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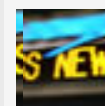
5 key elements of a strategic partnership

Forming strategic partnerships can aid organizations in advancing their causes. Author Katya Andresen, wrote in her book *Robin Hood Marketing: Stealing Corporate Savvy to Sell Just Causes*, that nonprofits must first answer five strategic questions when identifying, assessing and creating partnerships.

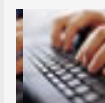
1. Who is also trying to reach your audience? Begin by thinking expansively about organizations -- nonprofit and private -- that currently are, or would like to, reach your audience. Include organizations that seem to be competitors and groups working on different issues with your audience.
2. Who wins when we win? Ask yourself, if you succeed in moving your audience to take action, which organizations on the above list would benefit? This becomes a "hit list" of potential partners. Look for partners with a compatible agenda and the potential for both organizations to be rewarded philanthropically, financially, image-wise, or through increased efficiency, access to new markets and resources or increased employee morale. Make a note of the gain for both your organization and the partner.
3. What are the pros and cons? Assess the possibility for exploitation, dependence and blurring of mission. Consider cultural differences, level of commitment and capacity limitations on each side. Create a balance sheet for you and your partner and list all of the potential benefits versus drawbacks. Ensure mutual benefit.
4. How do we form the partnership? Start it at the top of each organization. It's best to have someone in charge with executive support and commitment. The more tangible and specific the request, the better. Time, resources, responsibilities, budgets and deadline should be clearly spelled out. Construct up-front consequences should an effort fall short.
5. How do we stay on track? Form numerous personal connections and remain flexible in regard to changing dynamics on both sides. Communication is key. Update partners on a regular basis, ask for their input and thank them for their work. Disagreements should be confronted quickly and openly. Make mid-course corrections, address poor performance and clarify responsibilities together. Knowing when to stop a partnership is just as important. Better a clean finish than death by disintegration.



WEB EXCLUSIVES



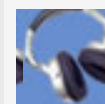
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6 concepts for the ideal leader

What qualities does the ideal leader possess?

Although such a question may spur similarities and divergences in opinion, there is no doubt that leaders face daunting challenges. Those challenges will be no less daunting in the future.

In his article "Leading New Age Professionals," which appears in the book *The Leader of the Future 2*, Marshall Goldsmith writes that the ideal leader of the future may need to look at leadership from the perspective of the needs of staff, rather than from the skills of the leader -- what the leader provides as opposed to what the leader possesses.

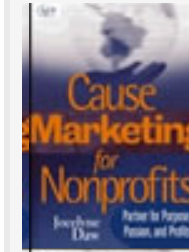
The leaders of the future, then, must do the following for their professionals:

- Encourage their passion. Professionals need to look forward to coming to work in the morning. Loving their work is critical.
- Enhance their ability. Look beyond the skills needed for today and help professionals learn the skills they will need tomorrow.
- Value their time. Realize their time is precious also -- don't waste it.
- Build their network. By enabling professionals to establish strong networks inside and outside the organization, you gain a huge edge and much loyalty.
- Support their dreams. The best professionals are working for more than money; they have a dream of making a meaningful contribution in their field.
- Expand their contribution. Provide them with opportunities that they cannot provide themselves.

6 strategic planning pitfall to avoid

Strategic plans can fail for a number of reasons including exceedingly high expectations, diminished commitment or a lack of resources to meet the stated goal. *The Complete Guide to Nonprofit Management, Second Edition*, by Smith Bucklin & Associates, Inc., details a number of pitfalls to avoid when considering your strategic plan.

- Are all of your ideas and the wish lists of the contributors included in the document? The real focus can become blurred when too many ideas are presented.
- Does your wish list fail to recognize what is occurring in the real world? Does it fail to perceive the changes in environment and/or organization since the organization was chartered?



NPTimes Suggested Reading

Buy and save 15%

Cause Marketing for Nonprofits
by Jocelyne Daw

This book captures the exciting potential for business and nonprofits to partner for mutual benefit and discovery.

- Your strategic plan has not been tested against the current and anticipated resources (human and fiscal) of the organization.
- Your executive director, elected leaders, and/or staff lack commitment to the plan.
- No operational plan has been developed for the strategic plan. There is no carry-through on the plan.
- There are no mechanisms in place to gain commitment and continue the strategic plan following a change in leadership. Once again, this leads to carry-through failure for the plan.

9 things all managers must learn

Life is a learning experience, and many nonprofit leaders find that they must learn as they lead.

Jan Masaoka, the former executive director of CompassPoint Nonprofit Services in San Francisco, said that she has learned many things, and she put 9 of them together in a list.

1. Note to funders: Give us (unrestricted) money. Give us the chance to experiment, to make mistakes, to sleep at night and to take the time to nurture leaders in our organizations.
2. The strongest leaders have worked in the fields and have hard as well as soft skills.
3. Leadership lingo is tolerated by real leaders, but less frequently embraced. Use real language.
4. Being a woman of color is both an asset and an obstacle to success, and leaders focus on the positive.
5. When we observe leaders, there's a lot we don't know. We want to value both the theoretical insights and life experience.
6. Over-hiring is a danger both to organizations and to leaders. Some people are in over their heads as managers.
7. Underestimating young talent is also a danger.
8. Listen to all the advice, and keep your own counsel.
9. Fire drills are a fact of life. Stuff happens; it's how you respond that defines you as a leader.

