their giving, with many turning to giving circles for community and knowledge sharing. For more information, visit <https://philanthropy.iupui.edu/institutes/womens-philanthropy-institute/research/gender-giving.html>.

Wealth—Who Has It and What People Do With It

There are 10 common success traits that create a picture of modern-day wealth in America, according to the 2016 U.S. Trust *Insights on Wealth and Worth*® survey.


Based on a nationwide survey of 684 high-net-worth (HNW) individuals with at least \$3 million in investable assets, the 2016 U.S. Trust *Insights on Wealth and Worth* survey explores who the wealthy are, where they came from, how they built and are sustaining their wealth and what they want to do with it.

When asked what they attribute most to their success, the top three responses were hard work, ambition and family upbringing. In fact, four in five wealthy people came from families where their parents encouraged them to pursue their own talents and interests but set firm disciplinary boundaries and, for the most part, were tolerant of failures and mistakes along the way. The five family values most strongly stressed during their formative years were academic achievement, financial discipline, work participation, family loyalty and civic duty. In addition, 65 percent of respondents said there is a strong tradition of philanthropy and giving back to society within their family.

While the survey found common traits across all ages and wealth levels, U.S. Trust also found distinct generational differences, suggesting the next generation of young, high-net-worth millennials is taking its own approach to building and managing wealth. The findings show that millennials are highly optimistic, opportunistic and knowledgeable investors who are especially entrepreneurial and confident in their ability to improve their own circumstances while making the world a better place for themselves and others.

Overall, 72 percent of people surveyed said they have greater confidence in the private sector's ability to solve tough social and environmental

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issues than in the government's ability. Sixty percent believe that private money invested in public works and social programs can produce superior outcomes.

A common denominator among all those surveyed is the importance they place on contributing in a meaningful and positive way to society, the economy and strong communities, and they look to do so in as many areas of their lives and in as many ways as they can.

U.S. Trust found that the use of impact investments grew by double digits over the past year among HNW millennials and women, with the greatest one-year increase among ultra-high-net-worth individuals, 27 percent of whom now use social and environmental impact in their investing strategies, up from 9 percent in 2015.

Twenty-eight percent of millennials surveyed now use impact investments, up from 17 percent a year ago. Another 57 percent are interested, up from 43 percent a year ago. In addition, 85 percent of millennials say they consider their investment decisions as a way to express their social, political and environmental values, and 93 percent indicate that a company's impact in these areas is an important consideration when they make investment decisions.

Investing is one of many ways high-net-worth individuals are using their wealth to contribute to society. The study found:

- Nearly three-quarters give financially to nonprofit organizations and causes, and they consider philanthropic giving the No. 1 way they make the greatest contribution. Another 61 percent actively volunteer their time, skills and services to nonprofit organizations, and 16 percent work for a nonprofit organization.

- Approximately one in four serves as a board or committee member at a nonprofit organization. Of those who serve, 57 percent serve on two or more boards or committees for local community groups, schools, nonprofits or for-profit organizations.

- Eighty-seven percent believe that businesses and individuals are most effective at creating better economic opportunities and a higher standard of living for more people, with small businesses cited most.

- From a national policy perspective, the most effective ways to stimulate the economy are considered by all those surveyed to be comprehensive tax reform (60 percent), investments in infrastructure (46 percent), increasing the rate of business startups (40 percent) and investments in new innovation and research (40 percent).

- Only 10 percent believe the government is most effective at creating economic opportunities, and 65 percent believe no matter who wins the presidential election in 2016, economic equality in the country will be worse or no better if left entirely to the government to address.

- While 70 percent are confident in the growth of the national economy, more are confident about their own local economies, where they can more directly make a difference as business owners and through local leadership, involvement and philanthropy.

When asked why making a contribution is so important, the top five reasons given were

- a desire to support their values and interests;
- a belief that the wealthy have a moral obligation to share their good fortune with those less fortunate;
- a strong desire and sense of potential to change the world for the better;
- a family history of giving back; and
- a sense of gratitude for the support they were given at a time when they had less and needed the help.

The complete 2016 U.S. Trust *Insights on Wealth and Worth* survey findings can be found at <http://www.ustrust.com/ust/pages/insights-on-wealth-and-worth-2016.aspx>.

Measure Your Organization's Impact!

CanadaHelps (www.canadahelps.org/en) has launched an innovative new Impact Tool to help Canadian charities better report on the differences they are making in their communities and around the world and thus provide Canadians with the charitable insights they need to give more generously.

"Providing charities across the country with an easy, step-by-step approach to track and share their results will help put them on a path toward continuous improvement and greater impact," says Marina Glogovac, president and CEO of CanadaHelps. "Canadians will also now be able to see if a charity is fulfilling its mandate, promoting greater accountability and allowing Canadians to invest more strategically when making donations."

An organization that is impact-oriented is one that plans and implements each of its projects with the aim of achieving a result. In a recent survey completed by more than 5,500 Canadians who donate using CanadaHelps, providing access to impact results was the No. 1 way charities could increase a donor's likelihood to give more. In fact, almost three-quarters (73 percent) of respondents said they would be likely to donate more if they had access to a charity's impact results from the previous year.

With donations showing relatively flat growth across the country and a growing share of total donations coming from a small group of older donors, it is becoming more important than ever for charities to move to an impact orientation. According to Statistics Canada, 35 percent of Canadian donors were aged 55 and over in 2013—up from 29 percent in 2004. In the same time frame, the proportion of the total amount of charitable donations contributed by older Canadians also increased from 39 to 47 percent.

“When evaluating charities, it's becoming clear that focusing on admin ratios alone is largely inadequate and that the better way to evaluate charities is based upon their impact,” Glogovac explains. “While we are in the very early days of this shift, and organizations must invest and build capacity in this area, becoming impact-oriented has massive benefits for all charities in terms of becoming more accountable and inspiring further generosity from all Canadians.”

To help charitable organizations become more comfortable with the concept of impact orientation, CanadaHelps is making an education resource published by its partner PHINEO, a European leader in helping enable social change, available to

all charities from their CanadaHelps Charity Admin account. The 130-page guide provides step-by-step explanations and practical examples to help all organizations of all sizes become deeply impact-oriented. The initiative, made possible with generous support from the RBC Foundation and through its partnership with PHINEO, is rapidly gaining traction, and CanadaHelps intends to continue building out its impact program in the coming months and years ahead.

With the goal of ensuring Canadians have access to the information they need to better evaluate charities and invest strategically in charities,

CanadaHelps will soon expand the Impact Tool to automatically pull in key revenue/expense information from charities over the past five years (as reported to the Canada Revenue Agency in their T-3010). By making information readily available to donors, the organization hopes to build trust in Canada's charitable sector, allowing people to invest strategically when making donations.

For more information, visit www.canadahelps.org/en/charity-life/ceo-messages/new-tools-to-measure-share-your-charitable-impact/#section-1.



The graphic is split into two contrasting scenes. The left side shows a bright, sunny day on a golf course with a green flag on a hole and the 'greater giving' logo in the sky. The right side shows a dark, moonlit night with silhouettes of a man and a woman standing next to a purple bag on a pedestal. Below the graphic is a dark blue banner with white text, followed by a white box with blue text, and a dark blue footer with white text.

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What Concerns Nonprofit Leaders?

In order to gain new insights into the challenges and issues that nonprofit leaders face, Marks Paneth LLP (www.markspaneth.com) surveyed more than 100 nonprofit chief executive officers, executive directors, chief financial officers and board members during the fourth quarter of 2014.

When asked what they perceive to be their top challenges, nonprofit leaders put raising funds and leadership capacity at the top of their list. Nearly three-quarters (74 percent) said “raising funds in a competitive environment with higher expectations for ROI” is a top challenge, while 44 percent said “diminished government funding, despite greater compliance requirements.” More than half (54 percent) said they consider a “leadership capacity deficit” a top challenge, and 51 percent found “populating the board with people with the right fit” to be challenging.

And what about risk? Nonprofit leaders did not see fraud as a major issue. In fact, only 1 percent said “fraud by staff” is a top challenge. The lack of concern may be a result of leaders believing they have established practices to prevent fraud:

- Eighty-five percent of leaders said their organizations have “appropriate separation of incompatible duties.”
- Eighty-four percent have codified a “clear code of ethics” and emphasized it within the organization.
- Nearly three-quarters (72 percent) employed background checks upon hiring and periodically for other personnel.

However, only 20 percent of nonprofit leaders said they have a “facilitated fraud risk assessment process.”

When pressed, nonprofit leaders suggested that there are indeed significant issues when it comes to preventing and identifying instances of fraud. Many leaders (43 percent) said the costs associated with facilitating a fraud risk assessment process pose a top challenge to efforts to prevent and identify fraud. And nearly a third (32 percent) noted that background checks go only so far in prevention, as many fraudsters are first-time offenders. Thirty-seven percent of financial officers said collusion represents a top challenge in preventing fraud, compared with only 5 percent of other executives.

Other survey findings suggest that mergers will be a more significant subject of discussion going forward. In fact, more than a quarter of nonprofit leaders said their organizations have either merged or considered merging over the past three years,

13 percent said their organization merged during the past three years, 15 percent said their organization considered a merger but did not proceed over that period and nearly a third of nonprofit leaders expected notable merger activity in their sectors during the next five years. Overall, 45 percent of nonprofit leaders said they believe mergers in their sector will strengthen the missions and effectiveness of nonprofit organizations, while 21 percent said mergers will weaken them. More than a third (34 percent) said they are not sure.

Finally, in the big-picture, nonprofit leaders said they are happy with their board, but they did report some challenges. While the majority of leaders (61 percent) said their board is “fully engaged but doesn’t micro-manage,” a quarter admitted that their board is “not engaged enough.”

Nearly three-quarters (73 percent) said their board has “a passion for the mission” of the organization, more than half (57 percent) said the board



members “closely monitor financial expenditures” and 54 percent said their board members have “strong attendance records” at board meetings.

On the other hand, fewer leaders said that the following describes their board “very well”:

- Fifteen percent said the board “closely monitors dashboard performance compared with peer organizations.”
- Twenty-eight percent said the board members are highly strategic in providing input and guidance.
- Twenty-nine percent said the board connects the organization to external sources.

■ Forty-two percent said the board closely monitors organizational performance.


■ Forty-seven percent said board members lend their professional expertise to the organization.

■ Forty-five percent said the board closely monitors investments.

When asked more about board monitoring of organizational performance, half (50 percent) of leaders said, “board members follow overall performance but don’t look into specific programs”; 36 percent said, “a few board members closely monitor the performance of specific programs”; and only 14 percent said, “all board members have been assigned

specific programs or areas to monitor.”

The survey also explored the subject of specialized training and education for board members. The majority of nonprofit leaders said “board member availability” presented a significant obstacle to such training, and nearly half (48 percent) said cost was an obstacle.

To learn more about *Nonprofit Pulse: A Leadership Study* from Marks Paneth, visit www.markspaneth.com/publications/nonprofit-pulse-a-leadership-survey-from-marks-paneth. 

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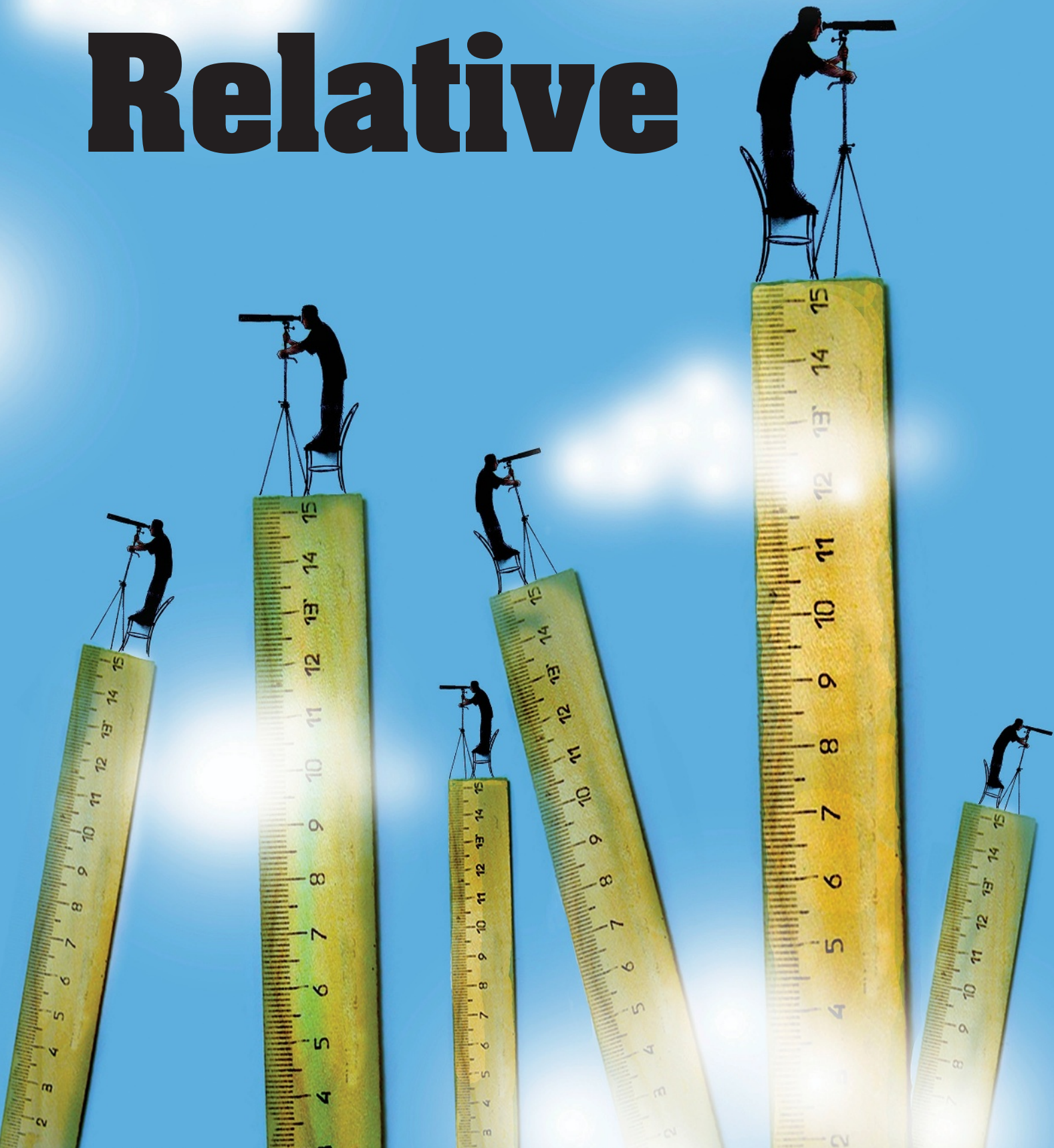
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It's All Relative



How your organization and its myriad stakeholders define and measure success

BY PAUL LAGASSE

How do you define success? Let us count the ways. Not only can success mean something different to different people, but there are also numerous ways to measure it.

Achieving outcomes is one way to measure accomplishments, of course, but at its most fundamental, success for a nonprofit means having sufficient staffing, resources, experience and credibility to make a lasting difference in the lives of people and the community. And to do that, you usually have to start small.

When he joined the XYZ University Foundation as CFO seven years ago, Charles Vincent (not his real name) found an organization in financial disarray. XYZ took great pride in ensuring that the university and its students were well supported. However, as Vincent soon discovered, the foundation was not bringing in sufficient funds to sustain that level of commitment to the university. “When I arrived here, we were cannibalizing our endowment and expending unrestricted resources that we didn’t even have,” he recalls. “We were also borrowing from our restricted funds to pay for current commitments—robbing Peter to pay Paul, if you will. I had to put the brakes on the whole thing. I was probably the most unpopular person on campus when I broke that news.”

Vincent, who had been a public accountant for a major financial services firm prior to joining the foundation, saw his job as not just establishing financial stability and

growing the endowment but also encouraging people to think about how to support the university, now and in the future. He began by reducing spending from 5 percent of the endowment to a more sustainable 3 percent. He also changed the valuation period from a single, year-end point in time to a rolling, 12-quarter average. Combined with a reduction in unrestricted support to stem the losses, the ultimate impact was a cut of nearly 50 percent in the amount of funding the university was receiving from the foundation, a painful scenario that had everyone shaking their heads and asking how this could happen.

To help people understand and support these changes, Vincent also encouraged the university foundation to become more transparent. “People viewed the foundation as a deep pocket,” he says. “They saw money going in, but no one knew what it was being used for. Once people were able to see the true picture, they started to get it.”

Vincent also began working closely with the foundation’s fundraisers, encouraging them to focus less on the number of donors they had and more on the individual revenue streams. He helped allay donor concerns by accompanying fundraisers on visits to explain why alumni could now feel safe making gifts to their alma mater again and encouraging development officers to partner with deans to explain how the foundation could help their colleges. These innovations, each of which grew from Vincent’s initial interventions to stabilize the foundation’s teetering

To help people understand and support these changes, Vincent also encouraged the university foundation to become more transparent.

finances, have resulted in a steady increase in revenue that will help ensure the institution's long-term sustainability.

By starting small, Vincent achieved something big.

Success Is in the Eye of the Stakeholder

As the XYZ University Foundation example illustrates, success in the nonprofit sector is often hard to quantify. Carolyn Egeberg, vice president of strategy and communication at Minnesota Philanthropy Partners (www.mnpartners.org), a regional community foundation in St. Paul, identifies several reasons for this. First, and perhaps most readily apparent, is that outputs are measured differently than they are in business. "It's easier to measure success in the for-profit sector. You make something and sell it," she explains. "In the nonprofit sector, the value is highly individualized."

While the benefits provided by nonprofits are no less tangible than those provided by for-profit businesses, they tend to be shared among a more diffusely defined group and can require more time to manifest.

Another difference is that while for-profit businesses typically share a single measure of success—profit—nonprofit measures vary. For example, one nonprofit that Egeberg worked for provided a Web-based communications platform to medical patients. Success measures there were highly data-driven and tracked in real time using online dashboards. Egeberg's next nonprofit was a science museum. Although its mission was STEM (science, technology, engineering and mathematics) education, the leadership focused on numbers, such as visitors per day, ticket sales and event attendance, because they were much easier to measure.

A third key difference between nonprofit and for-profit measures of success concerns the expectations of people who invest in them. "Donors talk about impact, but I'm not convinced that they want us to spend the money it takes to do that," Egeberg says. Why? Many donors simply do not realize that an organization's ability to achieve outcomes and goals (its effectiveness) depends on having the resources it needs to accomplish them (i.e., its capacity).

Convincing donors that effectiveness cannot exceed capacity, as XYZ University discovered, for example, can be difficult. "Success is in the eyes of the stakeholder," explains Wesley E. Lindahl, Ph.D., the Nils Axelson Professor of Nonprofit Management and dean of the School of Business and Nonprofit Management at North Park University (www.northpark.edu) in Chicago. "Organizations with a complex set of stakeholders will have a difficult time knowing what success is and whether they have reached it. An organization with only a few simple stakeholder groups will

still face issues, but perhaps there may be more overlap/agreement on success."

At a college or university, for example, Lindahl offers what the following stakeholders may feel success means to them:

- **Alumni:** They are nostalgic, and so success is remaining in the "same place" as when they attended the school. They also like a high public reputation to use when job hunting.
- **Faculty:** Success is getting a high ranking for publication use from research publications and attracting many students to their major, and they seek to hire well-known researchers in their field.
- **Board:** Success is growing the endowment and working well with the president.
- **Major donors:** Success is having their money used and recognized properly.
- **Governor/legislative body:** Success is having a high graduation rate, with all students' finding employment after graduating.
- **Students:** Success is a great teaching faculty, several opportunities for scholarships and getting a job after graduation.
- **Development office:** Success is raising greater amounts of money, year after year.
- **Administration:** Success is admitting a full/diverse class of students and having a steady stream of tuition income.

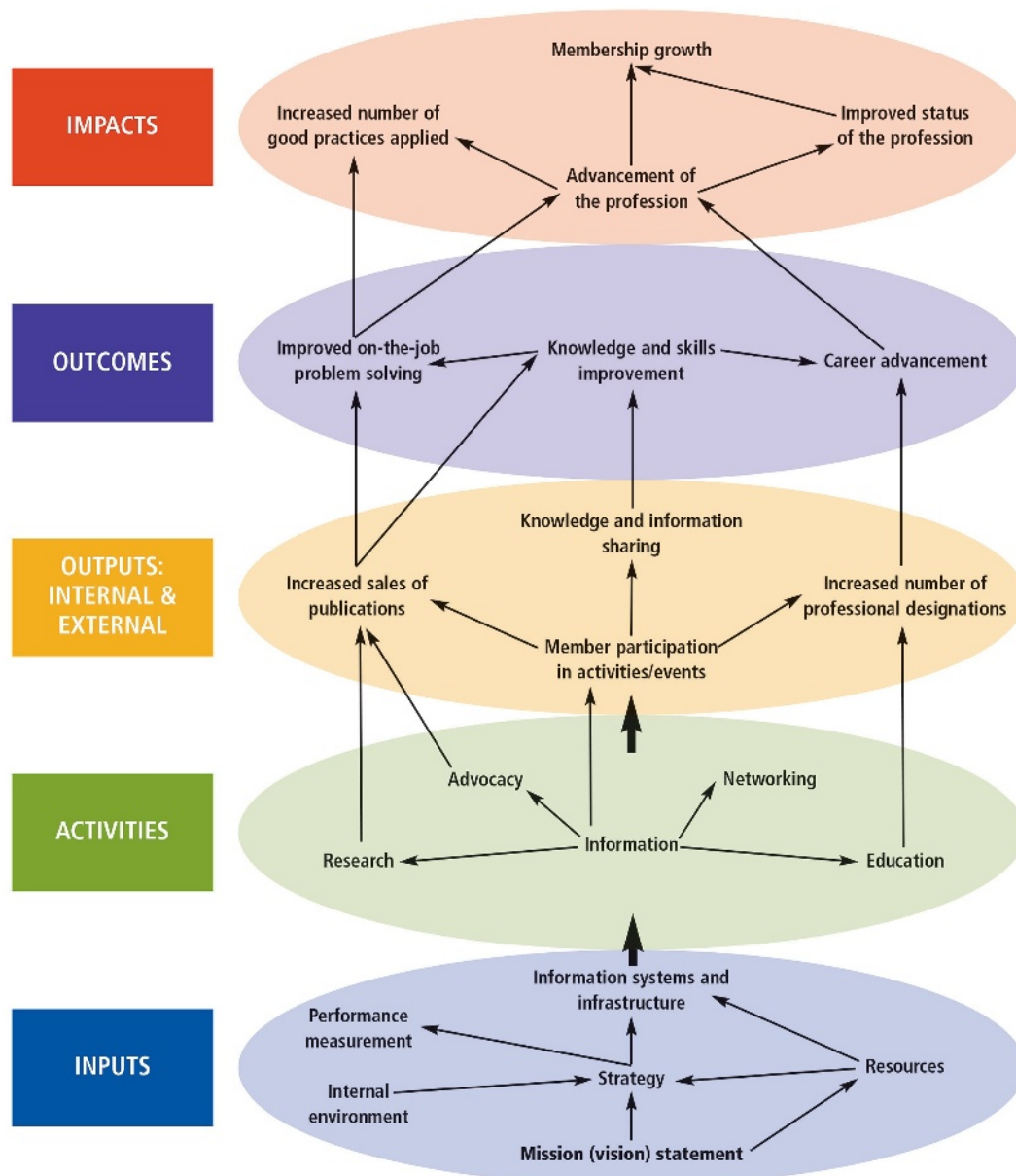
"Stakeholders define the terms of success, so it's important to define and establish your stakeholders and what they consider priorities," Lindahl says. In some cases, their definitions of success can conflict or even contradict each other.

He suggests trying to achieve consensus around three or four broad goals as a way to find common ground. "If you just use outcomes, some organizations' mission will be very difficult to fulfill," he says. "You can't simply say that success is just to focus on achieving the mission, because sometimes the mission is so lofty that you can't achieve it."

In their article, "Measuring the Efficiency and Effectiveness of a Nonprofit's Performance," Marc J. Epstein and F. Warren McFarlan offer a methodology for identifying those goals and finding a broad consensus among stakeholders. They argue that nonprofits can overcome donor reluctance to invest in impact by providing donors with five types of data. (See Figure 1.)

1. **Inputs:** the resources that enable the nonprofit to perform programs and tasks
2. **Activities:** the programs and tasks themselves
3. **Outputs:** the tangible and intangible results of the programs and tasks
4. **Outcomes:** the specific changes in the individual recipients of programs and services
5. **Impacts:** the benefits to communities and society resulting from the outcomes

Figure 1. Causal Linkage Map of Impact Drivers for a Professional Association



Source: "Measuring the Efficiency and Effectiveness of a Nonprofit's Performance" by Marc J. Epstein and F. Warren McFarlan, *Strategic Finance*, October 2011, page 29. Reprinted with permission.