12 TERMS TO AVOID AT ALL COSTS

Confusion can abound in the dizzying world of new words or terms that are meant to keep pace with new policies, procedures or innovations. Sometimes this confusion can result in a simple missed connection in terms of miscommunication, but in his book *Fiscal Sponsorship*, Gregory L. Colvin suggests that actual harm can result from the use of the wrong term in nonprofit fiscal

matters.

Colvin offers several words or terms that are used routinely but that he says are used but are inaccurate, confusing or improper, creating the possibility for serious problems. Among these terms to avoid are:

- **Fiscal agent/agency.** It is an unreliable term, as several court rulings and IRS letter rulings would attest. Much better to use “fiscal sponsorship.”
- **(Acting as a) Conduit.** The IRS continues to take a dim view of “conduit” organizations, seeing them as possibilities for laundering donations. A better term is “exercising discretion and control.”
- **Earmarked for the X project.** A better way of phrasing would be “In support of the purposes of the X project.”
- **Pass-through.** Again, the hint of laundering exists. A better term is “regrant.”
- **Funnel.** A better term is “platform.”
- **Intermediary.** Better to use “umbrella.”
- **Partnership/joint venture.** “Collaborative” is better.
- **Cooperative.** Better terms are “consortium” or “coalition.”
- **Shell.** A better term is “cluster.”
- **Autonomous.** Better to use “accountable.”
- **Laundering.** Everyone will be happier with “incubation.”
- **Go-between.** Better to use “steward.”

14 Managerial Success Factors

Many nonprofit leaders have found that good intentions are not always enough. In his book *Migrating from Innovation to Entrepreneurship*, Jerr Boschee writes that nonprofit leaders may have to move to a spirit of entrepreneurship.

Boschee offers 14 factors that are important in changing an organizational culture and embracing this spirit.

- **Candor.** Starting a new venture is difficult enough without being honest about a product or service, the market, resources.
- **Clarity of purpose.** Consensus must be reached on this before the planning process begins.
- **Courage.** Entrepreneurial planning cannot be swept aside by day-to-day demands.
- **Core values.** The organization is willing to accept the consequences, the value must be freely chosen from genuine alternatives, it must be acted upon as a regular pattern, it must apply everywhere in the work, it must last over time, the organization must be

- proud of it.
- Willingness to plan.
- Building the right team. This includes the leader, the senior management team, industry expertise, the employees.
- The separation strategy. Any social sector business should be kept as separate as possible from the other operations.
- Strategic marketing. Marketing is not a business function; it is the business.
- Viability first, not mission. Be ready for value conflicts.
- Focus, focus, focus.
- Customer service. Be attuned to customer needs.
- Quality. Make no compromises on this.
- Aggressive pricing. Think of annual budgets, not just unit costs.
- Strategic partnerships.

Being flexible to adaptive properties

Among the many requirements of leadership is that of adaptability, being able to roll with the punches. In his article “Anchoring Leadership in the Work of Progress,” which appears in the book *The Leader of the Future 2*, Ronald A. Heifetz argues that leadership involves understanding eight properties of adaptive work.

- An adaptive challenge is a gap between aspirations and reality that demands a response outside the current repertoire. Whereas technical problems are largely amenable to current expertise, adaptive challenges significantly are not.
- Adaptive challenges demand learning. An adaptive challenge exists when progress requires a retooling of ways of thinking and operating.
- With adaptive challenges, the people with the problem are the problem, and they are the solution. In adaptive work, responsibility needs to be felt in a widespread fashion.
- An adaptive challenge requires people to distinguish what’s precious and essential from what’s expendable within their culture. Preserve what is best, leave what doesn’t serve, move ahead.
- Adaptive work demands experimentation. Learn from experiments “which horses will ride into the future.”
- The time frame for adaptive work is markedly different than for technical work. It takes time for people to learn new ways.
- Adaptive challenges generate avoidance. It is natural to want to restore equilibrium, but challenges must be met.
- Adaptive work is a normative concept. Species evolve where cultures learn.

CLEAR STAFF COMMUNICATIONS

The chief executive of any organization must provide leadership in its communications effort, as in almost every phase of operation.

In her book *Generating Buzz: Strategic Communications for Nonprofit Boards*, Sally J. Patterson says that staff must also be involved in a communications strategy, and she offers nine steps by which this can take place:

- Conduct a communications assessment. This focuses on three areas: communications structure, communications materials and messages and media relations.
- Review the organization's mission, vision and goals. The mission statement should answer Who are the people or what are the needs we serve and What are we doing to serve them and what differentiates us from other organizations of this type?
- Review the situation analysis conducted for the strategic plan. What internal and external factors affect the organization?
- Identify target audiences. Review and rate the importance of potential audiences, create a profile of each target audience, prioritize the target audiences into a manageable number of clusters, and for each develop a communications objective and a message strategy.
- Develop communications goals. What outcomes does the organization hope to achieve?
- Develop and test messages for target audiences. What messages will inform, motivate and involve audiences?
- Create message dissemination plans for each audience. What vehicles will be most effective for each audience?
- Establish a budget and timeline. What is a realistic assessment of the cost and time frame for each goal?
- Determine impact measures for monitoring and evaluating progress. A written plan is needed.

Deliberative process to taking action

The chasm between intent and result, between hope and reality, can be huge. Many people who want to make a difference find themselves stonewalled by a never-ending array of constraints, problems, bureaucracy and roadblocks, both intended and unintended.