Performance measures then can be developed for each type of data. “Breaking the organization into these pieces and analyzing it in parts,” write Epstein and McFarlan, “give insight into how the organization is performing against mission.”

The result is information that allows each donor to trace the particular route from the gift to its impact.

Being Nimble

In another example, every time the dean at a small college within a larger university held the weekly administration meeting, the faculty and staff were directed to look at enrollment numbers as the very first agenda item. For a tuition-driven institution, enrollment reflects not only the number of students but also many other considerations, such as budget, etc. Enrollment had been declining, indicating problems and national trends at the time, and so the dean was brought in to focus on national recruitment. Later, enrollment increased and overall education quality went up, but the dean still focused on the enrollment numbers at the start of each meeting. However, in the meantime, the school’s central administration had shifted focus and become more concerned about the national reputation of the faculty’s research. So, the dean should have been more attuned to that and shifted his focus.

The lesson? When running an organization, you need to be aware that some of your indicators and goals require readjustment on occasion. Of course, there are times when you will focus more on one key indicator and less on others, but it is not uncommon to get stuck in a rut and not realize that the environment has changed and stakeholders have different priorities.

When thinking about achieving outcomes and goals, if an organization is sometimes nimble enough and able to adapt to a different indicator, that is an important goal in itself.

And when looking at goals, does your organization have everything in place to reach those goals? “That is capacity,” Lindahl says. “You need both missional goals and capacity, but how do you make sure your capacity is sufficient to reach the goals? Is the board strong? Do you have enough resources from fundraising? Is the technology there to provide services? Are the staff and other people happy?”

Capacity relates to overhead, but how do you convince people to support it? Educating stakeholders and getting them involved is critical, Lindahl emphasizes. “More engagement of donors and stakeholders in an organization is a good way to do that.”

Showing Impact in Healthcare

Helping stakeholders see the impact of their gifts is essential to the outreach strategy developed by Sue Drake (not her real name) of the ABC Health Center (ABCHC), a federally qualified health center established four years ago to provide affordable quality healthcare to county residents, regardless of their ability to pay. “Most public health organizations try to reach out to the community to improve their care,” Drake says. “For us, though, it is a passion for changing people’s attitudes.”

To reach stakeholders, ABCHC participates in community events and health fairs and regularly staffs tables at libraries, community centers, churches and even laundromats and hair salons. Media outreach includes regular public service announcements and newspaper articles at least twice a month. ABCHC also capitalizes on health-related themes, such as National Diabetes Awareness Month, and current events, such as the Zika virus, to educate constituents. Drake also encourages her small staff to serve on local boards and committees.

Drake uses these channels not only to raise awareness among the county’s poor, underserved and immigrant communities but also to share outcomes and impacts. For example, this year ABCHC’s three facilities will care for an estimated 11,000 patients, or approximately 12 percent of the county’s population, significantly relieving the burden on the two local emergency rooms and lowering health-care costs for the entire community. ABCHC’s reputation acts as a magnet for healthcare professionals, and this has helped the organization avoid the staff shortages plaguing health centers across the country. Consequently, residents are able to address acute conditions and manage chronic ones successfully, which in turn leads to improved overall health and quality-of-life statistics for the community.

“When I entered the field 40 years ago, healthcare was about curing disease,” Drake explains. “Now, it’s about keeping people healthy. It’s a whole new way of thinking. People may have different ways of looking at what our end result is, but it all comes together in the end.”

Before an organization can show outcomes and impacts, however, it needs activities to power them. That was the situation facing Michelle S. Gollapalli, MBA, CFRE, CAP®, when she joined the Kennedy Health Care Foundation (www.kennedyhealth.org/kennedy-foundation.html) in Voorhees, N.J., two years ago as vice president of development and executive director. While the foundation had been incorporated in 2010, by the time Gollapalli came on board, it had fallen dormant. It had only two annual events, a golf invitational and a

gala, and both were treated as friend raisers rather than fundraisers. With the support of the new CEO, who had brought her in to reinvigorate the foundation, Gollapalli set out to develop programs and activities that would raise both attention and revenue for the Kennedy Health system.

Gollapalli began by revamping the golf invitational and gala. “We focused on donor recognition,” she says. “That resonated with donors, and they stepped up their sponsorships.” Gollapalli and her team specifically singled out local business leaders and the physicians who were regular supporters of the foundation. In just one year, the gala’s gross revenue more than doubled. “We were actually budgeted for a loss of \$30,000, but we ended up making a profit of \$315,000,” Gollapalli says.

Having succeeded in turning the events into reliable revenue generators, Gollapalli’s next step was a comprehensive development plan that involved multiple revenue streams. Last year, the foundation launched a grateful patient program, and she is training her staff of four to use donor management software and data analytics while trying to grow a culture of philanthropy within the healthcare system itself.

“Events are wonderful, and they are the bread and butter of the organization right now, but we have to show value and impact to the community before we can expect to get their contributions,” Gollapalli explains. As she tells her staff, “We’re building our bridge as we’re walking across it. That can be challenging, but as long as we keep looking ahead to where we want to be, we’ll be OK.”

Implement and Measure Your Success

Nonprofits need to be able to communicate their impacts and outcomes to their communities if they want to count on continued support, but the best way to do that is not always clear. What information should be communicated? John Sawhill and David Williamson addressed this question in their article, “Measuring What Matters in Nonprofits,” in which they identified three broad categories of metrics that every nonprofit should track:

- Success in mobilizing resources
- Effectiveness of staff
- Progress toward fulfilling the mission

The first two, the authors explain, are relatively straightforward. The third is harder to measure, although it is the most important. The options, they say, are to define the mission extremely narrowly, undertake extensive research to identify how well the organization is doing or gauge the successes of individual programs and activities that collectively suggest progress toward achieving the mission. Whichever method an organization chooses, it is vitally important to ensure that the internal stakeholders—the CEO, board and staff—all understand and see the value of collecting these data.

“When you’re defining the success of an organization, it is up to the board first and then the staff to lead the way,” says Amy Eisenstein, ACFRE, a development consultant (www.amyeisenstein.com) in Westfield, N.J. “And that starts with the strategic-planning process.”

A good strategic plan unifies disparate definitions of success under a common set of overarching goals and identifies how everyone contributes to reaching them. However, when setting strategic goals, many nonprofits often make the mistake of thinking too small, Eisenstein says. She uses a simple exercise to help board members see the big picture. “Imagine two scenarios,” she explains. “First, imagine that you raise an extra million dollars next year. What would you do with it? What would the money be for? Next, suppose you raise no extra money. What programs are affected? Who is cut?”

A bad reaction to the first question, Eisenstein says, would be to think small, such as using the extra money to pave the parking lot. “If they react this way, they may not be the right board members to move the organization forward,” she says. “You’re looking for excitement, creativity, a sense of how it makes a difference for people.”

Likewise, a bad reaction to the second question would be to say that it just doesn’t matter. They would lay off staff and carry on with business as usual.

With the right combination of people, vision and plan, successful outcomes and impacts should be easier to identify and share with donors and the community.

Between Data and Desire

Conveying success to donors can be tricky. Metrics and measurements, which many nonprofits use to track their accomplishments internally, are also increasingly popular tools for sharing results with individual and institutional

**“We’re building our bridge
as we’re walking across it.
That can be challenging, but
as long as we keep looking
ahead to where we want to
be, we’ll be OK.”**

Success and Relationships

In countries with active and thriving cultures of philanthropy, conscientious fundraisers would take issue with the suggestion that they take donors for granted. After all, donors are the lifeblood of any organization, and it is a fundraiser's responsibility to seek, cultivate and steward people who care about the causes he or she represents. However, at a more basic level, fundraisers in such societies do take donors for granted because they have the luxury of assuming that there are donors out there to be found in the first place.

Fundraisers in the former Communist bloc countries of Eastern Europe do not have that luxury, however. They operate in a society that for two generations actively discouraged giving and trusting, both of which are prerequisites for any successful donor relationship. "For them, success means building a philanthropic culture," says Tony Myers, CFRE, Ph.D., MA, LL.B., principal and senior counsel at Myers & Associates (tony@myerscan.com) in Edmonton, Alberta. "They are doing things that help build awareness and dialogue in countries that are still rebuilding civil society."

In addition to helping young nongovernmental organizations develop sustainable giving programs, Myers also helps them learn effective techniques for developing relationships with in-

dividual donors. Critical to that, Myers says, is understanding the differences between how donors and fundraisers perceive their relationships. "The fundraiser begins a relationship when the donor is first identified, and often, the relationship declines after the first gift," Myers explains. "For the new donor, the relationship with the charity is more likely to begin at the point of the first gift. Success is the ability to close that gap." (See Figure 2.)

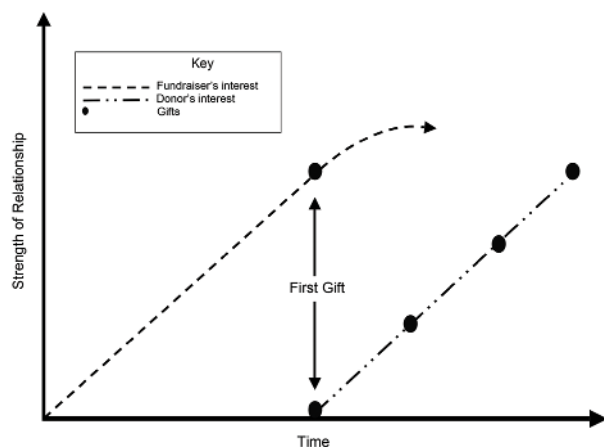
To help nonprofits better understand donor motivations and fine-tune their outreach accordingly, Ioana Traista of the PACT Foundation (<http://fundatiapact.ro/en/>) in Bucharest is in the process of interviewing donors in Romania, the Czech Republic and Serbia about what influences them to give and to continue giving and how the act of giving affects them. Using the most significant change (MSC) technique, a form of participatory monitoring and evaluation widely used by development aid agencies, Traista will qualitatively analyze donors' stories for patterns related to how they perceive the effects of their giving and how they want to be kept informed.

Although her research will not be completed until late this year, patterns of donor behavior are already emerging. "They want to be treated as partners, not just as supporters of a certain program or community," Traista explains. "Also, donors do not want to receive only stories of success. They are aware that the problems are complex and do not expect the organization they are supporting to find the solutions alone. They want to be part of the solution-finding process."

Traista says that this dovetails with her observations about donors to the PACT Foundation, which supports community development and social economy programs in rural and small-urban communities in southern Romania. PACT's donors are more likely to be ambassadors when they understand the organization and are encouraged to provide advice and get involved with programs.

Traista's findings help illustrate why definitions of success in emerging philanthropic cultures depend so heavily on relationship building. It may be a slow process, but it is a vitally necessary one. "In building a philanthropic society, you first have to build trust," Myers explains. "You can do that only one person at a time."

Figure 2. Fundraisers and Donors Perceive Different Starting Points for Their Relationships



Source: Tony Myers, CFRE, Myers & Associates in Edmonton, Alberta. Reprinted with permission.

“It’s a myth that donors want hard data and are becoming more critical,” she says. “They want to know that you have integrity and that you’re going to do what you said you would do. But in terms of wanting information and data, it really isn’t the case.”

donors. However, the race to collect and disseminate data has been a haphazard one. There is, as yet, no broad consensus on what specific data points are of interest to donors, or even if they are persuasive. “Whether donors, particularly high-net-worth individuals, actually want and need these data is still questionable,” writes Cynthia M. Gibson and William M. Dietel in their article, “What Do Donors Want?” They cite recent studies that found that, ultimately, it is emotion and relationships that inspire people to give, not data.


At the same time, they argue, data certainly have their uses. “The nonprofit sector needs and deserves better evaluative and evidence-driven ways to assess their performance, outcomes and potential impact. The donors who so generously support them deserve more information, too. And there is little question that the field of philanthropy has benefited from an infusion of new thinking from the private sector, including its emphasis on market-economy principles.” The balance between what donors need and want, Gibson and Dietel conclude, falls somewhere “between data and desire.”

Ruth McCambridge, president and editor of *Nonprofit Quarterly*, which published the Gibson and Dietel article, is more blunt. “It’s a myth that donors want hard data and are becoming more critical,” she says. “They want to know that you have integrity and that you’re going to do what you said you would do. But in terms of wanting information and data, it really isn’t the case.”

The way to convince donors of your integrity and capacity, McCambridge argues, is to meet them at the “messy intersection” of organization and community. In her experience, too few organizations seek to meet there, relying instead on the cool, distant abstraction of facts and figures to tell their stories. “A lot of organizations say they repre-

sent the best interests of the community but haven’t talked to the community in ages,” she says. “And that’s where things fall apart.”

Without that conversation, an organization’s understanding of what constitutes the best interest of the community is likely to be misinformed. “Having an active conversation and setting goals with the community means that there won’t be a disconnect,” she says.

“Do the research to find out how you are really doing in the community,” McCambridge recommends. “That’s your real measure of success. I do think there’s a huge value in understanding your own enterprise model, and that’s where metrics have value. But just remember that you need to periodically blow up your assumptions.” 

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PERFECT

HOW MEASURING SUCCESS IS NOT TRYING TO FIT A SQUARE PEG INTO A ROUND HOLE

BY MARY ELLEN COLLINS

“We had a *very* successful year!” This is an often-heard refrain, but what does it really mean? Could it refer to record-breaking fundraising, the completion of a new building or unprecedented, glowing media coverage? Or perhaps your organization doubled its program offerings or received a prestigious grant. Although success does not fit any one definition, many agree that it can be characterized and measured by considering three different metrics:

- **Inputs:** anything that enables an organization to do its work, such as financial resources, volunteer time and equipment
- **Outputs:** the quantifiable services an organization provides, such as the number of meals served to the homeless, the number of subscribers to the theater or the number of children enrolled in summer camp programs
- **Outcomes or impact:** how an organization’s programs and services have actually made a positive difference in the lives of its target audiences and in society in general

Outcomes have become increasingly important to donors, particularly to those who make gifts designated for social causes. Consequently, finding ways to talk about and measure intangibles, such as the development

of positive relationships or increased happiness and satisfaction, has led to an ongoing and important discussion across the sector.

The true picture of an organization’s success includes both quantitative and qualitative measures, and many leaders are taking a more holistic approach when measuring their accomplishments. By broadening their focus and going beyond the data, they are better able to present a compelling picture of not only their work but also the all-important outcomes.

Infrastructure: Doing the Work

It seems logical to measure success by demonstrating how well you have achieved your mission, and according to Simone P. Joyaux, ACFRE, Adv Dip, of Joyaux Associates (www.simonejoyaux.com) in Foster, R.I., that effort should include taking a very close look at the strength of your infrastructure. “People talk a lot about ‘It’s our *mission* that matters. We have to talk about the mission,’” she says. “But what about the stuff that helps you achieve your mission? How successful is your infrastructure? Your fundraising, governance and marketing and communications? People don’t link them.”

Joyaux feels strongly that leaders have an obligation to use the tools and resources available to measure how well each part of their organizational infrastructure is performing. “We have many volunteers on boards who

are caring, wonderful people, but my observation is that they think they know stuff they don't know," she says. "Fundraising and governance aren't a means to an end. They each have a whole body of knowledge. Do you have a board member who attends only one meeting a year? That's a problem. What about their service on committees? There are governance self-assessments. Read one, answer the questions and see how well your board's doing."

With regard to fundraising, Joyaux emphasizes the importance of thinking beyond the easily quantified data. "We do financial or fundraising reports, but we don't create a narrative. There's no context, no talk of trends or implications. We tend to measure fundraising success by dollars raised. We need to commit and care enough to measure the qualitative things, too. Many people don't mention loyalty rates, and loyalty is the holy grail of fundraising. Seven out of 10 first-time donors don't give a second gift! If we get 100 new donors and only 30 of them give a second gift, we are not doing well with loyalty. What we are quantitatively not doing is building relationships."

In addition, nonprofits should survey donors the same way that businesses conduct customer satisfaction research. "The donor is a consumer, and it is possible to measure donor satisfaction," Joyaux says. "The tools are there. Care enough to find out how satisfied they are with their donor experience."

Educate and Illustrate

Anne Ard, executive director of the Centre County Women's Resource Center (www.ccwrc.org), measures the organization's effort to eliminate domestic and sexual violence by looking at results in three areas:

- the consistency of financial support from the community;
- the level of collaboration the Centre is able to maintain with the police department and other local human services providers; and
- the strength of the media relationships that help the organization maintain a high profile in the community.

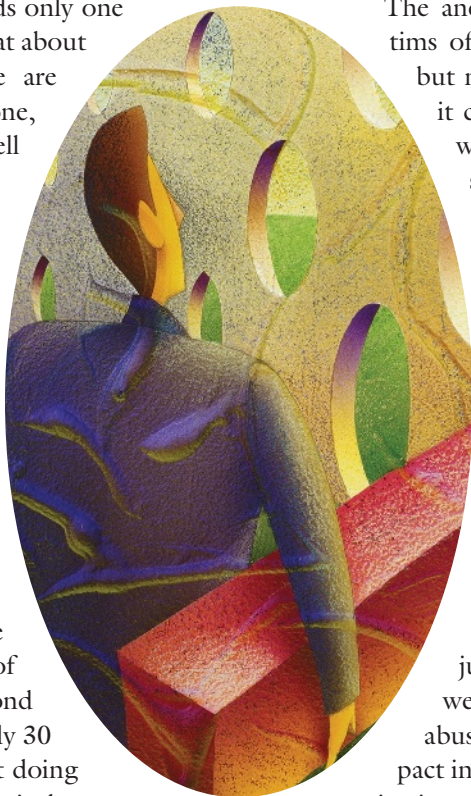
These are factors that reflect on successful fundraising, marketing, communications and outreach efforts and represent a great example of Joyaux's emphasis on infrastructure.

The anecdotal impact of the work with victims of rape and domestic abuse is obvious but much harder to quantify. "Sometimes, it comes from feedback from the people we've worked with or people who know someone who was helped by the organization 30 years ago," Ard says. "I hear that from people all the time. We also added the question, 'Why do you give?' to our direct-mail piece, and we also see our impact in those answers."

Changes in the ways in which the community understands and deals with sexual and domestic violence also reflect the success of the Centre's efforts. "In our community, people didn't understand why the woman in an abusive situation didn't just leave," Ard explains. "Now that we've communicated the dynamics of abuse, people understand. We see our impact in the way people unrelated to our organization publish things about domestic violence that look as though we could have written them. And we see it in the way the police and the courts respond to victims. This is a national trend, but locally, we know our work has contributed to that."

One of the challenges for nonprofits, including the Centre County Women's Resource Center, involves explaining impact to funders who may have narrow or preconceived notions of what the impact should be. "A funder may say, 'We want you to quantify your success based on how many women have left abusive relationships,' but we know that leaving is not always the safest option," Ard says. "We try to frame those questions in a way that realistically shows our impact. For example, we do exit interviews with people for whom we've provided emergency shelter for 30 days, such as 'Are you able to access resources that you weren't able to access before you came here?'"

Ard feels that funders are open to being educated, and she takes seriously her responsibility to do so. As the chief development officer of her organization, she adds, "Part of my job is to write grants, which involves educating the funders about why the work is important and how it gets done."



It is not easy to easily and clearly describe your organization's impact. It is not the same thing as fulfilling your mission. The subject is much more nuanced and requires some deep thinking before you answer. "Funders focus on data and statistics because it's easy," Joyaux explains. "Any organization that's trying to change something knows that change takes a long time. We could say about nonprofits that have been working for decades on marriage equality that there's now marriage equality, so they're successful. But what is the *lived experience* of being gay and married? Is it more socially acceptable? The law passed, but the lived experience is still not fixed."

Joyaux also cites the example of how to assess outcomes of a counseling center based on responses from people who used its services. "If you ask if people were 'happy,' they may actually say they are angry because counseling was a traumatic experience for them. Happiness and satisfaction are soft, qualitative things, but there's research out there on how to measure them. Your job is to look at that research so you can educate donors and funders. What kinds of conversations are staff and the board having in an effort to measure impact? You should be having *deep* conversations with cage-rattling questions."

New Approach, New Tools

Gabrielle Kurlander, president and CEO of All Stars Project, Inc. (www.allstars.org), is determined to develop accurate ways to measure the impact of her afterschool development programs, which are open to all youth and not just those who are deemed to have significant academic potential. "I am less concerned about how we *measure success* than how we *successfully measure*," she says. "Current measurement tools represent values that are outdated. Many funders of afterschool programs want to measure test scores and dropout rates, and some even want to track whether youth commit crimes before and after their program involvement, sending the message that anyone who comes into the program is treated like a potential criminal."

Her focus is on the relationships and feelings of self-worth that youth develop in various All Stars programs. "We have major corporate leaders spending time with kids from poor communities and developing relationships with them, and this establishes a new kind of social fabric," Kurlander explains. "These relational experiences are more socially valuable than a metric."

She also tells the story of Tyrone, who is not in school, not employed and has no money. "He is struggling. But he got involved with the Castillo Theatre group of volunteers called Whatever It Takes, because they do

whatever it takes to get the show up," Kurlander says. "By traditional measures, he is a failure, but he's involved on this team, working with different kinds of people, and his participation is improving his life. Tyrone's happier, even though he isn't successful in the ways funders want him to be. If you talk about happiness as an important outcome, you get laughed out of the room. Middle-class and affluent people go into therapy to become happier, but in the disadvantaged community, happiness is not considered legitimate."

Kurlander and her team are currently involved in a multiyear project with Southern Methodist University's (SMU) Center of Research and Evaluation (CORE) at the Annette Caldwell Simmons School of Education and Human Development (www.smu.edu/Simmons/Research/CORE) in Dallas to develop a methodology and a set of evaluative tools to explore the impact of afterschool development.

"Some of the largest foundations are lagging behind in the evaluation tools they're using, but there are a number of forward-thinking leaders who are aware of and talking about these issues," she says. "Our CORE partners are well-versed in the limitations of traditional measurement tools, and they're looking at how we can measure the success of things like relational capability."

The project's field-testing phase has begun, and once pilot projects are completed in 2018, Kurlander and her colleagues will begin publishing the results of their work and making the tools available to other nonprofits.

"If these new tools are successful, they'll help us demonstrate how to document the impact of the All Stars, a program that is theoretically sound," says David Chard, Ph.D., president of Wheelock College and former dean of the SMU Simmons School. "It will advance our understanding of the developmental theories that are the foundation of All Stars, and it will provide evidence to the nonprofit sector that measuring the impact of nontraditional programs is possible and that we shouldn't shy away from doing so."

Metrics and Expectations

Clear expectations are an important component of fundraising success, and the development professionals at the University of California (UC), Davis have made an intentional effort to develop a set of consistent goals and guidelines for frontline fundraisers across the entire campus, plus the medical, veterinary and other professional schools.

"We formed a metrics task force about five years ago when a new head of the development shop came in," says

Karen Charney, senior director of development at the UC Davis School of Law (<https://law.ucdavis.edu>). “We all knew we needed a better method of measuring what we did and a better method for arriving at expectations of what we should be doing. Everyone was doing things a little differently, and we needed to make sure everyone had the same expectations.”

SHOW AND TELL

If a picture is worth a thousand words, what is a dashboard worth? To your stakeholders, it could be a great deal.

The following are tools, resources, templates and more to help you create, use and share with your stakeholders.

Dashboards for Nonprofits
www.councilofnonprofits.org/tools-resources/dashboards-nonprofits

Dashboard Reporting, BoardSource, 2013
<http://leadingwithintent.org/wp-content/uploads/2015/01/DashboardReporting.pdf>

“How Hands On Atlanta Uses a Dashboard to Track Progress and Reach Its Goals,”
The Bridgespan Group
www.bridgespan.org/Publications-and-Tools/Performance-Measurement/How-Hands-On-Atlanta-Uses-Dashboards.aspx#.V54IOPkrKmU

“Show Me Your Nonprofit Dashboard”
www.bethkanter.org/nonprofit-dashboard

The Nonprofit Dashboard: A Tool for Tracking Progress by Lawrence M. Butler (BoardSource, 2007), paperback, 53 pages

The Nonprofit Dashboard: Using Metrics to Drive Mission Success, Second Edition, by Lawrence M. Butler (BoardSource, 2012), paperback and PDF, 75 pages
Available at www.boardsource.org or by calling 202-349-2500

“Warning Lights: New Dashboard Reports Help Institutions Gauge Their Performance” by Lawrence M. Butler
www.nebhe.org/info/journal/articles/2007-Spring_Butler.pdf

Members of the task force began by talking with representatives from schools across the country to see how they measured fundraising success. “We found that people agreed it was important to measure the number of visits and the number of asks made. Some measured dollars raised, and some didn’t. That gave us a baseline of what made sense for us.”