In their chapter *Adapting and Combining Deliberative Designs* in the book *The Deliberative Democracy Handbook*, Lyn Carson and Jeanette Hartz-Karp emphasize what they call the deliberative process, one by which citizens are engaged in joint decision making with government as a way of dealing with contentious issues and getting real results.

In this process, citizens are engaged with experts, industry and government, even if a process takes several years from inception to completion.

For Carson and Hartz-Karp, there are three essential elements for a fully deliberative process. Those criteria are:

- **Influence.** The process should have the ability to influence policy and decision making.
- **Inclusion.** The process should be representative of the population and inclusive of diverse viewpoints and values, providing equal opportunity for all to participate.
- **Deliberation.** Not surprising for a process called deliberative, it should provide open dialogue, access to information, respect, space to understand and reframe issues and movement toward consensus.

All consultation make an attempt to meet these three criteria, although to varying degrees, and performance in these criteria indicates a method's success as a democratic process.

Ethical pressures come with rapid change

In times of rapid change, leadership can be an attempt to maintain balance on ground that shifts constantly. In their essay "The Three Elements of Good Leadership in Rapidly Changing Times" in the book *The Leader of the Future 2*, Lynn Barendsen and Howard Gardner stress excellence, ethics and engagement, and they argue that maintaining these standards is not easy. For them, there are three current conditions that challenge efforts to achieve good work.

The three are:

- **Globalization.** Many entities – currencies, customs, commodities, and diseases, among others – circulate around the world with tremendous speed and without regard to borders. Events that occur in one area may affect people thousands of miles away, quickly. Because these factors are difficult to understand, let alone control, it is easy to lose one's ethical bearings.
- **Market pressures.** Always present, these issues have intensified because now nonprofits are expected to follow business models while still performing their missions without any slippage, usually having to do more with less. When leaders are forced to spend an inordinate amount of time seeking funding, for instance, their work suffers.
- **Scarcity of positive examples.** When individuals who garner public attention are successful by being dishonest or in the news because their corrupt actions have been

pardoned, young people may follow suit. There are positive role models, but they do not always get much attention.

Factors In Service Learning

One area of nonprofit endeavor that has been growing over the past few years is service learning, a linking of education and nonprofit mission. Through this setup, college students perform volunteer work for organizations, sometimes for credit and other times simply as a requirement of their undergraduate experience.

For example, Campus Compact, a national organization involved in service learning, estimates that there was a value of \$4.45 billion to communities provided by its member schools during the 2004-05 academic year. Eugene Tempel and William Plater of Indiana University offer several factors in the increased popularity of service learning programs over the past few years.

- Community organizations see the value of students working on the organization's projects with the expert participation and guidance of faculty, thus ensuring a higher level of quality while expanding the organization's capacity.
- Community leaders are discovering that service learning and other forms of community involvement may help retain talented graduates in the local community because they have become personally connected, to the community, the organization or both.
- Service learning is an educational experience that relies on students volunteering with specific learning objectives determined by the purpose of the course or program. It allows students to reflect on what they learn while serving and applying their learning. It benefits the students, the university, the specific organization and the community.

Four Traits Of Effective Leaders

Having a good leader for a good organization is the hope of every nonprofit, one with which many have had a great deal of luck and others less so.

In their book *Leadership in Nonprofit Organizations*, Barry Dym and Harry Hutson maintain that even if a leader and an organization have their good qualities, the important factor is an alignment between leader and organization, a good fit of characteristics.

The four major qualities of a leader are:

- **Character and style.** For example, an organization that grew around a passionate and charismatic founder may have difficulty fitting in a cool, analytic person.

- **Personal values.** The leader's values must fit with those of the organization, not simply in its mission but also in its operating style and methods.
- **Individual skills.** If growth and fundraising are important, networking and public speaking skills are needed.
- **Personal objectives.** Whatever the individual leader's objectives are, they must be possible within the organization.

The characteristics of an organization are:

- **Organizational type.** Organizations can be said to have character, meaning the structure and culture that shape its activities.
- **Organizational culture.** This means the values and norms, made manifest in patterns of behavior, that distinguish it from other social groupings.
- **Organizational resources.** Both leadership qualities and organizational qualities will be affected by the resources available to an organization.
- **Organizational mission and strategy.** Objectives and the ways of achieving them must be in sync for an organization and its leader.

Improving Organizational Effectiveness

During the past few years, there has been heightened emphasis on the concept of nonprofit capacity building -- the increase of investment in organization and management.

Although one commonly accepted benchmark for improved performance has always been fundraising, Mike Hudson points out in his book *Managing at the Leading Edge* that greater funding in itself is not enough and that organizations must raise the bar on quality in order to achieve a greater impact. This can be especially difficult for advocacy organizations, which often are focused on rapidly changing external agendas and are staffed by people passionately committed to the cause.

To attain this enhanced impact, Hudson offers a fresh new paradigm for organizational effectiveness that has emerged from a variety of conversations and observations in the nonprofit sector.

The key characteristics of this new paradigm are:

- Making continuous strategic investment in the development of the organization itself, its people, and its relationships to give it the power to have greater impact.
- Charging the full cost of programs to funders and being comfortable about making

- surpluses.
- Using unrestricted income and foundation grants to invest in the capacity of the organization itself.
- Using unrestricted income to subsidize services only when there is a compelling case and a demonstrable connection with the organization's strategic priorities.

4 managerial marketing considerations

Marketing, making sure that an organization is well known to the public in a positive way, is an integral part of any nonprofit's fundraising effort.

In their book *Nonprofit Marketing*, Walter Wymer Jr., Patricia Knowles and Roger Gomes stress the importance of marketing, and they offer several issues that they maintain are important for nonprofit managers.

- Mission, or defining a focus and scope. Lengthy, complicated mission statements, which can be difficult to read and to remember, are just as likely to drive donors away as to attract them. Even employees and volunteers can be confused. In order to keep everyone on the same page, effective mission statements should be concise and to the point.
- Differentiation, positioning and unique value proposition. Those nonprofits that succeed in differentiating themselves and showing themselves to be particularly worthy of support usually do so by creating a special position in the mind of their target publics as well as a unique value proposition.
- Branding. Brand elements and brand characters can strengthen the brand if they are thoughtfully chosen. Licensing may be easier with stronger brands.
- Segmentation. Even nonprofits should engage in market segmentation because it allows them to balance the needs and wants of individuals and the constraints of running an economical operation.

For-profit and nonprofit similarities

Although the basic purpose of nonprofit and for-profit organizations may be completely different, they do have certain things in common. In his book "Financial Management for Nonprofit Human Service Organizations," Raymond Sanchez Mayers, offers suggestions about several ways by which nonprofit and profit-oriented organizations operate.

The similarities are:

- Both acquire external resources. Although they vary in size, complexity and goals, both types of organizations have to compete for, and acquire, valuable and scarce resources from their environments.
- Both produce and distribute goods or services. In order to do this efficiently, they must set up organizational structures that enable them to scan their environments, develop channels of distribution and have the means to reach consumers.
- Both may provide similar goods or services. Some for-profit entities are going where previously only nonprofits had gone.
- Both incur financial obligations. Both need to obtain labor, material and facilities and must pay for them.
- Both must stay financially viable. Both must take in more resources than they use.
- Both have limited pools of resources and resource providers. There are finite amounts of money and skilled personnel in any industry.
- Both may charge fee for services. The purpose of the fee may, of course be quite different.
- Both must employ marketing techniques to attract resources. To a for-profit, this may be the cost of doing business. A nonprofit may not see it quite that way.

Taking risks isn't always a difficult choice

Although risk may not be a word or concept that is very popular in the nonprofit world, the fact is that as individuals and as members of groups we are faced with risks very often in a variety of ways.

In his book *Leading Without Power*, Max DePree discusses various aspects of risk, noting that risk should not always be viewed as a bad thing.

According to DePree, risks seem to be welcomed and seen for what they are -- opportunities to move closer to our potential -- in organizations that have become movements. In fact, in movements the absence of risk becomes a warning signal that something is not right, that the group has stumbled on its way.

Further,

- Risks involve ambiguity and uncertainty.
- Risks result in a kind of learning available no other way.
- Risks may entail a loss of control and an acceptance of vulnerability.
- Risks accompany abandoning the old, but abandoning the old makes way for the new.
- Risks on the part of individuals are the only way to improve our world.
- Humility invites risk; pride discourages it.

- Risks are inevitable.
- The more we take risks, the more natural it becomes.

Steps to smart program evaluation

Program evaluation, the process of studying the effects of program activity on client populations, can be helpful to planning because of the wide variety of information it can provide.

Although many organizations speak highly of the need for program evaluation, not all of them utilize such an approach, especially if they consider themselves to be in straitened circumstances.

Program evaluation can be seen as a form of investment, and, like any investment, requires care in order to make it as effective as possible. Any evaluation involves learning, and that can take a great deal of time. It can be time well spent, however.

There are benefits to program evaluation, however, and they can be applied in different ways.

- Program evaluation results can be used for program design and management and to inform program manager performance evaluation. When multiple models are available for delivering service, program evaluation can help identify those that are most effective.
- Claims of quality service can be compelling to funders, clients and community, and program evaluation can provide valid measures of performance that can enhance ability to secure funding, especially in a competitive environment.
- Inside an organization, the results of program evaluation can guide resource and allocation by indicating which programs are showing (or not showing) desired results.
- Without program evaluation, program designers and manager are less informed and therefore potentially less effective.

5 points for ensuring quality

The chief executive's role in ensuring the quality, cohesiveness and effectiveness of programs can be wide-ranging.

According to Richard L. Moyers in his book *The Nonprofit Chief Executive's Ten Basic Responsibilities*, that high-sounding task actually has several gritty, down-to-earth aspects that make it real. Without the chief executive's cooperation and support, often with the support of staff or external consultants, most boards of directors will not have enough information or expertise to be able to adequately perform program evaluation for impact or outcomes.

Those important points to remember are:

- Listening to the community, clients or program participants, public officials and grant-makers to better understand what the organization is expected to accomplish.
- Developing a logic model or theory of change that explains what the organization is trying to accomplish, describes why and how and proposes ways to measure effectiveness.
- Allocating sufficient financial, human and technology resources to collect information about the people being served, track changes and impact over time and measure success.
- Using the information captured through evaluation and assessment to make management decisions and strengthen programs.
- Helping the board of directors frame periodic discussions about program effectiveness, particularly when programs are added or discontinued and when more resources are needed to improve quality or expand.

6 paths for successful program measuring

Nonprofits need to work at measuring and evaluating their programs in order to ensure the best possible success for their missions. The idea of program evaluation was discussed at a recent national conference.