They created four metrics by which development officers would be assessed and attached annual expectations to each one:

- 150 face-to-face visits;
- 10 to 50 percent of face-to-face visits should be for the purpose of prospect qualification;
- 15 to 24 asks and proposals; and
- the number of dollars raised, with a goal within ranges based on the level of the position.

“There was a huge human resources reclassification going on at the same time, and our goal was to align the metrics with the level of development position,” Charney says.

In addition, there was some flexibility within numbers in each category, depending on what percentage of the development officer’s time was devoted to fundraising and the maturity of the prospect portfolio. “The numbers weren’t meant to be punitive. The goals were meant to be realistic if you worked really hard,” Charney explains. “Everyone now understands what everyone else is doing, and it’s a fairly simple process to explain to new staff. Having it on paper and knowing how you’re going to be evaluated was helpful and led to much better conversations, lent itself to establishing really good goals and helped us figure out where a program was having specific issues. Metrics are just one component of measuring success. They lay a good foundation.”

Last year, the task force made a few tweaks to the expectations, which included ensuring that a subset of asks would be comprehensive asks that included a major or endowment gift, current use and a planned gift. They also retooled the qualification piece. “Instead of us looking for promising prospects to visit and qualify,” Charney adds, “research is now giving us quarterly targeted lists of people we need to try to reach in the next 120 days.”

Know Thyself for Success

Having clear goals and expectations sets development officers up for success, but if they lack certain qualities and skill sets required for successful donor relations, they are less likely to meet those goals.

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Bill Crouch, CEO and founder of Crouch and Associates (www.crouchandassociates.com) in Raleigh, N.C., believes that one reason the average tenure for a development officer is only 18 months or so is because organizations are hiring people who do not have the emotional intelligence to handle the stress of the job. “Emotional intelligence is how you respond when things go bad, and relational intelligence is all about making social connections,” he says. “What we call ‘vertical intelligence’ is the combination of the two.”


His focus on the importance of social connections underlies his feeling that the profession spends too little time training fundraisers to ask donors the right kinds of questions. “We teach them to ask the person how many children they have and where they went to school,” Crouch explains. “But we should be teaching them to ask, ‘In the last three years, what has been the very best experience you’ve had?’ That’s trying to understand the ‘why’ of the donor. Development people need to be taught the science of how people make funding decisions. We think we can cut the cultivation time in half by asking the right questions at the beginning of the process.”

Knowing how to measure a person’s emotional strengths can help nonprofit leaders when they are hiring fundraisers, and it can help existing staff understand the areas in which they can improve. Crouch has done research on the qualities of top performers in a number of professions and has developed an assessment tool designed specifically for fundraisers. He has found that the most successful fundraisers are independent, have the ability to be accommodating and score high on the ability to make decisions based on intuition.

Surprisingly, scoring too high on sociability is not necessarily a good thing. “You don’t want someone who can walk into a room and talk to everyone,” Crouch says. “You want someone who can go in and focus on the 10 people they need to focus on.”

He points to all of the science that supports the fact that a person can rewire the brain and create new habits, and he says that people who are willing to do the work can improve their vertical intelligence. “We can strengthen them as individuals,” Crouch says, “not just as development officers.”

Keith Oakley, assistant dean for college advancement in the College of Agriculture and Life Sciences at North Carolina State University (www.ncsu.edu) in Raleigh, can attest to the success of Crouch’s approach. “As an example of working with Bill’s team, our senior staff has been able to determine their ‘why’ in life, allowing us to understand what is at the core of our motivation and purpose,” he says. “This better understanding of ourselves is critical in our better serving our organization and team.”

The picture of success, indeed. 

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Resources

“Afterschool to Funders: Let’s Develop New Methods of Seeing What Works,” by Gabrielle L. Kurlander and Bonny L. Gildin, Ph. D.

<https://allstars.org/wp-content/uploads/2016/08/AfterschooltoFunders.pdf>

“How Can Non Profits Measure Success And Impact?” www.armstrongmcguire.com/blog/how-can-non-profits-measure-success-and-impact

“How to Measure Social Impact: New Research and Insights” www.forbes.com/sites/rahimkanani/2014/03/15/how-to-measure-social-impact-new-research-and-insights/#65c023dc74be

Measuring Outcomes


<http://strengtheningnonprofits.org/resources/guidebooks/MeasuringOutcomes.pdf>

How to measure and evaluate your advocacy and policy efforts



MISSION POSSIBLE

BY MARK BREWER

f all the things you can measure, advocacy and policy work are among the most difficult. That said, the risk of not evaluating your policy work is that you are shooting in the dark every time you engage in advocacy, says evaluation expert Jacob Allen, who leads the social impact practice at the Cicero Group (www.cicerogroup.com) in Salt Lake City.

By its nature, advocacy is complex, and its impact is often indirect. Advocates work in an evolving context that is dynamic and unpredictable because things you have no control over are constantly shifting. The political landscape is fluid.

Other issues compete with yours. You may have direct or indirect opposition. And the process is slow, with change taking years or decades.

Advocacy strategies need to adapt and change in response to this dynamic environment, and the advocacy plan you started with is most likely not the plan you eventually will have later on. “The political environment shifts constantly, so you need to adapt to changes in policymakers, who’s in power and what issues are competing with yours for attention and funding,” says Julia Coffman, founder and director of the Center for Evaluation Innovation (www.evaluationinnovation.org) in Washington, D.C. “There’s an evolving context that you need to pay attention to.”

In such a dynamic, long-term environment, how do you know if your efforts are bearing fruit? Tracking

By its nature, advocacy is complex, and its impact is often indirect.

legislative victories may seem like an obvious measure of success, but it does not provide advocates with actionable intelligence while sweating in the advocacy trenches. What if your legislative agenda fails but you had measureable success along the way, such as effectively mobilizing community leaders around your cause? What if you are good at deflecting bad ideas before they become law? Or

what if your legislation passes, but it is not implemented? How can you claim a win without any real change to go with it? “Ultimately, if you’re going after a policy change, you’ll know in the end if you did or didn’t achieve it,” Coffman says. “But you can’t predict how

long it will take to get to a win. So, the questions in the meantime become, ‘How do we know if we’re making progress at all? What can we capture that tells us that our strategy is on the right track or if we need to change it?’”

Advocacy Evaluation Considerations

The key to knowing whether you are making progress or not is to track incremental successes and outcomes along the journey to policy change. Rather than measuring long-term outcomes, such as whether a bill is passed, advocacy is better measured along the way, enabling nimble course correction, incremental improvement and feedback on strategy effectiveness.

Janelle Brazington, vice president of administration for Kansas Action for Children (<http://kac.org>) in Topeka, Kan., says that advocating for car booster seats was a six-

CREATING YOUR THEORY OF CHANGE

Your theory of change, also called a logic model, is a road map to finding metrics that are meaningful in measuring the effectiveness of your advocacy work.

Jacob Allen, partner at the Cicero Group (www.cicerogroup.com) in Salt Lake City, suggests a process to create a simplified theory of change by working backward from the desired outcome. Using a sheet of paper or a whiteboard, write the ultimate policy goal on the right side. To the left of that, write down the intermediate goals required to achieve the ultimate goal. To the left of that, write down the near-term activities and goals. Reading from left to right, you now have the anticipated path forward.

For example, if you want to reform the criminal justice system, your simplified theory of change may resemble the following:

- We need people to be aware of and informed on criminal justice.
- Once they become more informed, some people will become more active and engaged in specific ways.
- Once they are engaged in specific ways, then they will engage directly with legislators.

- Once legislators hear more from their constituents, they will change their vote.
- When they change their vote, then we believe the bill will pass.
- When the bill passes, we have achieved our policy goal.

As an organization, you cannot take responsibility for the whole chain, but you can take responsibility for the areas in which you work. So, if your mission is education and engagement, you may focus on tracking whether your audience is aware of the issues. You also could track whether your information engaged your audience in the ways you expected.

To create a more complete theory of change, the Advocacy Progress Planner is an online tool for advocacy planning and evaluation that will walk you and your team through a process to create a theory of change and provide an at-a-glance look at the ingredients of advocacy efforts. It can guide you to clarify the goal, audience and tactics of your own campaign. Visit <http://planning.continuousprogress.org>.

year process. “We learned to measure our impact little by little,” she says. “We set incremental goals, and we looked for ways to measure progress toward those goals.”

Incremental advocacy evaluations give advocates timely answers to the strategic questions they frequently face and provide solid direction when changes need to be made, whether changing tactics to improve your results or responding to a changing environment. Furthermore, you can share these evaluations with funders and other

partners who may be interested in your progress. Incremental success along the way is enough to keep many funders engaged, even when your efforts may not directly change policy.

It is also important to remember that program evaluations are not the same as advocacy evaluations. According to Coffman, the discipline of evaluation grew up with programs that have predictable plans and outcomes. However, evaluating advocacy is different.

Your advocacy strategy probably will change over time, and you cannot predict outcomes with any reasonable certainty.

Amy Blouin, founder and executive director of the Missouri Budget Project (www.mobudget.org) in St. Louis, says that direct service metrics tend to be clear, but advocacy metrics are not. “With direct service organizations, it’s easier to capture the number of meals provided or the number of at-risk kids who now have been provided with a safe environment,” she explains. However, the same cannot be said for advocacy metrics. “You don’t know if you’re evaluating everything that you need to,” she points out.

Knowing What to Measure

Measuring advocacy is inherently qualitative, Brazington says. “I have a degree in math. I want a quantitative perspective. What I’ve learned in advocacy evaluation is that you can measure numbers to an extent, but that ends with your outputs, such as the number of policy briefs you sent out. That doesn’t measure impact,” she explains. “We started by asking ourselves, ‘How do we know if we’re effective?’”

Allen suggests creating a theory of change, also called a logic model, to get the clarity you need. By being precise on the chain of outcomes or events that lead to a broader policy change, you will get an understanding of what to measure. “The way to decide what to measure is to first be very clear on what change needs to happen and how your organization is involved with making that change happen,” he says.

At the Missouri Budget Project, Blouin says they encourage advocates to identify upfront their theory of how change will occur. “Is it that you need to mobilize the grassroots, or is it more of an insider game? What’s your theory about the path you need to take to get there?” she asks. “Once you know that, you can identify

a set of interim outcomes. Is there any evidence that you’re building political goodwill? Is there any evidence that the media is covering your issue in a way you want them to?”

What you measure should be within the context of your theory of change, advises Carol Hedges, executive director of the Colorado Fiscal Institute (www.coloradofiscal.org) in Denver. “If everything measures well but you are falling short of your objectives, then either the theory needs to change or you need to be more effective in executing the theory’s strategy,” she says.

Hedges’ metrics include the number and growth of partners in their coalition and the number of people who have used their messaging or participated in their Twitter campaigns. “These metrics help show if we’re building toward our theory of change,” she says.

Kansas Action for Children (KAC) uses advocacy evaluations to understand if its activities are creating the change it seeks. One thing it has learned is that legislators pay more attention to constituents than they do to

KAC’s research and analysis. Consequently, KAC created a network of eight state-level, grassroots organizers who reach out to their networks in response to a KAC call to action. Based on the evaluations of the program, Brazington feels confident that KAC is getting better traction through grassroots mobilizing. “People are responding. We know that

by tracking our Facebook and Twitter followers who engage by doing what we ask them to do,” she says. “We track that through hashtags and monitoring Twitter feeds so we can see how many people are tweeting our message to the governor or legislators.

“We not only track if our grassroots network is acting on our behalf but we also measure if they’re effective,” Brazington adds. “We monitor that by having our staff sit in legislative hearings and by following the



“If everything measures well but you are falling short of your objectives, then either the theory needs to change or you need to be more effective in executing the theory’s strategy.”

#ksleg hashtag on Twitter. We measure the extent to which legislators champion our efforts. We also monitor the media reaching out to us for information and background on issues and topics.” If the media ask for political background, that is even better. “Finally,” Brazington continues, “we measure whether we can neutralize our opponents.”

Mixing Concrete With Anecdotal

The Missouri Budget Project (MBP) tracks a mix of concrete metrics and anecdotal information to measure growth in awareness, support and outreach. “We measure to what extent we are building awareness of the policy issues we work on,” Blouin says. “Sometimes, that’s public awareness or key influencer awareness. Sometimes, it’s grassroots awareness. We also measure to what extent we are building support for these issues among those audiences and how effective we are in engaging those supporters in advocacy. It’s not enough to just give them information. Are we moving them to become involved somehow?”

To answer that, MBP measures the distribution of its policy analyses, whether those documents get to the right partners and whether distribution is increasing to reach more people. It also measures the total number of presentations to strategic audiences. “Are we making presentations and increasing awareness among those key business and civic leaders throughout the state who then influence public opinion in their areas?” Blouin says she wants to know.

MBP evaluates its email list growth and social media impact to learn whether it is increasing the number of constituents it attracts through those media. It also gauges awareness through its partners by tracking the number of partners that request newsletter content geared to their audience, keeping a record of the number of people reached through those networks. Finally, MBP tracks media hits, such as op-eds and letters to the editor, that it writes or helps partners write.

In addition, MBP monitors support by measuring the growth in the number of coalition partners, formal and

informal, and evaluating whether the diversity of its partners meets its needs. “We measure the growth of civic and business leaders who take some sort of action to support a policy issue that we’ve asked them to take,” Blouin explains. “Are they actively engaging? Are they distributing our information to their networks? Are they doing media outreach? Are they hosting policy forums, and are they communicating with lawmakers directly?”

“We measure outreach to targeted community leaders and lawmakers that result in support for policy issues,” she adds. “For example, if a local chamber of commerce votes to support our policy issue, we capture that as a measure of outreach.”

MBP’s evaluation plan includes an annual review, during which it examines the extent to which its policy issues have advanced. “Each year, we survey coalition partners to determine how effective the coalition engagement is,” Blouin says. “Are our policy analyses useful? Are our talking points helpful? Are they distributing information? How many people do they reach? Have they used our sample social media posts? Are they writing letters to the editor? And we ask open-ended questions, such as ‘How can we be more effective in our work?’ At the end of the year, we compare those metrics with the anecdotal information we have about how we’ve influenced policy.

“If our metrics tell us that we’re successful but other dynamics prevented what we wanted in terms of legislation, is there

something different we should be doing?” she asks. “Are we reaching the right people to help us influence that legislation?”

MBP recently worked on a bill that was suddenly and dramatically changed midcourse. Through conversations with the sponsor and others, it was able to change the bill back to the original text. “We capture these anecdotal situations where partnering with lawmakers resulted in a change we wanted,” Blouin says.

Of course, with limited resources, you cannot measure everything. So, in an ocean of possible metrics, how do you make the best choices? Prioritize. Blouin



“Are we reaching the right people to help us influence that legislation?”

Finally, remember that measuring advocacy is not a one-size-fits-all endeavor, Coffman says. “Every advocacy evaluation strategy needs to be different.”

suggests prioritizing based on the main purpose of your evaluation. Is it to demonstrate impact, or is it to support your organization’s learning and adaptation? Prioritize based on your theory of change. Choose indicators that show progress as your theory plays out as anticipated, and based on that, make choices about what you do and do not measure.

Resources

Advocacy Evaluation Update, Fall 2011, Center for Evaluation Innovation
http://evaluationinnovation.org/sites/default/files/AEU_Fall_2011.pdf

“The Elusive Craft of Evaluating Advocacy”
by Steven Teles and Mark Schmitt, *Stanford Social Innovation Review*
http://ssir.org/articles/entry/the_elusive_craft_of_evaluating_advocacy

“Measuring Advocacy—Yes We Can!” by Matthew Forti, *Stanford Social Innovation Review*
http://ssir.org/articles/entry/measuring_advocacy_yes_we_can

“Six Theory of Change Pitfalls to Avoid” by Matthew Forti, *Stanford Social Innovation Review*
http://ssir.org/articles/entry/six_theory_of_change_pitfalls_to_avoid

UNICEF Advocacy Toolkit
www.unicef.org/evaluation/files/Advocacy_Toolkit.pdf

“Unique Methods in Advocacy Evaluation”
by Julia Coffman and Ehren Reed
www.innonet.org/resources/files/Unique_Methods_Brief.pdf

A User’s Guide to Advocacy Evaluation Planning by Julia Coffman, Harvard Family Research Project
www.hfrp.org/evaluation/publications-resources/a-user-s-guide-to-advocacy-evaluation-planning

“What’s Different About Evaluating Advocacy and Policy Change” by Julia Coffman, Harvard Family Research Project
www.hfrp.org/evaluation/the-evaluation-exchange/issue-archive/advocacy-and-policy-change/what-s-different-about-evaluating-advocacy-and-policy-change

Focus on evaluating activities related to nearer-term outcomes and those that align with your advocacy strategy. A clear theory of change will help you find that strategy focus.

Focus on your organization’s unique contribution to the larger effort and how you are able to adapt to change and make a difference. “It’s less about advancing policy and more about whether the organization has been able to adapt when serendipity [or disaster] arrives,” Hedges explains. “Funders like to see that you’re nimble and can adapt to change.”


Common Pitfalls

Allen says that a common pitfall for advocates is measuring only activities and not outcomes. While it is not necessarily wrong to measure activities, “if you don’t measure some level of outcome, you don’t know if your activities are effective,” he says.

Also, strive for meaningful measurements, and avoid the tendency to count only what is easy. “It’s easy to count meetings and press releases,” Coffman says. “That measures what you did instead of measuring the effect those actions have. A better measure might be, ‘What happened as a result of your meetings with policymakers? Did they become champions for your cause? Did you change their minds? What was the result of the meetings?’

“And make sure what gets measured matches up with the strategy,” she advises. “Many efforts are focused on educating an audience on an issue. There’s research showing that raising awareness alone does not produce policy change.”

Finally, remember that measuring advocacy is not a one-size-fits-all endeavor, Coffman says. “Every advocacy evaluation strategy needs to be different.”

After all, your organization provides a unique contribution to the change that many others are working toward. 

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The Power of Relationships

A Conversation With Patrick J. Feeley, MBA, CFRE, AFP Board Chair

BY LYNDIA McDANIEL

Patrick J. Feeley, MBA, CFRE, has served on the board of the Association of Fundraising Professionals (AFP) for nine years, the last two as chair. He is leaving the position on Dec. 31, although he will remain on the board for another two-and-a-half years. What has he learned during his tenure, and what insights has he gained about the future of the association and the fundraising profession?

Q: What have you learned from serving as board chair? Will you take away a different perspective of the profession?

Pat Feeley: The value of a strong network is much clearer to me as a result of more direct involvement with AFP. I see the tremendous power of personal relationships and the importance of relying on peers outside of the workplace. To have received that gift from AFP is remarkable.

In the workplace, two specific areas come to mind: One, seek the advice and perspective of others on how to handle a situation with a donor or volunteer who may be challenging, and two, rely on peers for advice on how to build and grow your team. In our profession, there is a growing emphasis on management, and these are just two areas in which a strong network can be a great asset.

Q: Have you ever experienced a failure that led you to a success?

Pat Feeley: I find success is often achieved from what we learned from our failures. In the fundraising profession, opportunity and challenges are often juxtaposed. We've all had experiences in which a campaign has had a challenge, or we met with a prospect from whom we expected a large gift—but walked out with small one. It feels like failure, but we have to get back up and go on to our next stop. It's a matter of degree. The more experience we have, the more our appetite for learning from failure gets stronger. That failure becomes incorporated more as constant renewal that makes us stronger leaders and fundraisers.

Q: As board chair, did anything surprise you?

Pat Feeley: Surprise is not quite the right word—it's more like awe. I think I may still be in awe of the breadth of our organization. I have a passion for diversity, and during my tenure, I've had incredible experiences with colleagues from Mexico to Canada. We've been building a pipeline of fundraisers from more diverse communities, which is so exciting because this approach will strengthen the profession and enrich philanthropy worldwide. That's been a welcomed experience—to sit back and see the scope of our organization and what makes AFP so special.

PHOTOGRAPH BY LAUREN ADELE LITTLE

Q: What actions of fundraisers do you like?

Pat Feeley: The top action is to listen. The act of listening involves being present, open and aware of a donor's interests, needs and aspirations.

Q: What actions of fundraisers don't you like?

Pat Feeley: The exact opposite: filling the room with your own air. Moving too quickly on who you are instead of learning who they [the donors] are. Putting your organization's facts and figures and history out there before you've listened to your donors.

Q: What do you consider the key to success for a fundraising campaign?

Pat Feeley: A successful campaign requires a mix of bold action connected to a strong case. I often say that your if/then statement must be strong. In other words, ask yourself, if a donor embraces your organization, then what will happen? Can you turn that into a bold statement of change? When you can answer that, you'll be in a much better position to see success for your organization and your donors.

Q: What do you find is the most effective way to ask for money?

Pat Feeley: It's important to include your board, CEO and other executives in this process. Donors love the interaction with leadership. As a fundraiser, you're a bit of a matchmaker with donors, donors' interests and the leadership of your organization.

Q: What have you learned over the years about how donors like to be treated?

Pat Feeley: Every donor is different, so you have to work at learning how they want to be treated.

Also, you need to anticipate what donors want by doing your research prior to receiving the gift. Do they want recognition, stewardship and a connection to the gift? Find ways to ask that question. Ask donors how their gifts bring meaning to them. And explore how celebrating this gift would feel right for them. What does that look like for them? Ask a polite question, pulling out answers, instead of telling them what you do and what will happen when you announce the gift. You don't have to stick to the rules your organization has set up as the only approach to donor recognition.

Q: In your experience, what encourages donors to keep giving?

Pat Feeley: Donors continue to give based on the feeling they got after their last gift and seeing the impact of their gift. The answer truly is all about the emotions and fulfillment they feel. For example, in my line of work in addiction and recovery, donors could make a gift on the 10th anniversary of their sobriety. This kind of milestone celebration through philanthropy means so much to them and their families.

Q: How does technology help, or hinder, fundraising?

Pat Feeley: It's always good to remind ourselves that, while we have so many tools at our disposal these days, in some cases those tools can create noise between us and our donors. For example, we may measure a donor's inclination by using a software program. Or we may look at how a prior fundraiser rated them and make assumptions on their giving history. But when we do that, we can miss opportunities to connect with donors. We may be so hamstrung by the assumptions we make from all the tools we have at our disposal that we fail to secure a significant gift. It's been said before, but it's worth repeating: We can get very big gifts from the millionaire next door. Too often, too many fundraisers are chasing the same people. If we'd turn to our own database and network, we are likely to find people who might surprise us. They may not appear to have means, but when we turn our focus on them, we just might uncover diamonds in the rough.

Q: How has the profession changed during your tenure?

Pat Feeley: Our focus on education and ethics has been clear for many years. Now, I find it exciting to see new emphasis on research and diversity, advocacy and public policy. These have taken on a greater role, delivering more action and increased visibility. That's the sign of a maturing organization, one with a foundation of education and ethics but also using its muscle in new areas.


Q: What's next for the profession? What has started during your tenure that you are looking forward to seeing continue?

Pat Feeley: I'm excited about the diversity initiatives we've launched and all the new people I've seen at the

projects in Canada and Cincinnati. These two programs are evolving in important ways. In Canada, we've begun an intentional approach to better understand the differences in philanthropy in a wide array of communities. We're working to find ways to attract fundraisers from those communities, especially those that are often underrepresented. What an incredible initiative—building awareness and understanding and taking action to change the face of fundraising in Canada. And something similar is going on in Cincinnati, with the idea of building the pipeline of fundraisers from diverse communities through the New Faces of Fundraising program. These efforts will strengthen the profession and enrich philanthropy worldwide.

Also, I need to include the growing importance of succession planning and leadership development for our profession. A significant number of baby boomers will be retiring from executive positions through the next decade. In order for nonprofit organizations to be prepared for this transition, we need to support and groom the next generation of leaders to close the gap.

Q: Any final thoughts?

Pat Feeley: AFP has long been known for education, and I now see this coming full circle. We no longer take fundraising accreditation for granted. Members have a depth of educational opportunities at their disposal at AFP. I feel so strongly that accreditation and education strengthen fundraisers and keep them focused on mile markers that distinguish them from others. 

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Excellent Journeys

It takes only a quick glance at the résumé of Patrick J. Feeley, MBA, CFRE, to know that you are dealing with a seasoned professional. As a nonprofit executive, Feeley brings 24 years of experience in management, board development, fundraising, finance, program development, special events and public relations. For the past two years, that has included serving as chair of the AFP board of directors, which he will step away from at the end of this year, though he will continue on the board until mid-2019.

As executive vice president and chief development officer, Feeley currently oversees the \$65 million comprehensive Open the Door campaign at Caron Treatment Centers in Wernersville, Pa., about 70 miles northwest of Philadelphia. At Caron, he works with what he calls “an amazing team” of alumni and fundraising professionals for this nationally recognized behavioral health organization helping families affected by the pain of addiction. From 2007 to 2013, he served on the senior management team of the development department at the Children's Hospital of Philadelphia (CHOP). There, as associate vice president for individual and principal giving, he oversaw major gifts, planned gifts and capital support. He also served as assistant vice president for institutional and event fundraising, handling corporate, foundation, cause marketing and special event teams at the hospital. From 2002 to 2007, Feeley was director of corporate and foundation relations at La Salle University during its Shoulder to Shoulder Campaign, which resulted in a new science center.

Even with such impressive credentials and experience, Feeley is as approachable and unassuming as he is successful. Like the humility that shines through when he shares what he considers the best way to ask for money. “It's essential to have a sense of introducing, positioning and sometimes pulling back to allow the magic to occur between donors, your executives and your organization,” he says. “It takes a special personality to make this happen.”

When asked if he has perfected the process, he quips: “I'm still working on it.”

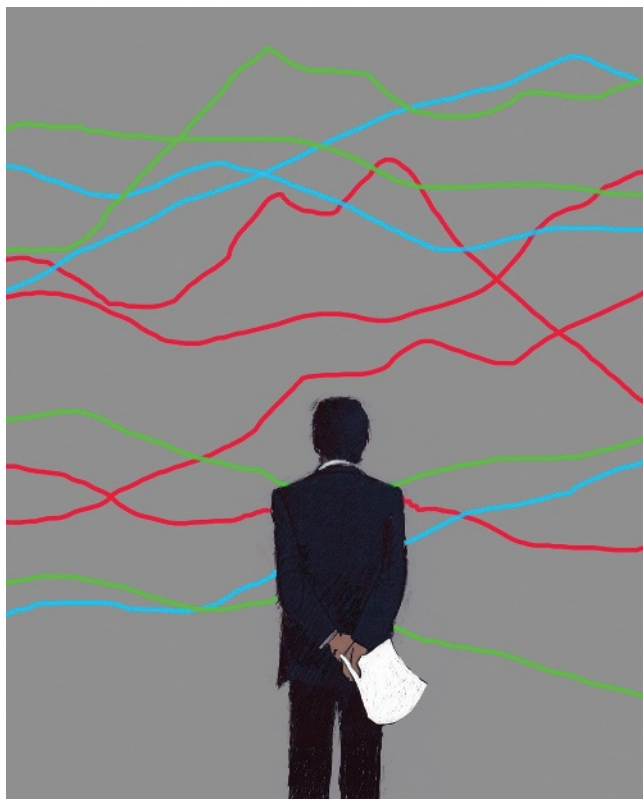
You also get a sense of his depth of character from his LinkedIn list of favorite causes: arts and culture, children, civil rights and social action, environment, health, human rights and politics. Especially children. In addition to CHOP, Feeley also worked at Philadelphia Junior Achievement of Delaware Valley Inc., a nonprofit organization that helps young people learn about the role of economics. As vice president of advancement, he managed a three-year, \$1.7 million capital campaign to build Exchange City, an economic education facility where the kids operate everything in this municipality—from government and banking to the media and post office.

Once the new year rolls around, Feeley looks forward to more time for his favorite hobby: travel. He recently visited Prague, and Iceland and Japan are on his wish list. “I love to travel, seeing new places, experiencing new things and meeting people I'm otherwise not next to,” he says. “I'm blessed to have a similar travel journey in my day job, visiting with donors and colleagues. Everyone has a story and travel experience that I can tap into vicariously.”

As he prepares to leave the position of AFP chair, Feeley has strong feelings about the association and the positive trajectory it is on. “We have so many strong volunteers who can continue to advance the profession and our association,” he emphasizes. “So, there's no need to go it alone. Everyone in the profession can draw from these volunteer leaders—count on their support, lean on them, pull from them. Know that others have gone before you, and get their wise counsel.”

Program Evaluation: How Does It Affect You?

BY SALVATORE ALAIMO, PH.D.



Here is something you probably have known for quite some time: The increasing demand for program evaluation affects the work of fundraising professionals. In fact, there have been clues about this for more than 50 years.

In 1964, David Church, former executive director of the American Association of Fund Raising Counsel, now the Giving Institute (www.givinginstitute.org) in Chicago, and a member of the National Society of Fund Raisers (NSFR, now the Association of Fundraising Professionals [AFP]) Ethics Committee, suggested at the NSFR annual conference that the following be included in the organization's code of ethics: "Members will accept assignments from nonprofit organizations only after reasonable inquiry has indicated the organization can present a sound case for support and has a good program ..." (Association of Fundraising Professionals records, 1964).

In 1991, Payton, Rosso and Tempel stated, "The organization justifies itself in terms of the merits of the case, its ability to translate the social values and beliefs of its mission into an action program—goals and objectives that can be used in the measurement of results" (*Taking Fund Raising Seriously: Advancing the Profession and Practice of Raising Money*, pages 6–7). And 20 years ago, the United Way of America predicted, "In the years ahead, collecting data on benefits for program participants will be as common as collecting data on the number of program participants is today" (*Measuring Program Outcomes: A Practical Approach*, page 8).

If fundraising professionals are to effectively incorporate program evaluation into their work, their organizations or client organizations if they are fundraising consultants, they must first address the issue of evaluation capacity, or the capability to efficiently and effectively evaluate programs. Evaluation capacity encompasses what is necessary for the practice of evaluation, such as "human capital (skills, knowledge, experience, etc.) and financial/material resources" (*Building Effective Evaluation Capacity: Lessons from Practice*, page 5). Baizerman, Compton and Stockdill define evaluation capacity building (ECB) as "the intentional work to continuously create and sustain overall organizational processes that make quality evaluation and its uses routine" (*New Directions for Evaluation*, page 1).

In addition, Volkov and King offer three main elements for ECB: resources, structures and organizational context (*A Checklist for Building Organizational Evaluation Capacity*).

- Examples of *resources* necessary to evaluate a program include people, facilities, funds, equipment, software and time.
- *Structures* are the physical and mental processes within the organization that contribute to ECB, such as the ECB plan, evaluation oversight group, integration of evaluation into policies and procedures, training and coaching, access to evaluation learning materials, ongoing learning activities and opportunities for reflection about evaluation.

- ECB is driven by context, so organizations must recognize their internal and external *organizational context* to balance building an internally supportive culture for ECB while integrating the demands from external stakeholders.

Research Study

ECB is an ongoing process that is necessary for fundraisers to effectively use program evaluation and compete for funds in the current environment. How do fundraising professionals view program evaluation within the context of their work? How do they use such information? How do they address challenges for this demand? What role should they play in helping build evaluation capacity for the organizations they represent and the programs for which they raise funds? The mixed-method, exploratory study discussed here seeks to answer these questions.

A total of 2,066 AFP members, representing 73 U.S. chapters from 38 states and the District of Columbia, participated in a structured, online survey conducted in 2012. The participants were representative of the entire U.S. AFP

membership in terms of tenure, level of education and type (subsector) of organization represented. However, 21 percent of survey participants had the CFRE credential compared with 12 percent of all AFP members. The survey was supplemented with focus groups conducted at the AFP Greater Atlanta, West Michigan, Northern New England and Golden Gate chapters.

Results

Approximately 64 percent of respondents stated that program evaluation was important to their work, and 81 percent reported that they incorporate program evaluation information in their work. (See Table 1.)

Of these respondents, 95 percent stated that program evaluation had been helpful to their work. In what way? They were better equipped to tell the stories of their programs to funders (95 percent), they had a better understanding of their programs (78 percent) and it helped them raise more funds (53 percent). (See Table 2.)

The results from questions about funders reinforce the importance of ECB, especially within the internal organizational context. The top three types of program evaluation information requested by funders were

- program outcomes (93 percent),
- number served by the program (93 percent) and
- description of program delivery (71 percent).

Table 1. Types of Program Evaluation Information Incorporated Into Fundraising

Information	% of Responses (n=1,653)*
Number of whom or what is served by the program	90%
Program outcomes	88%
Description of how the program is delivered	74%
Client / consumer / customer satisfaction	60%
Program (service) delivery “best practices”	41%
Demonstration that evaluation results have been used	34%
Program logic model	20%
Other	5%

***Note:** Percentages do not add up to 100 percent because respondents could choose more than one response.

Table 2. How Program Evaluation Is Incorporated Into Fundraising

Information	% of Responses (n=1,641)*
Grant/funding applications	85%
Fundraising materials, such as brochures or direct mail	74%
Case statements	64%
Electronic communication (e-newsletters or websites)	58%
Other	10%

***Note:** Percentages do not add up to 100 percent because respondents could choose more than one response.

Yet, in spite of these requests, funders do not always support program evaluation expenses. (See Table 3.) When participants were asked how often a funder paid for all of the program evaluation expenses for a program they funded, only 2 percent said, “all of the time,” 2 percent said, “most of the time,” 11 percent said, “some of the time,” 79 percent said, “never” and 6 percent indicated it was not applicable.

Participants indicated the biggest challenge for program evaluation was time, followed by cost. Additional challenges conveyed by participants include having difficulty getting access to information relevant to program evaluation (67 percent), spending more time on the program evaluation component of their work (64 percent) and communication challenges with program staff (60 percent). For 26 percent of the participants, their challenge was the opportunity cost for their time because they applied for fewer grants. To illustrate these challenges, one participant said, “wrapping my mind around how to get program staff and administration to understand how important evaluation methods are for fundraising” was especially difficult, while for another it was “the hope that people running the program have collected and analyzed the data according to the proposal’s requirements.”

For successful ECB, leadership and culture are significant factors. Of the 2,066 respondents, 55 percent said that their organization’s culture was “somewhat supportive” of program evaluation and 33 percent stated “very supportive.” However, 9 percent of participants stated that their organization’s culture was “not supportive at all” of program evaluation, and 4 percent “did not know.”

Participants shared some strategies for confronting these challenges, and the survey findings and focus group results most often referenced communication. They emphasized

that communication should be regular, consistent and occur most often with program staff. “I meet with program managers and review the grant guidelines to help them understand the reason for evaluation requirements and the value of evaluation for the funder,” one participant said.

Other strategies referenced often were planning, stakeholder involvement, allocating resources, relationship building and utilizing technical expertise.

Sixty-two percent of the participants said they advocated for program evaluation in their organizations, and they advocated to program staff (80 percent), executive directors (70 percent), the board of directors (33 percent) and funders (15 percent). Results of their efforts included “varied depending on whom they spoke to” (47 percent), “successful” (40 percent), “not successful” (9 percent) and “did not know” (4 percent).

Conclusion

1. Implications for professional development. Approximately 57 percent of the survey participants received some type of instruction in program evaluation. Of those, 50 percent participated in a workshop or seminar, 25 percent completed a college course, 16 percent received instruction from some other source and 9 percent completed both a college course and a workshop or seminar. Of the 2,041 participants that responded concerning professional development, 73 percent indicated that they desire it for program evaluation, while 78 percent desire it for ECB. This may indicate future training opportunities at workshops and conferences.

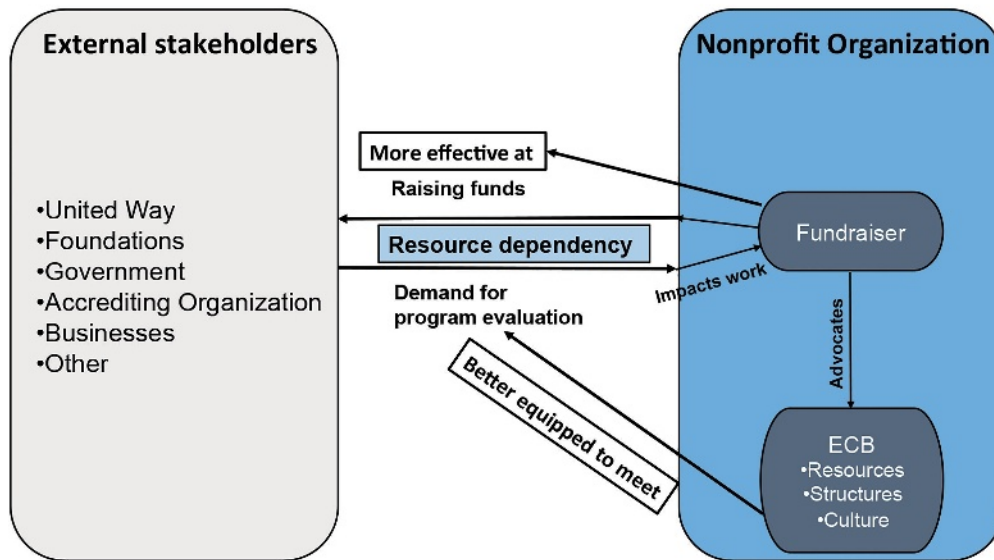
2. Implications for practice. The demand for program evaluation continues to increase and, as a result, affects the work of fundraising professionals. However, both

Table 3. Program Evaluation Expenses Paid by Funders in Calendar Year

Expense	All of the time	Most of the time	Some of the time	Never	N/A
Software	1%	1%	9%	77%	12%
Hiring an evaluator	2%	2%	13%	73%	10%
Supplies	1%	3%	15%	71%	10%
Staff time	2%	6%	23%	62%	7%
Other	3%	6%	22%	56%	13%

(n=1,525)

Figure 1. Rationale for Advocacy for Program Evaluation



the concept and the function are typically not a part of their core role and responsibilities. Because increasing accountability and competition are driving this demand

and affecting resource dependency, fundraising professionals are in a desirable position of power to advocate for ECB and engage important stakeholders. (See Figure 1.)

Lastly, fundraising professionals should begin to share their strategies for confronting the demand for program evaluation within their communities of practice. By being integral stakeholders in ECB, fundraising professionals have the potential to become more competitive and effective at raising funds as well as advancing their profession. ^{AP}

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Note: This article is printed with permission from the Grant Professionals Association (www.grantprofessionals.org) in Overland Park, Kan. The complete article, “The Impact of the Demand for Program Evaluation on Professional Fundraisers,” was originally published in the *Journal of the Grant Professionals Association*, Fall 2015.

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The Five Principles of Change Leadership

BY JUNE BRADHAM, CFRE

Unconvenient disruptions set the stage for meaningful change. The key is how you lead the change.

Indeed, the right change leadership can catapult an organization through uncertainty to certainty, through confusion and disruption to a whole new level of success. There is no harder work for a nonprofit CEO or board chair than leading this kind of change. However, as Amazon founder Jeff Bezos once said, “You earn reputation by trying to do hard things well.”

Change leadership should not be confused with change management. They are very different. Change management is a process driven by a model or methodology for controlling and communicating change. Control is the key word here. The purpose of change management is to glide through a transition with minimal disruptions.

Change leadership is powering up disruptions to inspire—to trigger and to sustain change. The disruption sets the stage for innovation and transformation. While there is much written on change management models from a host of consultancies and experts, the models for change leadership are evolving.

In the absence of clear models, the subject of change leadership has attracted a certain mystique. Harvard Business School Emeritus Professor John Kotter, for example, likens change leadership to a 1,000-horsepower engine. With that much force behind it, Kotter says, change leadership can get a little out of control. “What you want,” he concludes, “is a highly skilled driver and a heck of a car.”

This description of change leadership may sound exciting, but it is also likely to shake the confidence of most leaders. This is especially true when Kotter adds that, although change leadership is the big challenge of the future, “almost nobody is very good at it.”

But change you must. And it is time you got better at it.

There are five traits that are observed repeatedly in change leaders. By examining how these traits work in real situations, leaders will gain confidence to guide their organizations through the great challenge—and the great promise—of organizational transformation.

Executive Presence Matters

Welcome to uncharted territory! You are now responsible for creating and leading significant change. How you show up is critical. You must be confident without arrogance and also be willing to acknowledge that there will be bumpy terrain. You have to propel the change forward while helping the whole organization stay positive and inspired.

Example: An analysis was made of the potential for restructuring the board of a prestigious nonprofit institution. While the vast majority of board members said that they felt honored to be chosen to serve, this was, unfortunately, the least fulfilling of all their civic engagements.

The board felt that they had a limited voice and little impact. While the board members, of course, had a vote, they felt the staff made all the decisions. Board meetings were, essentially, staff monologues. “Don’t make us suffer through more dog and pony shows,” one board member pleaded.



Knowing that the analysis was the catalyst for transformation, the board chair took it to heart. She is a highly respected business executive known for her transparent yet bold leadership. Her position as chair, as well as her reputation for getting hard things done well, won her the respect she needed to move the project forward.

The board chair spent 12 months leading a task force that revamped the bylaws, eased long-time members off the board, adopted new criteria for membership and increased the projects and programs to be undertaken by board members who, in the future, would be even more highly qualified.

The chair's quiet demeanor and reputation as an honorable executive leader allowed the organization to navigate significant change. The task force leaders she gathered around her were reputable men and women, and the presence of these executives and their purely altruistic motives won the day.

Knowing that the analysis was the catalyst for transformation, the board chair took it to heart.

Own Your Words

Owning your words gives power to your vision and values. Your message, both written and oral, must be clear, consistent and practical. Staff and board need to hear it so often that it guides their actions even when you are not present. So, write down your vision and values. Repeat them often to inspire and reinforce the change trajectory. Act on them publicly as often as you can.

Example: A young but experienced CEO had a new position at a rural hospital in the Southwest and wanted to examine the potential for a philanthropy program in his new hometown.

The CEO had successfully attracted leadership and funds before, and he exuded that confidence. His vision for the hospital was bold. He ran an efficient organization, but there was a gap in funding his vision. He knew philanthropy would be transformative but that achieving success with it would be challenging to all concerned.

To understand the scope of the challenge, a study was made to gauge his community's attitude toward philanthropy. The findings? Potential donors felt that the hospital had operated in a silo. "It doesn't feel like our community hospital," community leaders said.

Rather than focus immediately on raising money, the CEO embraced this vision: "Success will be judged by the view of the hospital as a collaborative partner and a good neighbor, measured both quantitatively and qualitatively. When the public states we have the most wonderful hospital, the employees and physicians are everywhere we look, then the hospital family will have embedded into the community."

The CEO owned those words. He sold the concept to his board. He assigned dozens of staff to help embed the hospital more deeply in the community and then oversaw their efforts to build and organize teams, establish internal communications and education about the project and initiate conversations with external community leaders.

These efforts were in addition to the stretched staff's day-to-day work. However, the CEO, clear in his vision, had high expectations that the staff would help him move beyond the old hospital culture to pave the way for successful fundraising.

This hospital's change is still in midstream, but there is no question that this CEO owns his own words and successfully inspires staff to join him in an exciting transition.

Hustle!

You most likely have heard this expression too often, but you really do need to "be the change." Writing and speaking about change will never be enough. You need to hustle, press forward, because it is the only way to create and maintain transformation. Despite your best efforts, there will be moments when your organization stops seeing the good. Strong motivation and drive keep change in motion.

Example: While the volunteer leadership at a midsize community hospital foundation was strong, the call to action was weak. Like many hospital foundations, this one often had to invent its own fundraising projects with little guidance from hospital staff.

The foundation's new chair was a respected member of the financial community. The hospital was ready to embark on a major building program, including a new patient tower, emergency department and specialty services. The chair suggested launching a capital campaign.

Although the community had a history of philanthropy, the foundation's donor numbers were low. This hospital was not the "carriage trade" hospital but a large public entity—a place to go if you were "really sick," the community said. However, a philanthropy study revealed that few donors had relationships with the hospital, so considerable cultivation would be needed.

Not one to be deterred, the chair was determined to raise millions. Quite simply, he got his hustle on.

One suggestion was to start the campaign by celebrating one of the community's giants on his 93rd birthday. Needless to say, the chair was thrilled with the idea. For this organization, a bold move was required. Sponsor levels were \$50,000 and \$100,000. The minimum gift to attend was \$10,000. By really hustling, this leader and the foundation staff were able to direct \$3 million toward the hospital's capital projects.

While such a strategy is not right for all organizations, the board chair and the celebrant had stellar reputations and were ready to hustle. They were willing to go way beyond the standard fare of event-driven philanthropy. The result was a stronger relationship between the hospital and the foundation. Also, this success helped the foundation embark on its own road to change. Today, it has a highly successful advancement program and is clearly the top-performing fundraising organization in its community.

Don't Confuse Process With Progress

The beginning of change is exciting, but the test will come in the middle phase. Inertia can set in. Leaders and organizations can grow weary, confusing the process with genuine progress. "We've done so much already," they will sigh. "Let's take a break." Don't do it. It may sound trite, but change is a movement, not a destination.

Example: Back to the rural hospital. The effort to embed the institution more deeply in the community required all nonclinical areas of the hospital to rebrand, focus on customer service, increase patient satisfaction, refine community benefit work, clearly show the hospital's economic impact and more. This is a major effort that includes more than 50 employees over months of analysis, planning and, yes, process. Nevertheless, the CEO has remained focused on *progress*.

**It may sound trite,
but change is a
movement, not a
destination.**

One example of progress was the patient satisfaction scores regarding admissions, which went from 45 percent to 85 percent positive in a straight-line progression. Oddly, the employees with low scores had no idea that their scores were so low.

The CEO used his reputation and his voice to educate and stimulate. Managers held focus groups with both employees and patients and explained to employees what drives scores. The hustle was strong. The voices were in unison. Soon, it became unconscious for admissions scores to be low.

Over the past 15 months, the hospital not only developed a process but now also sees significant progress. The staff has a feel for what it means to achieve something great, but hard, together. At the same time, a new director of philanthropy has been hired, and volunteers, physicians and employees are all talking about the potential for philanthropy. Throughout this process, the CEO kept his eye on the prize: genuine progress.

Be Personally Committed

In change leadership, one can come out of the process looking like a hero—or not. Harvard Emeritus Professor John Kotter says that if you are a change leader, you cannot really make sure "that everything happens in a way you want at a time you want." To be a change leader, you have to have "skin in the game," or be personally invested in the process, which may involve risk. Yes, the process may end up taking a piece of your own hide!

The board chair who risked making board members angry because they would not continue on the board, the CEO whose community would not have a needed new facility without philanthropy, the board leader who risked embarrassing the celebrant if the big sponsors did not engage—all were personally committed and had something to lose. It is the only way to make a huge leap forward.

Example: A public university wanted to hit its first billion-dollar campaign goal, which meant going from raising \$50 million per year to \$100 million annually. Three bold actions were required:

1. The board of trustees would have to vote to launch a campaign of this magnitude.

2. The board would also have to approve a significant new investment in development.
3. A board leader with strong executive presence and considerable wealth would have to step up to lead the campaign.

In other words, the board members had to have skin in the game, and they did. Seven years later, the university hit its billion-dollar goal.

Skin in the game is not just for those raising \$1 billion. Anyone who wants to see a paradigm shift in the way homeless people are treated, food is distributed, children are protected, etc., will need to take a risk. While the scale may be different, the characteristics of a change leader are not.

A Remarkable Success

Finally, here is a situation in which all five principles of change leadership were actively at work. As a result, the institution is sailing through a significant transition with a remarkable degree of harmony.

The organization is a fiduciary foundation affiliated with a major public university. Change leadership was instigated by the new dean of one of the larger schools on campus. The dean wished to examine the need for more than 50 volunteers who were involved either on the foundation's board or in an affiliate, nongoverning group.

The first step was to interview all the volunteers, sharing with them the dean's bold vision for the school and discussing their desire and capacity to help him achieve it. The dean is highly respected. The volunteers all applauded his dreams for their school. At the same time, some began to realize that they personally were perhaps not in the best position to help the school progress as far as the dean would like to take it.

An analysis of the situation, which was provided to every board member, summarized the insights of the 50-plus interviewees, who, by the way, were close to unanimous. In addition, a process for moving forward was outlined. The board named a task force to examine the findings and come back with specific recommendations.

The task force included the most respected members of the board, and it took its mandate seriously. The group met regularly for about six months. Ultimately, it recommended disbanding the ancillary group, reducing the number of board members, adopting term limits and bold new criteria for board membership and creating a

new staff position to provide visionary leadership for the foundation.

The task force spent more than 80 hours carefully reviewing each proposed action and having sensitive conversations with other board members about new board requirements for giving and engagement. In some cases, board members were gently transitioned to the status of trustee emeritus. For those staying on the board, terms were staggered.

Critical to this process was the fact that all volunteers, both board members and members of the ancillary group, had immense respect for task force members. They saw them as peers who were accustomed to doing hard things well.


Today, the board consists of 19 members, with term limits that require many of them to end their service in the next three years. In that same time period, approximately nine highly qualified new members will be recruited into the group. The search has already begun for the new staff leader, with everyone in agreement about what that role will entail.

The dean, who had his hustle on, started the entire process. That hustle was communicated to the task force, which had skin in the game, owned its own words and also showed tremendous executive presence. The new staff leader will be charged with propelling the group through the middle of the process so that inertia does not undermine the bold moves currently underway.