Evaluation can be described as the systematic collection of information in order to enhance stakeholder knowledge, improve effectiveness and aid in making decisions. Among the components of such measurement are:

- A logic model. It is a picture of the program, showing what is being put into it and what the organization wants to achieve. It helps clarify a theory of change and fills possible gaps, builds common understanding and is a basis for subsequent evaluation.
- A problem statement. It frames a particular challenge for the population the organization wants to serve and explains what needs to happen and why there is a need for intervention.
- A program goal. This is a clear statement identifying the ultimate results the organization wants to achieve over the life of the program.
- Resources. These are the materials or sources dedicated to or consumed by the program. They include human or financial resources, facilities, equipment/supplies, partners and technology.
- Activities. These are the actions a program takes to implement its program and achieve desired outcomes.

- Outputs. These are the tangible and direct products of program activities.
- Outcomes. These are the changes an organization expects to occur as a result of its work.

9 decisions on service delivery channels

Among the many decisions faced by nonprofits in their delivery of services are decisions about how, where and when offerings are delivered or accessed.

In their book *Marketing in the Public Sector*, Philip Kotler and Nancy Lee argue that nonprofits must think carefully about distribution channels because those decisions will have serious immediate and long-range consequences. Those channels are:

- Physical location. This is most familiar to agencies providing direct, fact-to-face delivery of programs and services.
- Telephone. This is useful to citizens for placing orders, performing transactions, and even receiving services, such as calling 911. Decisions about this option must aim at making the customer's experience a pleasant one.
- Fax: Although this may seem to be declining, it has been used in Wisconsin to enroll people in a quit-smoking program.
- Mail: This is still considered to be a very convenient option for many people.
- Mobile units: Although the apparent convenience would be to consumers, such units have helped lower costs by reducing onsite centers and the costs associated with them.
- Drive-throughs: It is new in the nonprofit sector, but libraries have had success with it.
- Internet: This can be both a communication channel and a distribution channel for nonprofits.
- Videos: A jail in California used this to stem the flow of contraband.
- Home delivery/house calls: This is not always practical, but it can be a huge help to a few people.

10 basics to traits you can't ignore

In an age of complexity and multitasking, any nonprofit executive can be caught up in a maze of duties, some of which may have been anticipated but have become more complicated and some that were never anticipated.

Similarly, the skills expected of a nonprofit executive are wide-ranging, sometimes being used in unanticipated ways, and sometimes executive need to utilize skills they never knew they had, or would need, for their work.

In his book *The Nonprofit Chief Executive's Ten Basic Responsibilities*, Richard L. Moyers reminds nonprofit executives of the basics about their positions, basics that can often be pushed to the back burner, or pushed off the stove entirely.

They are:

- Commit to the mission. This also means knowing all about it.
- Lead the staff and manage the organization. The core of the job.
- Exercise responsible financial stewardship. From day to day, from month to month.
- Lead and manage fundraising. This can be an anxiety-producing part of the job, but it is necessary.
- Follow the highest ethical standards, ensure accountability and comply with the law. This means more than not doing what is unlawful.
- Engage the board in planning and lead implementation. Solid planning is essential for the future.
- Develop future leadership. Both within the board and staff.
- Build external relationships and serve as an advocate. The chief executive is the public face of a nonprofit.
- Ensure the quality and effectiveness of programs. Staff and advisers may be need to help with this.
- Support the board.

13 ways of benchmarking

Having a vast amount of fundraising data is a good beginning, but the information is useless if it is not analyzed correctly and put to some good purpose.

At a recent conference, the topic of donor data gained quite a bit of attention because of the need of nonprofits to manage the donor relationship in such a way that each person feels as if the nonprofit organizations knows him/her personally.

Thus there is a Donor Performance Index, a list of items to keep in mind when attempting to get the most useful information out of a mound of data. The Index includes such items as:

- At what rate is the program growing?
- How large is the typical gift and how has gift size changed over time?
- What is the frequency of giving and how has the frequency of giving changed over time?
- How long have donors been giving and how much money are donors worth over their lifetime?

- What are donors' renewal and attrition rates?
- Who are your core donors?
- How many lapsed donors do we have?
- How much revenue do lapsed donors represent? Which ones are worth re-soliciting?
- Who is upgrading their support, who is downgrading and what is the pattern?
- Which donors respond to which appeals?
- How many donors gave more than one donation this year? Last year?
- How long do we have to wait to get a second gift?
- How many major donors do we have?

Be ready to adapt to anything

Capacity and capacity building are terms that have become part of the everyday lexicon of nonprofit operation.

Although there may be many ideas of what capacity is, Paul M. Connolly, in his book "Navigating the Organizational Lifecycle," offers several ideas about capacity, including what he calls "Adaptive Capacity," which he defines as the ability of nonprofits to monitor, assess, respond to and stimulate internal and external changes.

This capacity can be built by needs assessment, organizational assessment, program evaluation, knowledge management, planning and collaborations and partnerships.

For Connolly, Adaptive Capacity has several performance indicators:

- Environmental learning: How well an organization collaborates and networks with constituents, community leaders and funders to find out what's happening.
- Organizational learning and planning: How well an organization assesses itself and uses assessment findings to conduct strategic planning and follow through on plans.
- Programmatic learning: How well an organization assesses the needs of its clients and conducts and uses program evaluation as a learning tool.
- Decision-making tools: How well an organization uses tools and resources, such as staff and client input, outside management assistance and a plan.
- New resource acquisition: How well an organization partners with funders, other nonprofits and community leaders to secure resources.
- Organizational sustainability: The extent to which there are stable and diverse revenue streams, not overly reliant on a few funders.
- Program sustainability: Whether an organization has sufficient resources to support programs on an ongoing basis and how well it can adjust to changes in funding.