Coraggio!

Change leadership is not easy, but at the same time, it is not some esoteric skill that mere mortals can never hope to emulate. Nor is it necessarily as hazardous as Professor Kotter's race-car-driver metaphor implies.

If you are a nonprofit CEO or board chair, you already have some of the five traits described. You can cultivate all these characteristics and begin feeling more confident about your ability to lead, not just manage, organizational change.

So, *coraggio!* Take heart. The key is how you lead the change, and the skills you have already developed will serve you very well in this arena. 

June Bradham, CFRE, is CEO and founder of Corporate DevelopMint (www.corporatedevelopmint.com) in Charleston, S.C., and author of The Truth About What Nonprofit Boards Want (Wiley, 2009).

Using Logic Models to Strengthen Fundraising

BY DAVE TINKER, CFRE, AND LISA M. CHMIOLA, CFRE

Gen. Dwight D. Eisenhower once said, “Plans are nothing. Planning is everything.” Interesting point.

When raising funds, planning is critical. An important part of your planning is assessing the outcomes by which your project is being evaluated, and putting time into planning will increase the likelihood that your project will reach the desired outcomes.

Yet, how do funders know that your outcomes are really what you should have been able to achieve? What kinds of preplanning have you and your organization done for your project? How did you get from Point A to Point B?

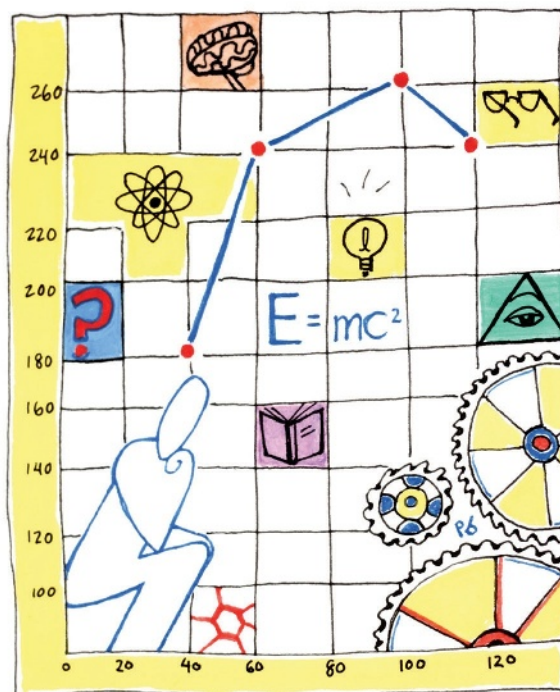
You may find that logic models provide the answers.

If you are not familiar with logic models, the following will help you get started.

1. What is a logic model anyway? It is a graphical interpretation of causal relationships among components of a program. Logic models are a way to evaluate something that previously was not easily evaluated, if at all. Sometimes, the term “logic model” is intermixed with “theory of change” or “logical framework.”

2. Where did logic models come from? Logic models are not new. In fact, they have been around since the 1970s. Joseph S. Wholey used the term “logic model” for the first time in his 1979 book *Evaluation: Promise and Performance*. Heléne Clark and Andrea A. Anderson stated that logic models were the first widespread attempt to describe program components so that activities match outcomes (“Theories of Change and Logic Models: Telling Them Apart”). Logic models are now used extensively not only in all types of nonprofit organizations but also in private business, public companies and international markets. In the business world, the main outcome is profit, while at nonprofits, logic model outcomes are mission-based.

3. How do logic models affect fundraising? Using logic models can improve program design and evaluation. The United Way has been a frontrunner



in the nonprofit sector for the use of logic models in outcome measurement, both for its own projects and for the community agency projects it funds through its fundraising drives. If your agency has received United Way funding in the past few years, you likely have seen logic models.

Often, when writing funding proposals, it is easy to lose the planning activities undertaken—who will be doing the work and the resulting short-term and long-term project outcomes—when putting them in paragraph form. Funders want to be able to see this information easily. Because you will need to involve program staff in the planning process, they, too, will see the template. It is beneficial that everyone sees the whole picture. When projects are laid out in a logic model template, it allows everyone to see the entire project and not just the part or parts that they will work on.

Starting to use a logic model in your initial program planning also will help create a clearer understanding of

how to best attain the outcomes you desire. Sometimes, when using a logic model, the outcomes that appear during the planning will not be the results that you initially desired. This gives you an opportunity to see ahead of time the steps that your organization will need to take in order to change a program and attain the desired outcomes.

4. How do you create a logic model? There is no one right way to create a logic model. Fortunately, funders will likely have a template for you to use. The United Way model for a logic model is the most widespread version in the nonprofit community. Its model lists simple inputs, activities, outputs, intermediate outcomes and long-term outcomes.

However, there are many types of logic models. Therefore, before designing any program based on a logic model, you must know the existing beliefs and assumptions that will influence every stage of the project. These assumptions directly affect the final results. In addition, external factors and the environment are important considerations that affect the program development. You need to consider the dynamic interactions inside the program, among its elements, outside the program and among several systems around the program.

After that, the common components of a logic model are:

- **Situation:** important in stating the main problem and considering the background of the program from many dimensions, such as social, political, economic, etc.
- **Inputs:** resources, such as staff, money, time, equipment, partnerships, etc., that are invested in the program
- **Outputs:** activities, services, products and all that is attained at the end of the program, including a variety of products from books, workshop groups, graduates, etc.
- **Outcomes:** ultimate aims of a program, which include short-term benefits, such as changes in knowledge, attitudes and skills; medium-term benefits, such as changes in behaviors, decision making, etc.; and long-term benefits (impact), such as changes in social, economic and environmental conditions

Perhaps the best way to understand a logic model is to provide a hypothetical example. Suppose you are a fundraiser for a private school, applying for a grant to provide scholarships to low-income students who

otherwise would not be able to attend your school. A logic model for your grant narrative may look something like this:

Inputs: For the upcoming academic year, foundations and individual donors have pledged \$750,000 toward the \$1 million needed to fulfill your tuition assistance program. Applicants to the program are carefully vetted by a third-party vendor to determine the amount of financial aid needed.

Activities: The results of the financial aid analysis are presented to your scholarship committee, which consists of faculty, staff and school board members, to make the award decisions. Students receiving tuition assistance are expected to write a thank-you note to their donors, reporting the impact the support has made on their educational experience. Students are also expected to be available for an in-person meeting with their donors if requested. In addition, you ask previous recipients to report on their status post-graduation, whether they are continuing their education or entering the work world.


Outputs: The scholarship program has been in place at your school for 20 years, in the format described above. In that time, \$15 million in tuition assistance has been awarded to a total of 1,200 students. (Students are eligible to reapply each year of their academic experience as long as they are still eligible for aid.)

Outcomes: Your scholarship recipients have a 100 percent graduation rate, and 25 percent continue on to pursue an advanced degree. Additionally, in 2010, a group of scholarship recipient alumni came together to form an endowment to fund scholarships at the school, raising \$25,000 in the first year. Their scholarship is currently valued at \$100,000, providing \$4,000 in support toward the financial aid budget needed annually.

5. What are some pros and cons of using logic models? Logic models are just models that identify what you predict will happen. They are not guarantees of what will occur. Sometimes, the unexpected happens. Adhering to a logic model too strictly can diminish your ability to be flexible as you carry out your program and limit your ability to make adjustments as you move along.

Furthermore, logic models add time to your proposal creation process. You will spend more time planning the project, defining who is responsible for what and identifying short- and long-term outcomes that will be measured. However, the time spent planning your logic

model makes it easier to provide evaluations when it comes time to write your grant reports.

Funders want to know what your outcomes are for the project(s) you proposed. They want to know that the projects are well thought out and that outcomes are clearly defined. Looking for a way to encourage nonprofits to better plan outcomes, funders are increasingly requiring grant proposals to include a logic model. By putting time into the initial planning of the project to identify outcomes by which to evaluate success, you are putting yourself into a better position with funders. 

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Measuring Your Major-Gifts Program With Metrics Beyond Dollars Raised

AMY EISENSTEIN, ACFRE



Although dollars raised is not always the best indicator of whether your major-gift program is working, it remains the most common metric used by nonprofit staff and boards to evaluate their major-gift programs. Maybe it is time to reconsider.

Smart organizations use more than only dollars raised to evaluate their programs. Why? The amount (dollars) raised in any given year is only one of many indicators of the health of a major-gift program. Remember, raising major gifts (and planned gifts) is a long-term proposition, and therefore it is important to use both long- and short-term indicators to measure success.

As shown in Figure 1, if total dollars raised is the only metric you use to evaluate your major-gift program, you will miss some crucial information. If you look only at the dollars raised column, you may think that all three years are exactly the same. However, once you look at the number of donors and their average gift size, you know immediately that the last three years are very different. In

fact, although average gift size is going up, the number of major-gift donors is sharply decreasing.

Looking at the number of people giving major gifts each year shows an alarming trend—one you would miss if you focus solely on total dollars raised. Once you see the sharp decline of donors, you can ask the question, “Why aren’t major-gift donors returning year after year?” You have a serious donor retention problem, which will significantly affect future fundraising revenue.

Looking at the average gift size can be tricky as well. A single, unusually large gift can skew your numbers, so it is important to look at a variety of factors and trends.

In Figure 2, although total dollars raised drops significantly from year one to year two, you have attracted considerably more major-gift donors to your program. Likewise, in year three, your program continues to grow in terms of number of donors. Average gift size drops slightly, but that may be a result of the 10 new donors who did not give at the \$5,000 level.

If you are simply looking at dollars raised, it will appear that your program is taking a huge tumble, when,

Figure 1.

	Number of MG Donors	Average Gift Size	Total Dollars Raised
Year 1	20	\$5,000	\$100,000
Year 2	10	\$10,000	\$100,000
Year 3	1	\$100,000	\$100,000

Figure 2.

	Number of MG Donors	Average Gift Size	Total Dollars Raised
Year 1	1	\$250,000	\$250,000
Year 2	20	\$5,000	\$100,000
Year 3	30	\$4,000	\$120,000

in fact, the overall program is growing. Of course, it will be appropriate to wonder what happened to the one major donor in year one and discuss a strategy to get that donor back.

So, what metrics are critical to raising major gifts? In addition to the number of donors and average gift size, there are other important indicators to consider. Following are nine important metrics you may want to monitor in order to not only get an accurate picture but also improve your major-gifts program.

1. Total dollars raised (received). Yes, you need to look at dollars raised, but that is just the beginning, not the end. Compared with how much you asked for, how much did you actually receive? If you received 100 percent of the money you asked for, you are not asking for enough. If you asked for significantly more than you received, you may need to dial it back.

2. Total dollars solicited (requested). Are you out there asking for money? Compared with your goal for major gifts, how much did you ask for (not how much did you get, but how much did you request)? If your goal for major gifts is \$1 million, did you ask for \$1.5 million or only \$800,000? You should ask for more than you want or need in order to reach your goal.

3. Number of asks made (number of gifts requested). How frequently are you asking for gifts? Are you asking for 10 major gifts per year? Or 100? Compare this with the number of prospects in your portfolio. Are you asking 50 percent or 80 percent or 100 percent of your portfolio?

There is no “right” number, only the right number for you and your organization. You should have set goals and work to improve each year.

Of course, none of the metrics should be used in a vacuum, and this one is no different. Asking frequently is not the chief goal, especially if you are asking prematurely and not securing gifts.

4. Number of gifts received. In contrast to the number of asks made, how many of those gifts did you receive? What percentage?

Is everyone saying yes? If so, you are probably not asking frequently enough. It is time to get out there and ask more. You can clearly handle the portfolio you have, so it is time to expand. It is not good enough to tell your board members you get every gift you ask for. That says that you are not hungry enough.

Get to know your donors and their interests before rushing into an ask.

Are most people saying no? That is an issue, too. Are you rushing the ask? Not doing enough cultivation? If that is the case, it is time to slow down. Get to know your donors and their interests before rushing into an ask.

You should be getting mostly yeses, but some nos as well.

5. Retention rate. How many major-gift donors are you keeping from year to year? Hopefully, most of them.

Once you get to major gifts, your retention rate (number of donors you keep year after year) should be significantly higher than your annual fund or direct response retention rate. If you have a retention rate of 50 percent or even 60 percent for major donors, you have a big problem. It should be higher than that.

6. Acquisition. While it is important to keep the donors you have, it is also important to acquire new donors. That includes those you upgrade from direct-response programs to major-gift levels.

How many new major-gift donors are you getting each year?

7. Meaningful visits. Why is “meaningful” included? Such visits are not meant to include each time you bump into your prospective donor at the grocery store or even at your gala. This measures meaningful, planned, one-on-one conversations.

8. Average gift size. Although average gift size is not always a perfect measure, it is one indicator to measure. Unfortunately, one big gift can skew the average, so it is important to acknowledge or even eliminate outliers that can distort your results. You may want to make a note of median and modal gifts as well.

9. Stewardship efforts. Last, but certainly not least, you will want to measure stewardship efforts. This includes, but is not limited to, thank-you letters, thank-you calls and handwritten notes, as well as conversations about how gifts were used. You measure this because stewardship is an important indicator of future giving.


Are your major donors getting thanked in multiple ways by multiple people? In other words, did they get a handwritten note from the executive director, a phone call from a board member and an email from the development director?

Major donors also need to be told how their gifts were used in advance of being asked for another gift. If you asked them for a gift in person, you should go back and meet with them to let them know how their contributions were used. Follow up those meetings with a letter or email, reiterating how meaningful their gifts were.

It is important to note that there are not necessarily “right” or “wrong” answers to the questions above. Rather, it is more significant to know where you are and to continue to improve. While a major-gift officer at one

organization may want to ask 80 percent of his or her portfolio every year, that may not be the goal for you.

Finally, you do not need to track all nine metrics. Feel free to pick the ones that work for you. If tracking takes up all of your time, you will not have time to be out interacting with donors, which is where you want to be.

By using a worksheet, you can help board and staff members focus on a variety of metrics, not only dollars raised. You can download a worksheet for free at the Mastering Major Gifts website at **www.MasteringMajorGifts.com/metrics**. 

Amy Eisenstein, ACFRE, is a speaker, consultant and author of Major Gift Fundraising for Small Shops, Raising More with Less and 50 A\$ks in 50 Weeks (www.amyeisenstein.com).

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Doing the Right Things the Right Way

BY DERRIS KRAUSE

Peter Drucker, one of the best-known and most widely influential thinkers and writers on the subject of management theory and practice, once said, “Efficiency is doing the thing right. Effectiveness is doing the right thing.” Does that apply to your fundraising as well?

To find out, one fundraiser, Derris Krause, decided to try the AFP Fundraising Effectiveness Project (FEP) and Growth in Giving Initiative (GiG) tools.

In the Beginning

I first became aware of the FEP (<http://afpfep.org>) about eight years ago after reading an article published in a professional philanthropy journal. The opportunity to compare the fundraising results of the international humanitarian organization I was working for as a major gifts officer with similar organizations was attractive. However, my efforts to enroll in the project and upload data were unsuccessful. The lack of easy access to technical support within my own organization and at FEP was difficult and proved to be a barrier to entry.

Try Again

My next encounter with the FEP and the broader GiG was in 2013, when I was working for a religious television network as a marketing and fundraising executive. The organization’s fundraising director had a close association with the staff at PSI (Philanthropic Service for Institutions)/Adventist (an FEP advocate since 2006 and GiG founding partner organization since 2013), who voluntarily serve on the GiG steering committee. PSI introduced us to the FEP Fundraising Fitness Test (FFT, <http://afpfep.org/tools>), which the associate director was using with clients to measure performance, as it produced cutting-edge analytics that were needed to understand the health of each fundraising program.

Some Challenges in the Process

Working together with Bill Levis, an affiliated scholar in the Center for Nonprofits and Philanthropy at the Urban Institute and manager of the FEP, and Randy Fox at PSI, my colleague ran three of our data points—donor ID number, gift date and amount—through the early

iterations of the FFT. Initially, it took hours for the beta Excel-based version to process our giving history through older computers without much processing power. Sometimes, the program would just stop processing because of too much data, hidden codes in .xls files, inconsistent donor ID numbers containing hyphens and alpha-numeric characters and “gifts” with zero dollars.

However, I did not give up.

An Eye-Opening Moment

When the macros finished and the series of reports were populated with my data, the results were amazing. For the first time, I could see our fundraising performance teased out among five giving-level demographics. For each level, acquisition, attrition and retention rates were quickly apparent and easily comparable with the preceding year as well as industry norms. Although the indicators were extended even further to identify very granular



details, my use of the information typically focused on big-picture fundraising trends within the organization.

You Get Only What You Measure

I was invited by PSI to participate in a three-day workshop with 25 veteran fundraisers to review more than 150 performance indicators that were calculated from just three inputs any organization has for every gift ever received. Our assignment was to develop a “Top Actionable Indicators” summary report of just those indicators that could be affected by investing more budget and full-time equivalent (FTE) employee time. The report then could be used monthly to track progress and refine strategies for program segments as often as appeal responses were coded and posted in the database.

During this process, I discovered that several indicators and multiyear trends I typically use were missing. A few days later, I was delighted to learn that my own custom reports and favorite indicators had been added to the Fundraising Fitness Test, making it easier for me to generate my usual reports. As a bonus, I automatically received the other reports (seven in all).

Proof of Concept Pilot Project

For nearly two years, PSI worked closely with the religious television network, using the FFT as the basis of a pilot program to take our organization to a higher level of fundraising performance. Based upon Pareto’s Principle, which illustrates that 20 percent of invested input is responsible for 80 percent of the results obtained (the 80/20 rule), and the Growth in Giving calculator’s many “what if” scenarios, we formulated a strategy that was our best option to reallocate limited FTE time to developing deeper relationships with major donors.

The new strategy included outsourcing the labor-intensive, direct-response fundraising for base and midlevel donors. During that pilot, significant total revenue increases were documented with the FEP Fundraising Fitness Test reporting tools, which confirmed that devoting more FTE time to a small segment of our donor base was a strategy that provided much greater revenue.

Useful Tools for Any Organization

Several months ago, I accepted a call to work as a major gifts officer at a not-for-profit contemporary Christian music station in Washington, D.C., and I am now using the executable version of the FFT that is much easier to use and produces reports in seconds instead of hours. And it is still free! I am also using other FEP analytics tools to


Armed with these tools, our organization continues to make wise decisions—based upon real data—as we develop fundraising strategies for this small but valuable segment of our supporters.

establish a baseline from which to increase support from major donors and identify retention, acquisition and attrition trends. Armed with these tools, our organization continues to make wise decisions—based upon real data—as we develop fundraising strategies for this small but valuable segment of our supporters.

Because of the ease of use and insightful information the tools provide, executive leaders and other fundraising colleagues at the radio station have similarly begun using the FEP Fitness Test to analyze fundraising performance at all giving levels and adjust strategic plans accordingly.

Putting Data to Work

I am grateful to the many individuals and organizations that have contributed to the availability and success of the tools developed by the Fundraising Effectiveness Project, as well as each of my employers who have so readily embraced the use of these great resources, including the Adventist Development and Relief Agency, Hope Channel Inc. and WGTS 91.9.

“Many fundraisers who understand Drucker’s point and who have methodically used the amazing array of free FEP performance analytics tools over time have achieved dramatic improvements in retention, acquisition, upgrade and reactivation ratios,” says Fox, FEP Fundraising Fitness Test manager. “Because of the ability to instantly generate standardized benchmarks, displayed in multiple reports containing hundreds of decision-useful metrics—from just three universally common data points—many leading fundraising consultants believe this approach has already begun to revolutionize the way nonprofit data is collected and used.” 

Derris Krause is a major gifts officer for WGTS 91.9, a not-for-profit contemporary Christian music radio station covering the Washington, D.C., metro area. Prior to joining WGTS 91.9, he held administrative, marketing and fundraising positions with a global Christian television network and an international development and relief agency.

So, What Do You Think of the FEP Fundraising Fitness Test?

By Cathlene Williams, Ph.D., and Randy Fox

In collaboration with PSI/Adventist, the AFP Fundraising Effectiveness Project (FEP) has developed a free tool that you can use to measure and evaluate your fundraising programs (gains - losses = net gain) using a set of more than 150 performance indicators divided into five donor-giving levels.

Using sophisticated algorithms and just three generic data fields exported from your donor database—donor ID number, gift date and amount—you can quickly generate a series of informative reports (comparing any two 12-month periods, plus a six-year trend line) filled with useful metrics and core analytics that enable any organization to fully understand the health of its fundraising programs.

What Users Have to Say About the Fitness Test

A first-time survey of Fundraising Fitness Test (FFT) users, including consultants to nonprofits, in July 2016 revealed overwhelming praise, surprising insights and many new opportunities to raise more money. Different organizations implemented many creative strategies, and with sufficient time, consistent monitoring and continual strategy refinements, all resulted in substantial performance improvements.

To the survey question “What do you like most about the Fundraising Fitness Test?” respondents said the following:

- Very easy to use
- Downloadable template with very specific instructions for people without database managers
- The video on the website is a great resource.
- Ten times simpler than exporting reports using complex queries in our donor software
- I can run it myself and have immediate results.
- The capability to run reports quickly and strategize every month
- Having a fact-based picture of my fundraising performance helped me be aware of key trends.
- Lots of output for minimal input/setup
- Faster and less complicated than most analytical tools
- Can compare data from many years
- Wide range of reports
- Provides a wealth of metrics to evaluate the fundraising effectiveness of our clients, no matter what donor software they are using or how advanced they are in using it
- Helps us prioritize and focus on relationship-building strategies
- Helps track progress in meeting goals
- I like the gift ranges. That approach exposed many anomalies I was unaware of.
- How it reshaped the way I thought of fundraising outcomes
- The flexibility is very helpful. We ran reports for our annual fund and for our Catholic schools campaign, which helped us to understand differences in our efforts and make the best decisions for each.
- It provided a quick confirmation of prior time-consuming analytics, solidifying the need to re-evaluate our programs.
- Standardized benchmarks that can be generated from a handful of common fields
- It is a tremendous service, particularly for small to midsize charities
- There’s nothing else like it.
- Boards and staff are able to grasp the crucial data immediately.
- Reports are more complex than database reports and offer many more statistics. They are tremendously helpful in identifying areas of focus and creating strategies for improvement.
- I forgot to remove the column headings and another anomaly from my export file, but the new executable FFT tool produced a text file indicating exactly where the errors were. Love it!
- I submitted my custom financial report, and now it’s embedded in the FFT. It’s divided into five gift ranges and also spans six years. In one easy step, I get my favorite report plus six bonus reports.

When asked the survey question “What surprised you most about using the Fundraising Fitness Test?” respondents replied:

- Availability online, free of charge
- How little time and effort it requires
- The speed with which these reports are processed
- Three inputs, so simple to use. Other tools require running multiple reports to get this much output.
- How flexible it is. We remove deceased donors and estate gifts to ensure that we compare only repeatable giving. We also segment data by program to compare the performance of each one.
- Discovered one fundraising effort was performing poorly compared with other areas of fundraising
- It gives you data that is difficult to produce from even the most advanced donor databases.
- That the program is able to track individual donors over a specific period of time and give real data about giving trends
- My client’s campaign is hemorrhaging!
- Number of monthly donors. Frequency of donations was not thought about before.

Respondents also answered the question “What specific actions did you take based on trends revealed in the reports?” and many answers revealed that their actions resulted in improved fundraising performance.

- Switched up fundraising programs immediately, and set new records for two consecutive years
- FEP reports will be critical to framing the business case for change.
- It helped build a case for hiring an additional fundraiser, so we hired an annual fund manager.
- We regularly review upcoming gifts to ensure they are resecured rather than allowing them to become LYBUNTS (last year but not this year). We have been using the Fundraising Fitness Test annually for three years, and last year our number of donors grew 45 percent, number of gifts grew 78 percent, average gift grew \$56 and donations grew 53 percent.
- We began segmenting our solicitation groups more carefully and contacting them more often—more touches to retain them, sometimes just on social media. We also started thanking in-kind donors via public recognition on social media. We just had our best year yet in total dollars, but the surprise was where

it’s coming from. And we’ve reduced our year one dollar losses at the higher giving levels.

- I segment communications. Special attention is given to new and recaptured donors. We are currently strategizing on how to re-engage lapsed donors. There have been many instances of lapsed donors reconnecting and making new gifts after receiving customized communications.
- We have increased our appeal strategy to have a greater number of touches for appeals to our donors. As a result, we have seen our donor retention increase significantly.
- We revisited our leadership giving program, committing to engaging with these donors in a deeper way. We began a quarterly newsletter specifically for them. We also invited named scholarship donors to attend graduations to let them know they are an important part of students’ success. We are seeing improved performance in terms of number of gifts and the engagement of benefactors. In the future, we hope to see improvement in donor retention and upgraded gift amounts.
- I made a presentation to senior staff and the board that led to budget modifications and changes in tactics for direct-mail programs: enhanced recapture strategies, enhanced stewardship and cultivation strategies and more customized handling of our current donors. Our fundraising performance has absolutely improved in many different ways as a result.
- We exclude planned gifts, then sort the three columns simultaneously to identify other anomalies. For instance, some clients book their gifts in kind at \$0 or \$1, which inflates their donor count and decreases the size of their annual gift. Other clients reverse gifts posted in error, resulting in negative gift values. We correct these before running the reports.
- We just recently ran the FFT and shared results with members of a group of board and staff focusing on individual donors. We are still working to develop strategies to improve donor retention, encourage larger or more frequent donations from existing donors and increase the number of monthly donors—all things we should be able to track with the reports.
- We spent time studying segments of program data and revising our annual fund strategies.

- We helped our clients identify low retention rates and recommended strategies to strengthen donor relationships and improve gift renewal. We also identified situations where organizations have a stagnant and aging donor base. They have respectable retention rates but are not adding enough new donors to offset those who are no longer able to give or have passed away. In these cases, we make recommendations that bring focus to both acquisition and donor retention.
- Our organization devoted more efforts to stewardship of our first-time, consecutive-year and major donors to better keep these groups engaged for the long term.

Doing the Same Things You've Always Done but Expecting Different Results Is Unproductive at Best

Since retention rates have been flat or declining nationwide for at least five consecutive years, consistent increases occurring at numerous nonprofits that are all using this tool certainly suggest that the Fundraising Fitness Test has the capacity to change this negative trend line.

A strong 25 percent survey response rate is also indicative of how dramatically different this tool is than the costly, time-consuming (and moderately effective) methods traditionally available to fundraisers. As one respondent stated, "Measurement is key to fundraising success. There is no excuse for not measuring numbers and being accountable. The Fitness Test allows us to identify what is not working well so we can grow and improve. It keeps us on track."

Time to Get Started: Advice on How to Use the Fitness Test Reports

The amount of information generated surprises most users initially. The best way to wade slowly into the pool of information is to save and print a

copy of your *Top Actionable Indicators*. These top indicators can be affected by investing more budget and FTE time in specific areas to improve performance. If there are indicators that are flat or drop in one or more gift ranges from one time period to the next (e.g., lower donor retention rates for those in the midlevel gift range), midlevel donors may need more time and attention from your staff.

The Planning to Keep Your Donors Workshop offered by AFP through its chapters can assist you with analyzing your reports. Donor software providers and fundraising consultants also can help you. For more information, visit www.afpnet.org, select "Professional Development," then "Courses" and "AFP Planning to Keep Your Donors Workshop" (www.afpnet.org/Professional/content.cfm?ItemNumber=12593).

To begin using the Fundraising Fitness Test to improve performance at your own organization, go to <http://afpfep.org/tools>. National fundraising statistics in the Fitness Test format for use in comparative analysis are available in the Reports tab.

If you want to try the newer, faster, executable version, send an email request to fep@afpnet.org.

Finally, but not least, Erik J. Daubert, MBA, ACFRE, is the chair of the Growth in Giving Initiative and the Fundraising Effectiveness Project. For questions about the work or to become more involved, please feel free to contact him at daubert.erik@gmail.com.

Cathlene Williams, Ph.D., is a consultant specializing in curriculum development, project management and business writing. She is a former AFP staff member and is currently a consultant to AFP for FEP, ACFRE, research programs and other professional advancement projects. Randy Fox has worked for PSI, a philanthropic consulting department that serves Seventh-day Adventist organizations across North America, for 27 years. He also serves the FEP as director of the Fundraising Fitness Test, answering questions and training fundraisers to use the Fitness Test to analyze their performance.

Note: AFP's Fundraising Effectiveness Project is grateful to everyone who took the time to respond to the surveys sent out by Randy Fox and acknowledges the following individuals whose comments were selected for inclusion in this article: Nowshad (Shad) Ali, CFRE; Eric Baerg, bCRE; Clarence Booth; Michael Brown, MBA; Christopher Carey, CFRE; Kevin Conroy; LuAnn Davis, CFRE; Stacie Davis; Thom Digman; Mary Doorley, MS, ACFRE; Alice Ferris, ACFRE, MBA, CFRE; Christina Greene; Julie Harris; John Huynh; Holly Joseph; Audrey Kintzi, ACFRE; Derris Krause; Jeanne Long; Claudia Looney, FAHP, CFRE; Kris Mavity; Benjamin Mohler, MA, ACFRE; Robert Raney, CFRE; Bernardo Samano; Marcella Moyer Schick, ACFRE, CAP®; and Tim Weiss.

International College Fundraising: Strategy 101

By RAY TSUCHIYAMA

For international students, there may be a clear logic in pursuing success in global business by studying at U.S. universities, according to the *Wealth-X and UBS Billionaire Census 2014* report, as U.S. universities produce the majority of the world's billionaires. Sixteen out of the top 20 universities with the most billionaire undergraduate alumni were located in the United States, with Ivy League names dominating the top-five list: The University of Pennsylvania came in first with 25 billionaires, followed by Harvard, Yale, the University of Southern California and Princeton. According to the study, more than a quarter of the billionaires who obtained their degrees from U.S. universities on the list were born outside of the United States.

Why is this worth noting? Out of 50 top donors to U.S. universities, the lifetime giving of \$100+ million came almost entirely from alumni donors born and raised in the United States. However, in the top donor list, there are several international donors, including Hong Kong-based brothers Gerald and Ronnie Chan, who gave an unprecedented \$350 million to their alma mater, the Harvard School of Public Health, which was renamed for their father.

Although the Ivy League universities and other schools such as Stanford and M.I.T. have had decades of experience with international donors, what steps can a U.S. college with a less stellar brand take to develop an international fundraising program?

First, the university president must embrace and promote international students (and their countries, languages, cultures and parents) in ways that show that international students are valued in the college campus community. The president has to cascade this philosophy down, from the faculty to the cafeteria worker to campus police, so that it is reflected on freshman orientation day (with an introduction to philanthropy). This engagement should continue in the alum's post-graduate career and life, including



through websites, e-newsletters and YouTube short vignettes on recent college achievements.

For international student engagement, some schools develop one-stop centers where they can visit for information, take tours, meet counselors and talk to students from their home countries. One example is the Honda Student Center at Kapiolani Community College in Honolulu (www.kapiolani.hawaii.edu).

Out of this systematic and 360-degree community involvement, including counselors, faculty and fellow students, a natural progression will arise to identify the right international fundraising strategy.

Aspects of the Phase-Based Strategy

1 Some faculty members with language and cultural ties have key long-term relationships with overseas donor prospects and often provide the best introduction to prospects. For example, there may be a faculty member with decades of interaction with students from Hong Kong. (In Asian culture, ties between a student and a mentor/teacher are very strong.) Upon retirement, an endowed chair in his or her name is a natural step, led by the Hong Kong alumni club.

2 Although some fundraising projects are obvious for follow-up, much of the day-to-day development activities consist of matching donors with projects aligned with their interests. Hence, a college should organize international fundraising through a faculty development committee that identifies prospects and fundraising priorities. Ultimately, a phase-based strategy timeline and budget must be approved by both the president and key deans. In other words, there must be a long-term commitment from top university leadership.

3 To highlight linkages, some universities first develop a story regarding the university and its global alumni. For example, one university identified the earliest alumni

The Impact of International Students

Recent statistics point to a startling globalization trend at many U.S. universities: The *2015 Open Doors Report on International Educational Exchange* stated that the number of international students attending U.S. colleges and universities had the highest growth rate in 35 years, increasing by 10 percent to a record high of 974,926 students in the 2014/2015 academic year. Based on this year-to-year surge, the survey confirmed that the United States hosted “more of the world’s 4.5 million globally mobile college and university students than any other country in the world, almost double the number hosted by the United Kingdom, the second leading host country.”

According to College Choice, a university information website (www.collegechoice.net), of the top 50 U.S. universities with the highest number of international students, the University of Southern California in Los Angeles is ranked No. 1, with nearly 10,000 out of a total student enrollment of 39,958. The University of Pennsylvania and the University of California at Berkeley are ranked No. 18 and No. 19, respectively, for international student enrollment, while Arizona State University, with 6,500 international students, is No. 11, and Houston Community College, with 5,333 international students, is No. 22.

If tallied across all U.S. academic institutions, international students constitute about 4 percent of total student enrollment out of a total of 25 million enrolled students. Yet, their economic power is striking. International students contribute \$30.5 billion to the U.S. economy, according to the U.S. Department of Commerce. Nearly half (49 percent) of all international students enrolled in the past several years came from China, India and South Korea. At the same time, 16 countries, mostly from the Asia-Pacific region, increased the number of students they send to the United States.

The top 10 foreign hometowns of international students are Seoul, South Korea; Beijing, People’s Republic of China; Shanghai, People’s Republic of China; Hyderabad, India; Riyadh, Saudi Arabia; Mumbai, India; Taipei, Taiwan; Hong Kong Special Administrative Region; Kathmandu, Nepal; and Jeddah, Saudi Arabia. Although Hong Kong sends more than 12,000 students annually to study in the United States, Shanghai now sends triple that number, and one-third pursue business degrees, including at the University of Southern California, the University of Illinois and the University of Michigan.

from an Asian country and created a brochure with a historical timeline of college engagement with alumni. The brochure featured old black-and-white photographs of the college president visiting alumni in the early 20th century, expressing the college’s connection with far-away alums nearly a century ago, and proved to be an icebreaker at alumni receptions.

4 Foreign trips, especially by university presidents (and later by the provost and vice presidents), are invaluable to demonstrate to alumni and other potential donors that a university is committed to building long-term relationships. However, university leadership missions require large travel budgets. A first phase may focus on one or two foreign cities based on alumni numbers, faculty who are originally from the cities or any other sister state or city relationships. (Attending a

New York City-sponsored reception will ensure more prospects than praying for a good turnout at a college research exhibit, for example.)

5 Some U.S. universities organize orchestrated tours for alumni, parents and corporate leaders, as well as dedicate top leadership face time with the visitors. Of course, the tour group slows by donor-named buildings and also attends presentations in the visitors’ languages by currently enrolled students and faculty. Care is taken to vet reception food in order to avoid embarrassment for any in attendance.

6 A key component of any university’s international fundraising strategy will be to identify international alumni who became famous in the United States or in their home country, invite them to join advisory groups and then highlight their names on websites



and communications. Invitations to attend fundraising receptions sent by these advisers have a higher response rate than those sent by other alumni.

7The international alums who volunteer must complete the equivalent of a certificate in American college philanthropy. However, the learning works both ways: From these ambassadors, the college's international committee gains insights about specific countries' unique fundraising issues. For example, the tax implications of a gift to a U.S. university for a Hong Kong donor are different from those for a Japanese donor.

8To make tax deductions for foreign donors easier, some U.S. universities have promoted Transnational Giving Europe (www.transnationalgiving.eu/en), a network of European charitable organizations, for donors residing in some European countries. When they make gifts to U.S. universities, they can then apply for tax advantages in their respective locations. Another example is the Hong Kong Stanford University Charitable Trust (<http://giving.stanford.edu/information/international-donors>), which is a Hong Kong government-recognized charitable trust that provides tax benefits for Hong Kong residents making gifts of \$10,000 or more to Stanford.

The Importance of Alumni Ambassadors

In the early phase of the strategy, motivated ambassadors armed with brochures will hold meetings whenever a faculty member mission arrives in their city and will be the fundraising gatekeepers. Sometimes, a major-gift donor is not from the college alum ranks. Rather, the alum's referral may be a current student's parent (often off the radar) or a self-made billionaire, such as a micro-version of Jack Ma, CEO of Ali Baba, a China e-commerce success (\$23 billion personal net worth), who desires positive PR from an association with an American university.

The alumni ambassadors' greater value lies in the more nuanced knowledge about navigating prospects in different cultures. In Japan, the direct donation appeal is not as successful as prior visits by a senior alum who carefully explains the purpose of the gift. Thus, later at dinner, the visiting dean's ask is a mere formality. Many Asian people have a cultural aversion to a direct question but will respond through intermediaries, which may include lawyers and accountants with tax advice.


Some fundraisers may argue that alumni ambassadors restrict access to a larger donor group within a country.

Actually, a broader approach can wreck a carefully planned, phase-based strategy.

Direct, overseas prospect appeals may result in fewer closed gifts, especially in the first phase, since international fundraising's success rate is based on follow-up. In the United States, a fundraiser can drive to a prospect's office. However, justifying an unbudgeted trip to Hong Kong to the college president for prospect relationship building may be highly challenging, even though overseas groups often await the next visit for developing deeper relationships. For the university development office trying to reach a desired number of visits, this can be frustrating.

On the other hand, alumni ambassadors overseas offer an alternative way to check in informally with a prospect and to gauge the response to a gift proposal. If a prospect's questions are conveyed back to the development office, the ambassador can later present a revised proposal at a golf game, and the donor can sign it at the clubhouse restaurant. If alumni ambassadors execute the crucial follow-up, there can be huge savings in time and resources for U.S. college fundraising efforts.

Every university's international fundraising program has different timelines, resource commitment levels and donation goals. The development of an overseas ambassador group is one tactic in an overall larger international outreach strategy for long-term commitment.

With the phase-based strategy, at the appropriate time the overseas ambassador group will approve the president's mission and align a major-gift announcement for a visit—a successful culmination of overseas alumni and university development joint efforts. 

Ray K. Tsuchiyama is the former head of the Asia office for the Massachusetts Institute of Technology and has also worked for AOL, Google and the University of Hawaii Foundation. After living half of his life outside the United States, he is currently based in Honolulu.

Resources

Wealth-X and UBS Billionaire Census 2014
www.wcvb.com/blob/view/-/28100080/data/2/-/hrkwry/-/Billionaire-Census-2014-pdf.pdf

2015 Open Doors Report on International Educational Exchange
www.iie.org/Research-and-Publications/Open-Doors#.V4wc8_krKmU

Why Philanthropy Is More Successful in Some Countries Than in Others

BY TESSEL RENZENBRINK (TRANSLATED BY ASTRID DE JONG)

In times of economic uncertainty, governments limit their contributions to nonprofit organizations, and such public benefits as culture, education and healthcare can become compromised. The nonprofit sector, supported by philanthropic contributions, provides alternative funding for these public benefits. How can we create a society in which the circumstances for philanthropy and the nonprofit sector are as optimal as possible?

In the *Palgrave Handbook of Global Philanthropy*, authors Pamala Wiepking, Ph.D. (Erasmus University of Rotterdam), and Femida Handy, Ph.D. (University of Pennsylvania), describe the philanthropic cultures of more than 25 countries and explore mechanisms that explain why philanthropy flourishes more in some countries than in others. They also distinguish eight factors that determine the success of philanthropy in a particular country.

Wiepking, who spent five years working on the *Handbook*, talks here about the book and her international research.

International Comparison

The main research question Wiepking's research focuses on is deceptively simple: Why do people give more generously in one country in comparison to another?

Asking this question was a lot easier than answering it, however. For the *Handbook*, dozens of philanthropy researchers mapped out the philanthropic landscape in Canada, the United States, Mexico, Austria, Bulgaria, France, Finland, Germany, Ireland, the Netherlands, Norway, Russia, Switzerland, the United Kingdom, Egypt, Israel, Lebanon, China, Hong Kong, Indonesia, Japan, South Korea, Taiwan, Australia and the Caribbean. The book provides a schematic description of the state of philanthropy for each



country: a brief history, the size and scope of the nonprofit sector, government policy and the influence of the dominant culture and religious beliefs on generosity. This first part of the *Handbook* offers the reader interesting insights into philanthropy worldwide, and the clear structure makes it easy to compare different countries with one another.

Eight Factors That Facilitate Philanthropy

The second part of the book contains thematic articles that answer the research question. “We combined the input of all researchers and distilled eight mechanisms

that determine the success of philanthropy in a country,” Wiepking says. “Many of these mechanisms can be used by governments and policymakers to create a society in which nonprofit organizations can be more successful and where people donate more often and in greater amounts.”

1. A Culture of Philanthropy

“The most important factor is that there has to be a culture of philanthropy,” Wiepking says. “First of all, it is important that people consider philanthropy as a solution for social problems. Not only is the government responsible for addressing these problems but people also must recognize that the responsibility is a private matter as well. The United States is an example of a country where philanthropy as a solution for social problems is ingrained in the culture and the people. This is quite different in countries with relatively strong welfare systems, such as the Netherlands and the Nordic countries. In these countries, people often feel that the government—not the philanthropic sector—is responsible for solving societal problems.

“A second important aspect that contributes to a culture of philanthropy is the openness about giving. People

have to be able and willing to talk about their donations,” Wiepking adds. “In many countries, making philanthropic donations is something you do in private, with no one being aware. This is the current mentality in the Netherlands, but it is slowly changing. This is important for philanthropy because if you never see examples of charitable behavior, you will be less inclined to give yourself. For example, in countries where charity is motivated primarily by strong religious beliefs, donors talk relatively little about their donations. The Giving Pledge (<http://givingpledge.org>), initiated by Bill Gates and Warren Buffet, is an excellent example of public giving, inspiring many others to also give substantial amounts.”

2. Public Trust

“When people don’t have faith that their donations will facilitate the changes they envisioned with their gift, they are not willing to give,” Wiepking explains. “In almost every country studied in the *Palgrave Handbook on Global Philanthropy*, there are issues with transparency, accountability and effectiveness. The study revealed that a lack of trust in charities was considered a deterrent to philanthropy in all countries except for Canada. There, researchers noted that Canadians’ considerable trust in nonprofit and charitable organizations has a positive effect on philanthropy. To increase people’s trust in charities, it is important to make sure charities are transparent and accountable and function effectively.”

3. Laws and Regulations in the Field of Philanthropy

“People are likely to have more trust in philanthropic organizations when the laws and regulations that these organizations must abide by are clear,” Wiepking says. “These laws and regulations also can lead to more effective organizations, because a certain amount of professionalism is needed to conform to the regulations in place.

“There is also a downside, however, because the regulations can result in a considerable administrative burden for organizations,” she says. “In various countries, such as Lebanon, Israel, Egypt and Russia, laws and regulations for philanthropic organizations have actually had a negative impact on the philanthropic sector. When there is an undemocratic government or a government with conflicting interests, the laws and regulations can be used to siphon off money from philanthropic organizations or make the work of these organizations extremely difficult. The Chinese government, for example, recently introduced stricter rules to impede the

work of nonprofit organizations out of fear of a ‘Jasmine revolution’ [such as the one in Tunisia in 2010 and the 2011 Chinese pro-democracy protests].”

4. Fiscal Benefits of Giving

“The researchers in the *Handbook* almost unanimously name fiscal benefits as a main component in facilitating giving behavior in a country,” Wiepking says. However, donors in all countries do not make extensive use of such benefits. In the Netherlands, for example, less than 5 percent of donors deduct their donations in their yearly tax return, according to data from 2005. This suggests that the influence of fiscal benefits does not play a big role in giving behavior in the Netherlands. However, Wiepking thinks that these numbers may contain considerable bias. “That 5 percent is a cross section of *all* contributors in the Netherlands,” she explains. “But if you look only at major-gift donors, the percentage of donors who take advantage of fiscal benefits is higher, around 45 percent.

“While in the United States and the United Kingdom financial advisers have expert knowledge on philanthropy, in many other countries these services are nonexistent or are only recently developing,” Wiepking adds. “I actually think that a lot of wealthy people around the world would give more money to charities if they received more expert financial advice on philanthropic donations. When financial advice relating to philanthropic giving becomes more omnipresent, an increase of donations can be expected.”

5. The State of the Philanthropic Sector

A well-organized sector contributes to the success of philanthropy. “The nonprofit sector is doing better when there are more organizations that are more professional in their fundraising and have enough financial resources,” Wiepking emphasizes. “A good relationship with the media, the government and the business sector is also important. One of the most important features of this mechanism is the existence of umbrella or sector organizations. It is important that philanthropic organizations pursue not only their own interests but also those of the entire sector. The professionalism of the philanthropic organizations can be stimulated by educating professionals working in the philanthropic sector.

“The better the philanthropic sector is organized in a country, the more people are willing to give to charities,” she adds. “That’s actually unfortunate, because in countries where the need for philanthropic

donations is greatest, the philanthropic sector is often badly organized. And then people don't have faith in the sector, and requests for donations are less successful."

6. Political and Economic Change

When a country is in crisis, it has a negative effect on the success of philanthropy, as happened in Lebanon. "When Lebanon became politically and economically destabilized, philanthropic organizations found themselves in a very difficult situation," Wiepking says. "They refocused on providing direct help rather than achieving their original mission, because the latter was impossible. People also weren't able to donate money. That is one extreme example of how political-economic stability can greatly affect the giving behavior of people and the functioning of philanthropic organizations. Philanthropy is not the first thing people think about in daily life, especially in a crisis situation."

"Political changes influence the success of philanthropy as well," she explains. "In China, the entire philanthropic sector came to a halt in 1949 due to the Communist Revolution. There was no place for philanthropy in a communist society. The Bulgarian philanthropic sector also suffered the same fate. After the introduction of communism in 1951, philanthropy became illegal in Bulgaria when the government stated that it alone was responsible for all public and social services."

7. Demographic Changes


"There are four important demographic characteristics that positively influence philanthropic donations: religiosity, age, wealth and education," Wiepking points out. "The more religious people are, the older they get, the wealthier they become and the better educated they are, the more money they typically give. There are also some demographic trends influencing giving. People are becoming less religious, but on average, they grow older, become wealthier and are more educated. Whether the last three features will compensate for the effects of secularization, we still don't know. Policymakers are barely or not at all able to change these factors."

8. International Flow of Money

"When a country receives more official development aid and has more nongovernmental organizations and when institutions receive more foreign money, the philanthropic sector in a country will do better," Wiepking says. "Money transfers from emigrants to their home country also have a positive effect on the philanthropic sector, which in turn

positively influences private donations in a country. In many developing countries, remittances are an important resource for realizing public goods and services for which the government lacks money or does not consider a priority. In Lebanon, for example, 16.2 percent of the gross domestic product is made up by remittances. In Mexico, it is 1.9 percent, and in Indonesia, it is 1 percent. Tourism also supports philanthropy to a lesser degree. When tourists visit a country and witness and experience the needs of the people who live there, they are more willing to donate money to support those needs."

One of the conclusions you may draw from the eight mechanisms in the *Handbook* is that people appear to be most generous in well-organized, stable countries. Philanthropy is most successful when a country is politically and economically stable, when there is a clear regulatory system and when the philanthropic sector itself is well-organized and professional. And in countries in crisis, in particular, philanthropy is under pressure. Ironically, one could say that philanthropy functions best where it is needed least.

In the future, Wiepking wants to focus on distributing knowledge about facilitating factors for philanthropy to countries that have less developed nonprofit sectors. "This is one of the reasons why Femida Handy, René Bekkers, Beth Breeze, Chulhee Kang, Naoto Yamauchi, Angela Bies and I established the new international Center for Global Philanthropy (CGP). With the CGP, we hope to create and share new knowledge to make philanthropy more meaningful for researchers, organizations and society at large," she says. "We particularly want to share this knowledge to benefit countries with less organized philanthropic sectors." 

Note: A different version of this interview in Dutch appeared in the Dutch online magazine *De Dikke Blauwe*.

Pamala Wiepking, Ph.D., is an assistant professor in the Department of Business-Society Management at Erasmus University Rotterdam in the Netherlands. She conducts research on philanthropy, primarily from an interdisciplinary and international perspective. In 2016, she received the AFP Early Career Emerging Scholar Award for her research on fundraising and philanthropy. To learn more about Wiepking and her research, visit www.wiepking.com. The book Palgrave Handbook of Global Philanthropy is available from Palgrave (www.palgrave.com/us/book/9781137341518).



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Good > Better > Great

By STEPHANIE CORY, CAP®, CFRE



How many organizations have invested significant time and money in developing a strategic plan that ends up in a drawer until someone says, “We need a new strategic plan”? Too many.

Recognizing this fact, the Delaware Alliance for Nonprofit Advancement, also known as DANA (www.delawarenonprofit.org), in Wilmington, Del., introduced a new way of looking at strategic planning—through the lens of Jim Collins’ principles in his bestselling book *Good to Great* (HarperBusiness, 2001) and accompanying *Good to Great and the Social Sectors: A Monograph to Accompany Good to Great* (HarperCollins, 2005).

DANA’s mission is to strengthen, enhance and advance nonprofits and the sector in Delaware through advocacy, training, capacity building and research. And that is just what the organization began offering with its fellowship program for Delaware nonprofits interested in applying *Good to Great* principles in developing strategic plans.