Benchmarking Where You Are Right Now

Benchmarking, or comparing and analyzing information to evaluate an organization's effectiveness or efficiency, can be helpful, both in the nonprofit and for-profit worlds.

Although there might be an inclination to look at nonprofit data in the same way, the variety of nonprofit missions can make comparisons and evaluations difficult and misleading. The most common data elements that are benchmarked at nonprofits include:

- Revenue. While revenue can give an idea of an organization's budget and reach, it might not necessarily indicate a nonprofit's financial strength. Because of this, looking at an organization's income stream and balance sheets could provide more information. For example, high revenue but low net asset base could indicate a problem.
- Program efficiency. Total program expense divided by total expense can indicate how efficiently an organization spends its resources, but an organization's mission might cause it to accomplish its program objectives in an efficient manner that is not reflected on the program-efficiency ratio. Also, the ratio only computes the dollars spent by an organization toward its mission but cannot indicate how the dollars were spent on mission.
- Fundraising efficiency. Technically, this is a measure of the cost to raise funds divided by total revenue and is supposed to measure an organization's effectiveness in raising funds. This can be flawed, however, because nonprofits have diverse revenue streams, such as direct mail or bequests, that might not have attributable cost associated with them.
- Executive compensation. Again, mission may play a part, as well as an organization's size.

ENSURING INCLUSIVE ENGAGEMENT WITH THE PUBLIC

Including the public in the nonprofit mission is an important aspect of the sector that is likely to gain in value over the years. This inclusion is no sure thing, however, if organizations don't continue to make concerted efforts to have a broad base.

In their book *Results That Matter: Improving Communities by Engaging Citizens, Measuring Performance, and Getting Things Done*, Paul D. Epstein, Paul M. Coates, and Lyle D. Wray offer several suggestions for making citizen engagement inclusive.

The authors acknowledge that the more diverse a community the greater challenge of keeping citizens engagement inclusive and representative, but it is necessary:

- **Identify and remove barriers to participation.** When people from one group turn out in large numbers but those of another group do not, it is incorrect to assume that those who are underrepresented do not care about the issue or cannot be motivated. Typical barriers include lack of access to information, difficulties with transportation, or distrust of people from outside one's own community.
- **Plan recruitment and retention of underrepresented groups.** Organizers of citizen engagement should consult the leaders or advocates of minority groups that tend to be less represented in order to learn about specific fears, barriers, desires and motivations.
- **Keep asking "Who is not here?" and keep recruiting them.** It is always a good idea to track demographics in succeeding processes and look for increasing diversity, but it is never enough to show how many different groups are involved if some are still left out.

Facings radical organizational change

Change is a fact of everyday life, and it is something all organizations must face at one time or another.

In his book *Radical Change*, Jerome H. Want discusses the necessity for organizations to face change head on rather than trying to fight it or avoid it. The book is aimed at businesses, but it does offer helpful suggestions about change that nonprofit managers can apply.

According to Want, many organizations fail to respond to change for five basic reasons:

- **Micro versus macro thinking.** Senior managers devote too much of their time to operational and financial problems and not enough to issues of change and strategy.
- **Short- versus long-term goal setting.** With increasing pressures CEOs have been forced to measure success in terms of months rather than years. This behavior is pushed down the line so that the entire organization reacts to immediate pressures and manufactured, short-term goals.
- **Fixing versus reinventing the business.** As a result of their short-term and narrow focus, leaders tend to reach for tactical remedies for business problems that are strategic and global. For many organizations, fixing is not enough.
- **Failing to understand and manage the culture.** Many managers will claim to have a feel for the organization's culture. An organization's culture is not an appendage of the manager's office.
- **Losing track of the customer.** When faced with failure, too many organizations blame outside factors rather than looking within themselves and seeing how they regard and care for clients.

Going beyond your job title

Don't limit yourself to your job title. Go beyond. Be a change agent, a strategic thinker, a transformational leader at your organization.

Nonprofit Consultant Laura Deaton, while speaking at the 2006 Blackbaud Conference for Nonprofits, held in Charleston, S.C., discussed the strategic ways to ensure that you are "creating and expanding your leadership opportunities and remaining a valued asset at your organization."

Deaton offered the following ten "clear" steps to visionary leadership:

1. Let go of things others can do. This includes tasks and responsibilities, authority, and "can's" and "want's." Better leadership is built through involvement. In other words: "The leader's job is to make heroes not be one."
2. Encourage initiative, ideas, and risk taking. Deaton provided an illustration of "Death by risk aversion," beginning with a "fantastic idea," then fear, and then the "actual product," shown as a splat on the ground.
3. Foster goal-setting.
4. Delegate tasks to challenge, develop, and empower your staff. You'll end up weeding out the bad from the good, developing the good, and empowering the good to do more good.
5. Coach to ensure success. Allow staff to learn by experience, but, like any good coach, provide them with the fundamentals.
6. Reinforce good work and good attempts. Thank you letters shouldn't be designated solely for donors. Send to staff when deserved.
7. Share information, knowledge, and skills. Foster teamwork and inspire a shared vision, two critical elements for success.
8. Value, trust, and respect each individual. Give it in order to get it.
9. Provide support without taking over. Sure, you're probably used to doing it all. But by enabling others to act, you're utilizing their skills, and recognizing that the mission is more important than the leader.
10. Practice what you preach; and be able to preach what you practice. The best leaders are communicative leaders. They positively represent and articulate ideas, communicate effectively in all directions, distill ideas into messages that inspire, and are persuasive. They include all who "need to know," understand the importance of non-verbal communication, and believe in the concept of "inquiry before advocacy."