Paul Stock, executive vice president of DANA’s Excellence Academy, believes the *Good to Great* principles are applicable anywhere. DANA attached a framework for strategic planning to the principles and trained a subset

of its consultants on the material. These consultants then worked with the nonprofit organizations selected for the fellowship program. Jim Collins has been intimately involved in DANA’s use of his materials, and Stock is not aware of any other programs using the *Good to Great* principles to help nonprofit organizations.

According to Collins, “A great organization is one that delivers superior performance and makes a distinctive impact over a long period of time. ... For the social sector organization, however, performance must be assessed relative to mission, not financial returns.”

As Stock explains, this quote stems from the fact that dollars are an input and an output in the business world, where people provide products and services for a profit. With nonprofit organizations, on the other hand, money is primarily an input and not a measure of greatness. This is because, to quote Collins, “The whole purpose of the social sectors is to meet social objectives, human needs and national priorities that cannot be priced at a profit.”

How does Collins define a great organization? It is one that delivers superior performance results and is efficient in fulfilling its mission. It makes a distinctive impact—a unique contribution to the community with excellence,

so it cannot easily be replaced by another organization. Finally, it has lasting endurance and can deliver exceptional results over a long period of time and beyond a single leader, one great idea or sole market cycle. The challenge, according to Stock, is to define greatness for your organization. It is also critical to establish a baseline, rigorously assemble evidence and measure trends.

Peggy Geisler, owner of PMG Consulting LLC (www.pmgconsulting.net) in Easton, Md., is one of the DANA consultants trained on the *Good to Great* model for strategic planning. Aside from the *Good to Great* model requiring a greater investment of time than traditional strategic models, she explains another key difference: “What matters most is the culture of the organization and a focus on the passion and the organization’s products in such a comprehensive way as to get rid of irrelevant things.

“Outcomes improve, and people will pay more for these outcomes,” Geisler explains. “Organizations need to take a real look at what they’re doing. Are they being

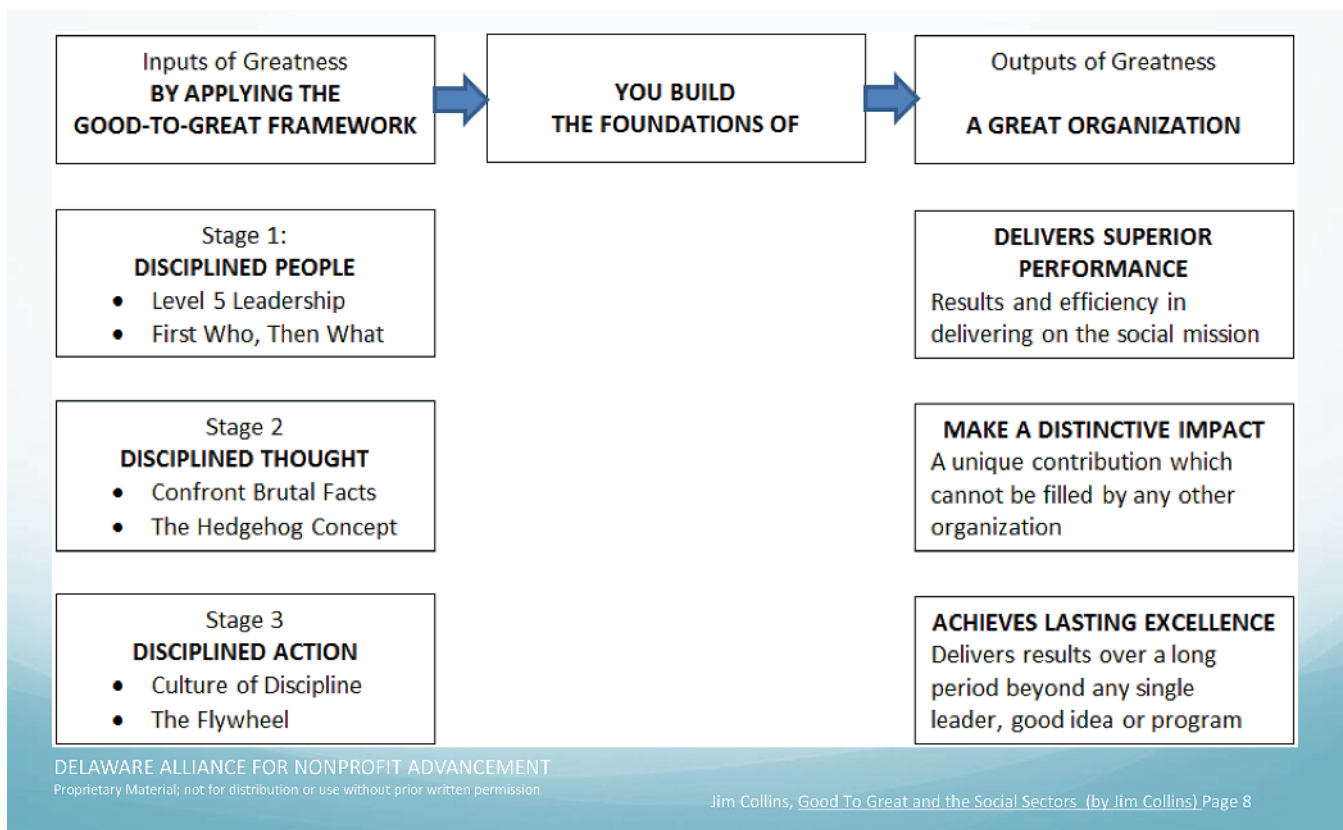
good stewards? Is there an ROI? Is someone else doing what they’re doing?

“If you have an understanding of what you’re doing and can show impact, people will fund you for it,” she adds. “Going through the *Good to Great* process makes fundraising easier. It helps you select programs and activities you do best, making you more relevant.”

Geisler includes other questions that she says are fundamental to ask during the process: “Who are we? What are we best at? Do we have the right people on the bus? How do we plan for the future?” The “right people on the bus” is a concept Collins introduced where an organization needs to consider whether staffing is meeting its needs.

Is the *Good to Great* process for strategic planning for every organization? Not according to Geisler. “It’s for organizations who do well but really want to go to the next level and to be competitive in making sure they’re focusing on the highest quality of work,” she says. “They need to be able to invest the time. If

Figure 1. The “Good to Great” Framework



you want a transactional relationship to produce your products, then *Good to Great* isn't for you, but if you want transformational, it is for you."

Reading ASSIST Institute (www.readingassist.org), a Wilmington, Del.-based nonprofit organization dedicated to teaching the foundational skills of reading to children with significant academic challenges, empowering them to achieve grade-level proficiency, was one of the organizations that participated in the *Good to Great* strategic-planning process and worked with Geisler.

Executive Director Vickie Innes, CFRE, found the *Good to Great* process' lack of focus on money initially to be quite a change from traditional strategic-planning methods. "It was first determining what you did well as an organization and how to improve it," Innes explains. "There was an assumption that if you're doing what you do best, the resources would come.

"At Reading ASSIST Institute, what we do the best is teach the foundational skills of reading. We were forced to see that our programs were very wide but not deep enough," Innes shares. "We started to eliminate what we were doing for the sake of funding and events that didn't fit."

The organization hosted a four-year-old conference for educators in the Mid-Atlantic region that was well attended. Nevertheless, the *Good to Great* process helped Reading ASSIST Institute realize that the conference did not tie back to the organization's core mission of teaching the fundamentals of reading, and it discontinued the event.


Another critical concept that Collins introduces in *Good to Great* is a BHAG, short for "big hairy audacious goal." BHAGs are something about which you are deeply passionate, at which you can be the best in the world and that drive your organization's economic engine. The *Good to Great* process helped Reading ASSIST Institute identify its BHAG. "Our big hairy audacious goal is to

be the go-to organization for teaching the fundamental skills of reading," Innes explains. "We are concentrating on kids with severe academic challenges. We made our program more frequent and consistent and explicit. Our student results improved. We took what was working and put more emphasis on it."

Did narrowing its focus and giving up a revenue-generating conference adversely affect Reading ASSIST Institute? Not according to Innes. "We told funders that we gave up what didn't tie into performance measures and are focusing on better results," she says. "Funders are more interested in growth of quality, not quantity. This is true for foundation, corporate and individual donors."

Unlike some traditional strategic plans that are not monitored on a regular basis or updated, Reading ASSIST Institute has found that its new *Good to Great* plan is a working document. "Our team meets quarterly to see what we have and haven't accomplished," Innes says. "We're trying to keep the document alive and morph it each quarter. When staff have ideas, they have to show how the ideas tie into the strategic plan's goals and strategies."

One important benefit of the *Good to Great* model, according to Stock and as demonstrated by Reading ASSIST Institute, is that it drives organizations to figure out what they do best and are most passionate about, while also showing them what they should stop doing.

However, this process cannot be rushed, and Stock's one piece of advice for nonprofits is to slow down. "The *Good to Great* principles require disciplined people, thought and action," he says. "Organizations are not typically good at disciplined thought. We need to slow down and think about what we should stop doing." 

Stephanie Cory, CAP®, CFRE, based in Wilmington, Del. (www.stephaniecory.com), consults for the Delaware Alliance for Nonprofit Advancement and is an active AFP volunteer.

One important benefit of the *Good to Great* model, according to Stock and as demonstrated by Reading ASSIST Institute, is that it drives organizations to figure out what they do best and are most passionate about, while also showing them what they should stop doing.

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The Customer-Centric Nonprofit Brand

By ELAINE FOGEL

Without stakeholders, your nonprofit would not exist. It's that simple. Your organization's success and longevity depend on acquiring and retaining "customers"—donors, volunteers, funders, partners, employees, etc. Before making business decisions or taking important actions, it is important for the board and management to always ask, "How will this affect our customers?" Then they can make the best decisions, given the organization's financial and human resources.

However, you cannot do so without developing and maintaining a customer-centric mindset. In the nonprofit world, this means serving customers' needs and engaging them as people individually, not as a collective. It is a mindset that puts customers at the center of every action.

Where to Start

Establishing a customer-centric mindset does not happen in a vacuum. No matter how many employees your nonprofit may have, it is critical to foster a culture of cohesion, collaboration, internal communication and teamwork. On the other hand, maintaining silos of competing departments and egos can be extremely detrimental. Remember, customers do not care about your internal structure. The last thing they want to hear is "That's not my job" or "That's not my department" or "Sorry, I can't help you."

To foster cohesion and collaboration, take a proactive approach to get everyone involved. "We provide training on the culture of philanthropy to both board members and staff every year," says Mandy Fischer, development director for the Intervale Center (www.intervale.org) in Burlington, Vt., which strengthens community food systems by improving farm viability, promoting sustainable land use and engaging its community in the food system. "Basically, what a culture of philanthropy means to us is that everybody in our organization is

an ambassador and engaged in relationship building. Everyone can make a case for giving."

Nevertheless, it is essential to keep in mind that this is not a one-size-fits-all effort. "We are realistic," Fischer says. "We want our board and staff members to find

where they are comfortable. Some people like writing notes, some like organizing behind the scenes and some like connecting one-on-one with donors. We treat them as individuals, too, and do not expect that they will all contribute in the same way, and we are grateful for everybody's hard work."

And fundraising? "Our executive director is personally involved in fundraising, our systems support donors and development is viewed and valued as a mission-aligned program of our organization,"

Fischer says. "This last one is critically important. Development is a program, and we carry out the mission of our organization through our work of fundraising.

"We embody the culture of our organization, and a big part of our work is connecting with people who share our vision for a healthier food system and planet," she adds. "In this way, there is no disconnect between the fundraising arm of our organization and the program and social enterprise arms. We are one organization carrying forward one mission."

This extends to volunteering. "Our corporate volunteer program is also robust, with development and program staff collaborating and introducing the organization to participants quite successfully," Fischer says. "This program is a great way to connect with business donors and build awareness and support within local businesses for our cause.

"When we have people out to volunteer, we can educate them about our mission and help them develop relationships that deepen the connections their workplace has with us," she explains. "This work is quintessential donor stewardship, and it is carried out by both development and program staff."



A Customer-Centric Brand at Work

At the heart of a customer-centric nonprofit brand is customer service—how your organization manages its customer relationships, both internally and externally.

What will success look like when you do this well?

The superlative outcome in external customer service is when customers have memorable brand experiences, continue to give to and/or interact with your organization and then enthuse about it to others. Quite simply, the more that customers trust your nonprofit, the more they will refer it to friends, family, colleagues and their online networks. And when customers talk about your organization positively, its brand can rise to a top-of-mind position, giving it a distinct edge over other similar organizations.

Of course, many factors are at play in determining your customers' retention and loyalty. However, when your nonprofit puts customers first, consistently wowing and engaging them, they can continue to see the value of interacting with or working for your organization. When you advise your customers rather than "sell" to them, you can gain their trust and retain them longer. For example, when dealing with donors, share stories in your newsletters and other content, as well as in one-to-one conversations. Ask them questions to help them better determine where and how they want to support the organization.

Customer-centric nonprofits recognize the importance of customer engagement. The more yours communicates and engages with customers in their preferred channels, the more it can inform, inspire, motivate and entice them to your calls of action.

Learn more about your customers, not by being snoopily but by being friendly. Listen to them, their personal stories, desires, preferences and complaints. Customers are the best information source on your nonprofit's brand. Knowing what they like and dislike about the organization will help you identify its strengths and weaknesses. Customer input also can help ascertain any new opportunities you may not have previously recognized and can guide any changes for improvement. Collect and record important information in your fundraising or customer relationship management software. This allows you to anticipate their needs and surprise them.

Another important point is keeping promises. Just as keeping promises in life is important to your credibility, the same is true for nonprofits. Your organization's promises represent its word and brand reputation. When it cannot keep its promises, this can have a detrimental effect on its sustainability. Yet, when you serve and engage customers with excellence, delivering

on the organization's promises consistently, they will gradually develop a reason to believe in your brand. "At the Intervale Center, we spend a lot of time talking to donors, writing personalized notes and connecting with them individually, because we know that when we build authentic relationships with people, they will respond in kind," Fischer says. "We work really hard to connect with people because emotional connection is what inspires giving. And it's also what makes our jobs fulfilling."

Indeed, the outstanding result in internal customer service is when employees enjoy their jobs, take pride in their work, achieve their potential, feel valued and appreciated, stay longer and praise your organization to others.

"We definitely strive to hire staff, especially within development, who love people and whom people love," Fischer says. "For example, we just hired a community relations coordinator, and though we needed someone with events logistics experience and an eye for design, we also wanted to hire someone who was outgoing, trustworthy, able to establish trust with people quickly and able to ask people what they need. We were lucky to find a candidate with a lot of those skills."

Customer experience standards can help develop and maintain a customer-centric nonprofit. You can write a standards handbook yourself, hire a consultant to create one or ask an employee committee to develop one collaboratively. When there are clear-cut, customer-centric standards that all employees believe in and follow consistently, they will know what to do and when. These guidelines can lessen confusion and customer missteps and, in turn, greatly reduce employee friction and stress.

To ensure that you have everyone's buy-in, you may want to add measurable customer orientation expectations to employee job descriptions and performance reviews. Tie these in with a recognition program, and you have closed the loop to ensure customer and brand experience consistency.

Positive Results

When your nonprofit develops a solid brand reputation for being customer-centric and other operational factors are relatively stable, it can entice more inbound leads, referrals and buzz. This can improve success, generating more money to fulfill the mission and increasing growth potential to meet demand. "Since we have become donor-centric, we have exceeded our fundraising goals every year," Fischer says. "Our annual fundraiser has a very high retention rate, and attendees rave about how fun our event is. We want everyone with whom we


interact to go away feeling appreciated and like they had a good time.

“We don’t want donating to feel like a transaction,” she emphasizes. “Making a donation should be a natural expression of one’s generosity and leave people feeling warm, appreciated and powerful.”

Of course, there are challenges when developing and implementing a customer-centric mindset. “This work takes a serious commitment of time and energy that comes naturally to some people and less naturally to others,” Fischer admits. “We have tried to tackle this problem by creating a lot of opportunities for both board and staff members to engage along a continuum, starting with simply making a donation in support of the organization and extending all the way to asking for and securing major gifts.”

While no one likes to hear complaints from customers, you should think of them as gifts to your organization. (Yes, you read that correctly.) Although most customers will not take the time to voice their discontent, the ones

who do can give you opportunities to investigate and identify where internal problems lie. The other unhappy customers simply will not come back, and you will not know why.

In the end, Fischer points out, the most important part of this work is not taking anything too personally. “People are crazy, and relationships are hard. We all make mistakes, do or say something embarrassing and feel totally awkward almost every day,” she says. “Having a team around you that supports you in your mistakes, can joke and make you feel better and can help you figure out your next move is really critical to building and maintaining a donor-centric mindset.” 

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Moving the Elephant: Success for Fundraising Consultants

BY EUGENE A. SCANLAN, Ph.D.

Sometimes, success is very obvious (a \$1 million gift!) and comes all at once. However, more often than not, a change in mindset, a turning point or an “aha” moment are more subtle but no less effective indications that greater accomplishments may lie ahead.

Many fundraising consultants, especially those who have been in the business for a long time, realize that “success” can mean something quite different from what it means for most fundraising professionals. The latter can see success in a number of ways: dollars raised, new donors added, campaign goals achieved, board giving and myriad other measures. However, the fundraising consultant may have to take a more limited view of his or her success. In fact, as some consultants have realized, at times the organizations they worked with saw “success” due to their persistence, hard work, insights and clever strategies. And failure? If there was a failure, large or small, it was sometimes put on the back of the consultant. (“You suggested we ask Mrs. X for \$50,000. We did, and she gave us only \$20,000. How could you make a mistake like that?”)

Success for fundraising consultants is often measured on a much smaller scale. One way to measure success can best be described as “moving the elephant.” How do you move an elephant? One step at a time. If you can get a client organization to take that step, small as it may seem to be in the scheme of things, then maybe it will start to move in the best possible direction toward mutual goals. But, oh, that elephant can be stubborn: “We tried that before, and it didn’t work.” “We couldn’t do that.” “That will never happen.” So, part of a fundraising consultant’s job is to make that elephant sit up, look ahead and take that first step.

To illustrate, an organization’s endowment campaign planning committee was having its fifth meeting. The committee was made up of several senior-level executives of major national companies and was staffed by the organization’s vice president for development. There was also a consultant to the committee. At all the previous meetings, there had been considerable discussion about possible campaign goals, others who might support



an endowment campaign and other related matters. However, the elephant was still sitting there. The meeting started off like all of the other meetings: long discussions not going very far and people making suggestions but not really getting into specifics. The consultant listened and realized that the elephant needed a push into taking a step. Looking around the room, the consultant said, “I’ll bet \$1,000 that you won’t be able to get 100 percent of this committee to give to this campaign.”

There was a long silence. The chair of the committee stared straight at the consultant, who wondered whether it was a career-ending moment. Then the chair cleared his throat. “OK,” he said. “I guess we need to start right here. I’ll do \$100,000.” Again, another long silence. Another member spoke up: “I’m in for \$75,000.” Then a third member: “Me, too. \$75,000.” And a fourth: “I can do \$25,000. Sorry, I’d like to do more right now, but I can’t.”

The vice president for development grinned and looked at the consultant. The elephant had moved. “If I heard right, that’s \$275,000?” The chair nodded and added, “Now, you other members need to do your part soon. We need to be sure we win the bet.” Indeed, the consultant did “lose” and gladly made out a check to the

campaign a few months later after the other committee members had stepped up to the plate with their gifts. After the meeting, the vice president for development was still incredulous. “What happened there? In five minutes, we had \$275,000 committed.”

“They just needed a little push,” the consultant said. And they did.

Another time, another organization. A senior housing organization was attempting to raise substantial funds for a new project. With a consultant, they had completed a feasibility study that included interviews with several residents who were also prime prospects for major gifts. Because the interviews were done in confidence, the organization did not know about the willingness of the prospects to give to the campaign. However, the consultant did.

In this case, the elephant was the chair of the campaign committee, a well-educated and genuinely nice guy but also someone who was petrified of asking anyone for money. (There are many such elephants out there.) The consultant met with him one day and said, “I’d like you to kick off this whole effort by making the first ask.”

The campaign chair lowered his head. “I figured this would happen, but I really feel uncomfortable doing this. In fact, I’d prefer not to.” This elephant was sitting and had no intention of moving.

“OK,” the consultant said, “Look, I’ll go with you on your first call, and we can get ready any way you want to.”

“Well, I’ll try, but what if I fail? What if the person says no?”

“We’ll just need to see what happens,” the consultant replied.

Of course, the consultant knew through the feasibility study interviews that at least some of the prospects were ready to be asked. One excellent prospect was a woman who was a longtime resident of the senior housing facility and was very enthusiastic about the campaign plans. On the morning of the scheduled meeting, the consultant arrived to go over plans with the campaign chair, who, being a methodical person, had prepared several three-by-five cards with his notes for the presentation. He reviewed these with the consultant, who reminded him that while he would attend the meeting, ethically he could not make the ask. Furthermore, the consultant emphasized that he would say something only if he felt it was needed.

As the two went down the hall toward the woman’s apartment, the campaign chair fumbled with his cards

and tried to make last-minute adjustments to what he was going to say. He was very nervous, despite the consultant’s reassuring him that everything would be fine. The campaign chair knocked on the door. The woman opened the door and warmly greeted him. They were old friends. After the consultant had been introduced, the woman asked, “What can I do for you?” The campaign chair started making his points, referring to his cards. The woman patted his hand. “You don’t have to tell me all of that. I know all about it.”

Each feasibility study interviewee had received a brief case prospectus outlining the planned project, so the consultant knew she was aware of the particulars. The campaign chair looked somewhat discouraged. Then the prospect said, “Excuse me a minute,” and left the room, returning with her checkbook. “Would \$5,000 be OK?” The head of the campaign, greatly relieved, replied, “Oh, yes, thank you. Thank you. That is very generous.”

After some informal chatting, the two left the woman’s apartment. “That was easy,” the campaign chair said. “You did fine,” the consultant told him. This elephant had taken its step.

If you are a fundraising consultant, it often can be necessary to think of your success as making that elephant take a step. Maybe it is a small step at first, but that elephant needs to move, and your first small success may start the momentum building. A small push here, a nudge there, ensuring that the elephant is not headed off in the wrong direction once it is moving—those are the things that can mean success not only for you but also, and more importantly, for the organization.

So how do you move the elephant?


- Create situations that an organization and its leadership may consider as having a high level of risk for failure but that you understand have a low level of risk.
- Ensure an organization understands the difference between perceived risk (often seen as very high and accompanied by fear of failure) and actual risk (possibly much lower than what it thinks).
- Do not be afraid to show that you are willing to take a step that an organization may feel it is not ready for until you do so. It is like being the first in the water and saying, “It’s not really so bad. Come on in.”
- Show the client that the only way to move forward is to move forward. A first step and success can lead to more and bigger successes.

- Be sure to have an organization understand that the more steps taken, the greater the possibility for some failures, but if the plans are followed and the momentum is maintained, the successes will outweigh the failures.
- Celebrate the successes, and let the organization take all the credit it wants. You may be the only one who really knows what led to the successes.
- Remember that you are pushing the elephant, not leading it from the front. With the right push, it will keep moving forward, and you will not be in the way.

One final example: An organization was about to make its first ask for a major corporate gift. The organization was well positioned to make the ask, but its CEO was reluctant. A consultant met with the CEO, who said,

“What should we ask for? I think \$25,000 is about as high as we should go, and maybe they’ll give us \$5,000 or \$10,000 at most.”

The consultant had previously researched the prospect corporation and knew its giving patterns and was also aware that the upcoming meeting would be with the top executives, who would make the decision. The consultant looked at the CEO and replied, “You should ask for \$1 million.” The CEO looked startled. “Really?” he asked. “Yes. You can’t lose by asking, and they can easily do \$1 million,” the consultant answered.

And they did. One giant leap for that elephant. 

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Helping Funders Recognize Success Through Outcomes

BY ANNIE RHODES

Preliminary research has revealed that many philanthropic organizations—more than 85 percent of them, actually—want to improve how they track and measure program outcomes. However, precisely where are they getting stuck?

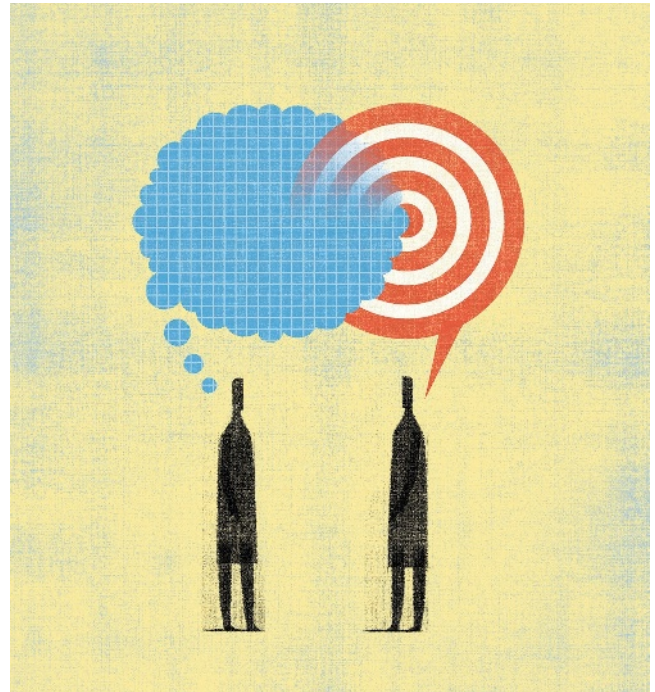
To find out, on a 2015 tour of funders and nonprofits in 16 cities across the United States, we had discussions with foundation and nonprofit leaders focused on outcomes and impact. What does philanthropy need, particularly philanthropic leadership, when it comes to outcomes? And why are so many organizations struggling with figuring out what outcomes to track and how to get started on tracking those outcomes?

The goals in convening philanthropic leadership were to better understand the varying perspectives around measuring outcomes, learn what approaches are working well and which ones are not, improve the insight leaders have into the impact of their programs, boost communication across the sector, foster more collaboration between funders and their grantees and help funders and nonprofits get what they need to lean in on outcomes to make them a part of every conversation they are having.

To glean the most from these conversations, questions centered around how organizations define success, how they benchmark against their goals, how they communicate outcomes to grantees and how they share their impacts with their stakeholders. Focus groups comprising a variety of representatives from across the philanthropic sector explored common challenges, recommended solutions and discussed why the sector continues to be challenged with tracking outcomes five, 10, 15 and even 20-plus years after first starting to talk about them.

Following are some of the prevalent themes and lessons learned.

1. Establish target outcomes that tie to your organization's mission and vision. One of the most significant learnings was that funders often do not know what outcomes they should be tracking toward. Do



foundation leaders know whether measuring outcomes and impact is on the minds of their board members prior to making funding decisions? Many said yes, but many also admitted that they do not know where to start or what to track. This was a key indicator of why many foundation leaders say they are either behind or still in the development stage of their journey to measuring outcomes and impact.

For those funders that do track outcomes, their target outcomes are derived from and connected directly to their own mission and vision and informed by the organizations in the community that they are funding. The organizations that have most successfully identified their intended outcomes do a market scan within the programs they are funding to understand what people and organizations are working in the fields they are interested in funding, who is achieving their intended outcomes and what lessons they have learned. They then take this information and concentrate on their own programmatic

areas of interest to determine how to focus their efforts on identifying which outcomes will help them solve the societal problems they are trying to address.

Funders ask themselves the following questions:

- Do these outcomes align with our mission and vision?
- Do they support the populations we have set out to serve?
- Do they represent the outcomes our partner organizations are working toward, and will they result in tangible measurements?

Insight: In order to strengthen the outcomes you are tracking toward, there needs to be alignment between your mission and vision and your target outcomes. These should be identified through the establishment of your mission and vision, through understanding your organization's distinct competencies and by conducting a market scan to understand results of other organizations working toward these same goals. This applies to both funders and nonprofits.

2. Collaborate with partners around intended outcomes. Throughout the listening and learning tour, the dynamic between applicants and funders was also discussed in great detail. Often, this dynamic can lead to one-way, one-sided conversations about the funders' perception of what needs to be achieved through the course of a grant. Nonprofit organizations often do not want to jeopardize any potential funding, so they will concede the imposed outcomes. A large disconnect preventing collaboration was evident, which stalled progress. This was fueled by misconceptions between grant seekers and funders. Many nonprofits assume that funders are further along in their outcomes sophistication, while, in reality, both funders and nonprofits are often uncertain of what they want to track and how they plan to implement an outcomes approach.

One of the leading causes of this divide is that both nonprofits and funders tend to view each other only from their own unique perspectives. This tendency is not caused by an insular force, however, but rather by a mere lack of information. Often, it is the case that funders are trying to solve a much broader problem than discussed with a potential partner, and they are still deciding how to address those issues.

Ironically, many of these answers lie within the nonprofits' vantage point based on their experience working to solve societal problems at the local level. A

clear example of this was in Atlanta, where there was a conversation going on among multiple nonprofit organizations and other government agencies working to reduce homelessness. The nonprofits recognized that they were all applying for the same grants from the same organizations for a lot of the same activities. They realized that if they each focused on their unique differentiator, then they could combine efforts and apply for funding that would help solve the whole of the problem and not just components of it. This model leads to greater long-term community impact for all and is repeatable in other types of initiatives.

Many foundation and nonprofit leaders said this approach to dynamic problem solving can happen when the collaboration is treated as a true partnership, with all goals and outcomes established collaboratively between the applicant and funder. (And, as in the Atlanta case, among the multiple applicants and multiple funders.) This working together ensures that when leaving the table, the funder knows exactly what the grantee intends to achieve, and the grantee knows exactly what is expected of it from the funding opportunity. By setting these clear goals and outcomes upfront, the partnership can grow. True partnerships such as these can introduce strengthened connections and best practices to share with the broader philanthropic community.

Insight: In order to make a difference, all stakeholders, including grant applicants, funders and leadership at all levels of organizations, must align and have an honest conversation around what they are all trying to achieve from the onset. They must then work together to set specific goals and agree on well-defined goals at the beginning of the grant program.

3. Continue partnerships through transparency. Once the grant is in flight, funders and their nonprofit partners must continue that open dialogue to ensure goals are being met and issues are raised to the surface and resolved. In the past, funders made a grant and then would check in with their grantees at some later time. Now, in support of the transformation in the philanthropic sector and technology that provides quick insight into the progress projects are making toward their outcomes, it is easier for funders and their nonprofit partners to stay connected.

Funders and nonprofit leaders who participated in the discussions acknowledged this changing tide and shared that even a quick phone call into the progress of a grant provided an opportunity for funders and their nonprofit

partners to discuss progress toward their intended outcomes. This helped to ensure alignment, raise any issues or concerns around the intended outcomes and targets not being met and connect with each other to see whether there were any insights from other partner organizations.

This partnership also can lead to additional funding opportunities, sharing results (both the good and the inadequate) with the broader sector. It also can allow shifting in a different direction if it makes the most sense to the community that these organizations serve. Partnerships also can evolve even when there is no funding involved in order to mentor and advise one another on approaches, share lessons learned and open up other asset sharing outside of grant making, such as staff time, shared office space for meetings or opening up contact lists for introductions.

Insight: There is a great opportunity to partner with and educate funders with on-the-ground insights and use this momentum to share results with the broader community. This not only helps increase transparency in the field but also strengthens a nonprofit's "résumé" for future funders.

4. Come together around outcomes and data analysis. Funders and their nonprofit partners often do not know the impact they are actually making because, while they are collecting and sharing lots of data, the data often stop short of telling the full story. The data being collected in the grant-reporting cycle are often not catalogued in a systematic way. Consequently, when organizations try to extract the data, they are unable to share meaningful insights. These same organizations can tell a great success story, which is meaningful in itself, but it is often challenging to know whether the funding did what it was supposed to do.


Furthermore, many organizations speak their own unique languages, so outcomes cannot be compared and benchmarked across multiple organizations. Nonprofits have been following a similar pattern. They tend to give the funder only what the funder asks for in a language that is unique to that specific funder. This set of behaviors has made institutional learning much harder to attain and has, in fact, hindered widespread philanthropic-industry learning and best-practice sharing.

If goals and outcomes measurements are set at the start of a funding cycle in a true partnership, then funders and the nonprofit partners they support can refer to the intended measurements with every progress update. When nonprofit partners share their results with their funders, they also can share these results with their board and the community and, if possible, use the results to attract future funding.

Imagine a day when every philanthropic organization can show comparable results across a given issue—homelessness, education, food, job security, etc.—and then share those results more broadly. Consider the success everyone could achieve.

Insight: Funders and nonprofits collaborating around intended outcomes measurements need to align both their goals and the language used to capture the progress toward those goals. Funders and nonprofits should use the information gained to inform their own philanthropic activities and then share it more broadly across the sector.

The conversations validated that, even though the philanthropic community has made great strides with outcomes tracking, there is still a lot of work to be done. There is an untapped force and exponential impact to be had if organizations can efficiently and inclusively share, connect and learn from one another around goals, progress and outcomes, moving toward a more unified and collaborative sector. Key learnings provided invaluable insight into how both funders and the nonprofit community can be supported around their approach to outcomes tracking and measurement.

Working with and learning from the philanthropic community to make outcomes accessible to all in the philanthropic community, including donors, volunteers, individual employees, fundraisers, program managers, etc., will help ensure that understanding outcomes and organizations' greater impact is a global challenge, one that everyone must work toward, collaborate on and understand as they navigate this new strategic philanthropic landscape. 

Annie Rhodes is director of foundation strategy in the MicroEdge division (www.microedge.com) of Charleston, S.C.-based Blackbaud (www.blackbaud.com).

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The Last Word

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Final Thoughts

**“Coming together is a beginning;
keeping together is progress;
working together is success.”**

—Henry Ford

**“It’s fine to celebrate success, but
it is more important to heed the
lessons of failure.”**

—Bill Gates

**“Failure is the condiment that gives
success its flavor.”**

—Truman Capote

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**“Success is not the key to
happiness. Happiness is the key to
success. If you love what you are
doing, you will be successful.”**

—Albert Schweitzer

**“Success is how high you bounce
when you hit bottom.”**

—Gen. George S. Patton

**“Success is simple. Do what’s right,
the right way, at the right time.”**

—Arnold H. Glasow

**“It is impossible to live without
failing at something, unless you
live so cautiously that you might
as well not have lived at all, in
which case you have failed by
default.”**

—J.K. Rowling

**“Success is not final, failure is not
fatal; it is the courage to continue
that counts.”**

—Winston Churchill

**“Many of life’s failures are people
who did not realize how close
they were to success when they
gave up.”**

—Thomas A. Edison

**“However difficult life may seem,
there is always something you can
do and succeed at.”**

—Stephen Hawking

**“Failure is only the opportunity to
begin again, only this time more
wisely.”**

—Henry Ford

**“The foundation stones for a
balanced success are honesty,
character, integrity, faith, love and
loyalty.”**

—Zig Ziglar

**“Success is walking from failure
to failure with no loss of
enthusiasm.”**

—Winston Churchill

**“Do not fear mistakes. You will
know failure. Continue to reach
out.”**

—Benjamin Franklin

**“The only place where success
comes before work is in the
dictionary.”**

—Vidal Sassoon

STATEMENT OF OWNERSHIP, MANAGEMENT AND CIRCULATION

1. **Publication Title:** *Advancing Philanthropy*
2. **Publication Number:** 019-516
3. **Filing Date:** Sept. 6, 2016
4. **Issue Frequency:** Quarterly (Jan/Feb/Mar, Apr/May/Jun, Jul/Aug/ Sep, Oct/Nov/Dec)
5. **No. of Issues Published Annually:** 4
6. **Annual Subscription Price:** \$100
7. **Complete Mailing Address of Known Office of Publication:** 4300 Wilson Blvd Ste 300, Arlington VA 22203-4168. Contact Person: Jacklyn P. Boice Telephone: 540-891-2814
8. **Complete Mailing Address of Headquarters or General Business Office of Publisher:** 4300 Wilson Blvd Ste 300, Arlington VA 22203-4168
9. **Full Names and Complete Addresses of Publisher, Editor and Managing Editor:**
Publisher: Association of Fundraising Professionals, 4300 Wilson Blvd Ste 300, Arlington VA 22203-4168. **Editor in Chief:** Jacklyn P. Boice. **Managing Editor:** None
10. **Owner:** Association of Fundraising Professionals, 4300 Wilson Blvd Ste 300, Arlington VA 22203-4168
11. **Known Bondholders, Mortgagees and Other Security Holders Owning or Holding 1 Percent or More of Total Amount of Bonds, Mortgages or Other Securities:** None
12. **Tax Status:** The purpose, function and nonprofit status of this organization and the exempt status for federal income tax purposes has not changed during the preceding 12 months
13. **Publication Title:** *Advancing Philanthropy*
14. **Issue Date for Circulation Data Below:** July 1, 2016
15. **Extent and Nature of Circulation:** Association member benefit

	Average No. Copies Each Issue During Preceding 12 Months	Actual Copies Single Issue Published Nearest to Filing Date
a. Total Number of Copies	22,330	22,554
b. Paid Circulation		
1. Mailed Outside-County Paid Subscriptions Stated on PS Form 3541	19,076	19,347
2. Mailed In-County Paid Subscriptions Stated on PS Form 3541		
3. Paid Distribution Outside the Mails Including Sales Through Dealers and Carriers, Street Vendors, Counter Sales and Other Paid Distribution Outside USPS®	2,943	2,925
4. Paid Distribution by Other Classes of Mail Through the USPS		
c. Total Paid Distribution	22,019	22,272
d. Free or Nominal Rate Distribution		
1. Free or Nominal Rate Outside-County Copies Included on PS Form 3541		
2. Free or Nominal Rate In-County Copies Included on PS Form 3541		
3. Free or Nominal Rate Copies Mailed at Other Classes Through the USPS	48	30
4. Free or Nominal Rate Distribution Outside the Mail	0	2
e. Total Free or Nominal Rate Distribution	0	0
f. Total Distribution	22,067	22,304
g. Copies Not Distributed	263	250
h. Total	22,330	22,554
i. Percent Paid	99.8%	99.9%

17. Signature and Title of Editor, Publisher, Business Manager or Owner

Jacklyn P. Boice

Jacklyn P. Boice, Publisher and Editor in Chief, Sept. 6, 2016

Barbara Tartaglia-Poure

How many years have you been involved in the nonprofit sector? In 2017, I'll celebrate my 20th year in the profession.

When did you join AFP? I joined in 1997.

How did you get involved in the nonprofit sector and fundraising? My background is in marketing and sales. At the time, I was volunteering at a small, grassroots nonprofit that provided day care and support services to single moms who were finishing high school and college.



The organization captured my heart, and when I learned that the executive director was leaving, I called the board chair and announced that I was their new executive director. (Can you imagine?) I worked with the board to help triple the size of the program, build a new facility and successfully complete their first capital campaign. I served in that position for four years

before joining The University of Toledo's team.

If money were no object, what resources would make your job easier and more effective? Continued professional development is critical to your ability to grow and develop as a leader in the profession. I'm a strong proponent of the benefit of providing funds for gift officers to attend conferences and seminars.

What was it like earning the ACFRE credential? My first mentor in AFP shared this advice: "If you aspire to be a leader in this profession, get involved in the local AFP chapter, continue your education and keep your focus on what you give and not what you get." Earning the ACFRE is the pinnacle of distinction in our profession. Did I think about giving up? Absolutely! The process is challenging. So, if I could share my success strategy, I believe I had three things going for me that made a difference: the unwavering support of my family and friends; three kind and very patient mentors, all ACFREs themselves (Thanks Vern Snyder, Ken Frisch and Ben Imdeke!) who continued to provide their encouragement and support throughout the process; and recruiting a colleague to go through the process with me. It was a godsend having someone immersed in the process who understood the challenges and was equally committed to the same goal. It was never a question of *if*, but *when*.

What do you think are the greatest misconceptions (still!) about fundraising? That anyone can do it.

Lifetime Highlights:


- Marrying my husband, Jim
- Being blessed with my five amazing sons, all accomplished, educated and great guys
- Leading a women's retreat to Naples, Italy, for Mother Teresa
- Walking over hot coals on three different occasions—and still being able to wear great shoes
- Earning my CFRE in 2002
- Serving as the NW Ohio Chapter president in 2004
- Earning my Master of Liberal Studies degree from The University of Toledo in 2005
- Serving as senior principal gift officer for The University of Toledo's \$100 million campaign
- Serving as AVP and principal gifts officer for the University of Cincinnati's \$1 billion campaign
- Graduating from AFP's Faculty Training Academy in 2011
- Presenting at the AFP International Fundraising Conference in 2015
- Earning my ACFRE in 2015
- Serving on the ACFRE Marketing Committee

What is the best career advice you ever received?

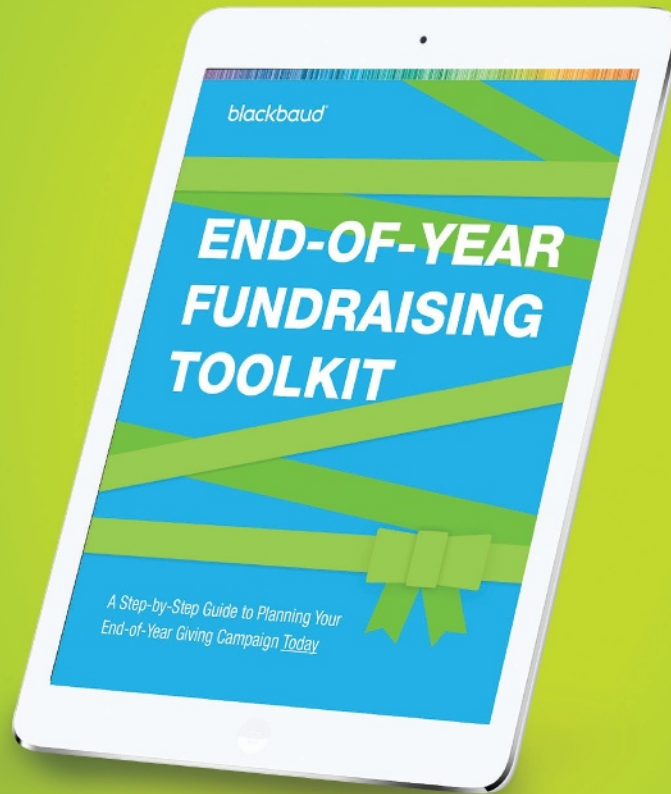
Don't allow yourself to get caught up in the politics of the workplace. Put your head down, maintain your focus and do your job well.

What is your motto? It's not what happens to you in life that matters; it's what you do about what happens that defines your destiny. Choose greatness!

What do you hope to do that you haven't done yet? I'm often told that I'm a great storyteller and "You need to write these stories down. They'll make a great book!"

How would you describe your perfect day? Enjoying the Florida sunshine with my husband, Jim, family, friends and puppy, Beau! 

After moving to Florida in 2015, Barbara Tartaglia-Poure transitioned from associate vice president of development, main campus, to the executive director of national development at The University of Toledo (www.utoledo.edu).



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If ... Then What?

By LARRY HOSTETLER

I'm always a little bothered when I hear people recount how many millions or billions of dollars they have raised in their career. Part of it is that I went a long time before I ever thought of keeping track of "total gifts raised," so the success of the first years of my career is hidden in the fog of pre-computer history. Is that what defines success for a fundraiser? I can unequivocally say that the \$50,000 gift I obtained in San Francisco was more than twice as easy to get as the \$25,000 gift in Modesto, a short 90 miles away, let alone a \$5,000 gift in Punxsutawney, Pa.

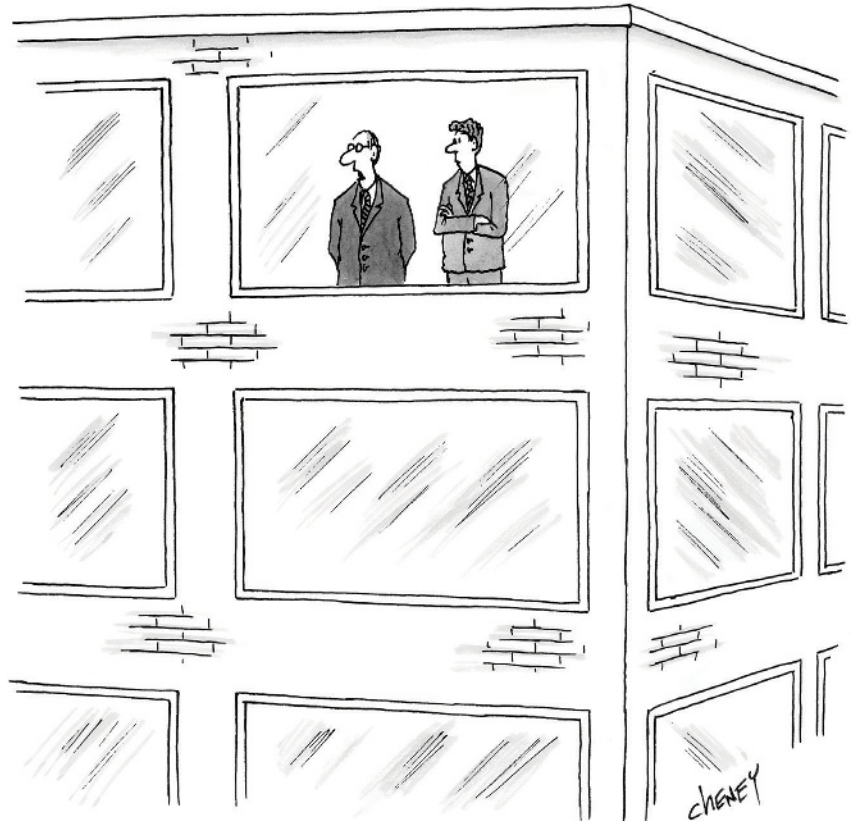
Success is relative in many ways. Speaking of relatives, on my grandson's wall, my wife placed a Michael Jordan poster that says, "I've missed more than 9,000 shots in my career. I've lost almost 300 games. Twenty-six times I've been trusted to take the game-winning shot and missed. I've failed over and over and over again in life."

It's not that my wife is celebrating failure. My grandson had no idea who Michael Jordan was. (He knows now that Michael was one of, if not the, greatest basketball players of all time.) Her point, and Michael's, is that the only way to ensure we are not successful is to not take chances and fail.

The last line of the poster reads, "And that is why I succeed."

I recently shared a post on Facebook: "If at first you don't succeed, don't try skydiving." Bill Lyon (a retired sports columnist for *The Philadelphia Inquirer*) once said, "If at first you don't succeed, find out what the loser gets." Success is often a result of failing and learning from those failings, with more and more successes along the way.

You may have heard the phrase "Success has many fathers; failure is an orphan." But did you know that the original quote was by Mussolini's son-in-law? (It also was *La vittoria ha cento padri e la sconfitta è*



"During my meteoric rise to the top, I failed to notice I was in the wrong building."

orfana, or "Victory has a hundred fathers, and defeat is an orphan.") In Mussolini's case, failure left many orphans. Jeanne Phillips (or Abigail Van Buren, who writes the advice column "Dear Abby") updated the saying to "Success is a father. Failure is a mother."

What is success in fundraising? I dare say not many have the opportunity to fail often and gloriously and still continue in the field. Yet my biggest "no" to an ask generated my biggest gift. Eventually.

The famous philanthropist (and owner of the Dallas Cowboys football team) Jerry Jones attributed his success to a tolerance for ambiguity. We must have that in fundraising to be successful, by which I mean keeping our jobs.

So, with that in mind, and with apologies to Rudy Kipling, whose inspirational poem "If" ("Brother

Square-Toes”—*Rewards and Fairies*) is the impetus for this and many graduation cards, I offer the following:

If you can keep your head when all about you
Know not theirs from a hole in the ground,
If you can trust yourself when “they” suspect you,
And hope your peccadillos are soon found;
If you can wait so long the DMV is quicker,
Or being lied about, “swipe left,” “thumb down,”
Or being hated, the DMZ sounds slicker,
And yet don’t look too good, nor fast leave town:

If you can dream—and not while working or in
meetings;
If you can think—and not betray your aims;
If Triumph and Disaster both approach with
bleatings,
And you spike the urge to laugh at their names;
If you can bear to hear the truth you’ve spoken
Twisted by boards to make a case for fools,
Or watch the things you gave your life to, broken,
And stoop and build ’em with your donor tools:

If you can make one heap of all donations
And risk it on one huge major ask,
And fail, and start over again with a foundation
And never breathe a word about your task;
If you can force your heart and nerve and sinew
To serve your org long after you are gone,
And so plod on when there is nothing in you
Except the will that says, “The probate’s on!”

If you can talk to civic groups and keep civil,
Or with moguls and remain “in touch,”
If neither boss nor loving friends can cavil,
If your board counts on you but not too much;
If you can fill the unforgiving minute
With sixty seconds as resource grazer,
Yours is the Earth and everything that’s in it,
And—successful—you’ll be a fundraiser!

*Larry Hostetler is a renowned (or unknown or disowned)
poet and successful fundraiser.*

“I’ve missed more than 9,000 shots in my career. I’ve lost almost 300 games. Twenty-six times I’ve been trusted to take the game-winning shot and missed. I’ve failed over and over and over again in life. And that is why I succeed.”

—Michael Jordan