Leader Integrator

The leader of the future will have the agility to move from tradition to innovation, the courage to adapt to new or dynamic models and the ability to examine issues across the breadth and depth of the organization. That's the position of Usman A. Gahi in his article "The Leader integrator: An Emerging Role" in the book *The Leader of the Future 2*.

For Ghani, the leader integrator brings many talents to the table and can bring into play a particular role at an appropriate time.

The most important characteristics of the leader integrator include:

- Faith in the power of an idea in action, rather than the idea of power in a person.
- The ability to be a deep listener.
- Relentless predisposition and openness to critique.
- Being a creative decision-maker, weighing a variety of options and possibilities.
- Being a bridge-builder across multiple disciplines, fields, departments, stakeholders, etc.
- Being a visionary with limitless perspective and ability to zoom in/out at all times.
- Having a strong commitment for continuing learning experiences – for themselves, their employees, their organizations and their organizational partners.
- Being a steadfast developer of leaders, facilitating each to unleash his/her potential and helping everyone discover the leader in oneself and in every situation.

Not all capital is financial

Money is of course the primary concern of nonprofits, including raising it, managing it and using it. Money is capital, but not all capital is money. In their book "Governance as Leadership," Richard P. Chait, William P. Ryan and Barbara E. Taylor argue that nonprofit organizations must learn to recognize, appreciate and capture the value of four forms of working capital that go beyond money.

The forms of working capital are:

- Intellectual capital. This is the collective brainpower that can be put to use to generate mission-critical resources. This is not imply the sum of the knowledge of many but a shared sense of the nature of the work of the organization and enough common knowledge to do the work together. "Communities of practice" can create multiple opportunities to pool usable knowledge in areas such as leadership transition, development and financial oversight.
- Reputational capital. The ultimate intangible asset cannot be gained through haphazard

recruitment. The organization should be asking what reputation it wants to advance (or repair) and with what stakeholders. Deadwood adds no value. Figureheads add token value.

- Political capital. This connotes the influence and leverage that people within an organization acquire and deploy to frame problems, elevate one above others and promote one solution over another.
- Social capital. “Relationships” and “social capital” are not synonymous; rather, the first term provides the raw material that produces the second. In an organizational context, certain characteristics enable people to extract productive value from their relationships.

Self-regulation that beats back fraud factors

It is no secret that nonprofits have had troubles with fraud in several high-profile cases. Thus, it is no surprise that there have been calls from various parts of the country for increased oversight of nonprofit operations.

In her book *Sarbanes-Oxley for Nonprofit Boards*, Peggy M. Jackson urges nonprofits to be aware of existing and proposed government action regarding nonprofits, and she also lists several factors that can facilitate opportunities for fraud.

Those factors are:

- Motivation. People have to want to engage in fraudulent activities and believe that there will be few if any consequences if they are ever caught.
- Occasion for the fraud to take place. Weak or nonexistent internal controls provide the opportunity to engage in fraudulent activity. Other opportunities include access to petty cash, donations or other assets that are easily converted to cash.
- Sloppy or nonexistent internal controls. It's easier to cover one's tracks when there are no protocols or records kept.
- Access to electronic databases and online checking. Individuals with access to sensitive databases are in a position to establish sham accounts and issue checks to themselves.
- Organizational culture. An organizational culture that either denies the possibility of anyone committing fraud or transforms staff of volunteers into martyrs (“We pay them so little ...”) promotes fraud.
- A board that is asleep at the wheel. A board needs to be aware and to lead the way in discussing fraud and instituting and enforcing antifraud measures.

Management ... 10 channels for leadership communication

Leaders communicate. Or do they?

Although almost any leader sincerely believes that he/she is communicating clearly and effectively throughout the organization, hard experience shows that such an ideal state is more dream than reality.

In her book *The Voice of Authority*, Dianna Booher offers 10 reasons why people resist what a leader says. Understanding these blockages and being prepared to deal with them can go a long way to really bringing about the communication that managers need so desperately. They are:

- They think you are lying or misleading them. They don't trust you.
- They are getting incomplete information.
- They don't understand what you mean. Your message is unclear.
- You are being purposefully evasive with either good or wrong intentions.
- What you are saying seems inconsistent with what you're doing.
- They don't consider you credible either you don't look or talk the part or they don't like you.
- They think you don't care about them personally. They don't feel a connection with you.
- You're slow to communicate. They have heard important information from somebody else and they feel "done wrong" because you didn't tell them first.
- They think you're incompetent in your job because of weak communication skills.
- They are working in isolation, with no opportunity for input or feedback.

Management ... Defining your use of social enterprise

Doing good can take many forms, one of which is social enterprise.

At a recent conference nonprofit management consultant Thomas McLaughlin talked about social enterprise, which can also be called nonprofit enterprise, social purpose venture or community wealth creation, and its distinguishing features include social impact, aspiration and growth, entrepreneurship, innovation and sustainability.

Other definitions that have been used are any strategy of economic empowerment pursued by a nonprofit organization to create jobs for its clients and/or profits for its programs, or activities undertaken in the public interest using entrepreneurial strategies.

Very often but not always, social enterprise programs are begun in partnership with for-profit companies.

Such endeavors still face rigorous scrutiny from the Internal Revenue Service, but they do demonstrate a willingness to utilize a variety of innovative strategies in order to accomplish a mission and help individuals and communities become self-sufficient.

McLaughlin pointed out that successful social enterprise usually have common characteristics. Those are:

- A labor force (or client pool) that is unskilled to semi-skilled.
- Low corporate barriers to entry.
- Fragmented industries ((neighborhood bakeries, bicycle shops, etc.)
- Often starting with an unusual opportunity.
- Low demand for professional hands-on management.
- Making and recovering from mistakes.

Management ...

9 cornerstones of a board policies manual

Although boards of directors may be composed of part-time volunteers, they should still keep charge of setting an organization's overall goals for the chief executive officer (CEO) to implement.

To do so, argue consultants Frederic L. Laughlin and Robert C. Andringa in their book, "Good Governance for Nonprofits," the board should write and adopt a manual that covers the following general principles:

- Vision. This encompasses the broad view of what the organization wants to achieve. Increasingly, it includes a statement of a desired outcome of the organization's work.
- Mission. This is similar to a vision, but delineated in more concrete terms. A mission statement can also include benchmarks for determining success.
- Values. This sets out for the staff the standards that will be followed for achieving the mission.
- Moral owners. For membership organizations, this usually means the dues-paying members. Other types of organizations may have different moral owners.
- Primary beneficiaries. The key word here is primary, used as a way to focus the efforts of the organization and avoid overreach.
- Major functions. This can involve setting broad priorities and amounts of effort to be

- devoted to each.
- **Strategies.** This lays out basic ways to achieve goals.
- **Goals.** Similar to mission, this defines objectives in greater detail and may be revised annually. Goals can also serve as the primary tool for evaluating how effective the CEO has been.
- **Strategic plans.** The authors suggest that the CEO take the lead in drawing up this section, since it involves defining how internal resources will be deployed to reach the objectives.

Management ... Clouding the decision-making process

As nonprofit managers have learned, an organization does not operate simply in a world of organization and constituent. Current events can play a huge role in the operation of any nonprofit, from the smallest to the largest.

Writing in the book *Wise Decision-Making in Uncertain Times*, published by the Foundation Center, Dennis R. Young cites the work of Lester Salamon and others to show that there are several forces that have affected nonprofits recently and will do so in the future. They include:

- **Government funding.** Government funding of social services has increased since the Reagan cutbacks, but the composition of that funding has changed and continues to be uncertain. Medicaid, for example, plays a greater role in supporting social services.
- **Developments in philanthropy.** Trends indicate that charitable giving is becoming a less significant proportion of nonprofit income over time, but such revenue promises to remain a critical component of nonprofit support.
- **Demography.** The American population is becoming increasingly diverse and multiracial. More than 40 percent of young persons are now "minorities," and by mid-century are expected to become a majority.
- **Technology.** Modern and rapidly improving communications, information and other technologies continue to transform the economy as a whole. The implications for nonprofits are enormous and are not predictable.
- **September 11.** Most short-term effects of this day have been dissipated or accommodated over time, but an analysis of long-term effects heightened awareness of the need for nonprofits to embed themselves in supportive networks.

Management ... Boards vs. managers - A balancing act

Who's in charge here? In trying to balance the constant but often competing demands of dealing with day-to-day activities while maintaining long-range goals, nonprofit leaders can often become confused about who is supposed to do what.

Thomas McLaughlin, a national nonprofit management consultant with Grant Thornton LLP, offers several broad suggestions about leadership that can help clarify roles and even help avoid problems.

The suggestions are:

- A manager's focus is on short-term execution. Boards concentrate on long-range plans.
- Concepts vs. details. Boards need to operate in a conceptual sphere and managers live in a world of details.
- Boards invest, managers spend. Boards need to be primarily concerned with things of inherent value. Boards make investment decisions with the very long-term view in mind. Managers are primarily occupied with costs. They see needs and crises and opportunities to improve.
- If it has to be decided today, it's the wrong question. If a question like this comes before the board, either it's the wrong kind of question to come before them or it has come too late.
- Boards "own" the controls, and managers implement them. This is one item, representing a change for many organizations, that has been demanded by Sarbanes-Oxley guidelines. Boards and managers can each use their part of the financial statements to guide their work.

Management...

10 reasons unreasonable people succeed

George Bernard Shaw wrote: "The reasonable man adapts himself to the world. The unreasonable man persists in trying to adapt the world to himself. Therefore all progress depends on the unreasonable man."

It was this view that caused John Elkington and Pamela Hartigan to title their book *The Power of Unreasonable People*, in which they list in it the 10 characteristics of successful social enterprise that they have found among social entrepreneurs.

Those people:

- Try to shrug off the constraints of ideology or discipline.
- Identify and apply practical solutions to problems, combining innovation, resourcefulness and opportunity.
- Innovate by finding a new product, service or approach to a social problem.
- Focus first and foremost on social value creation and, in that spirit, are willing to share their innovations and insights for others to replicate.
- Jump in before ensuring that they are fully resourced.
- Have an unwavering belief in everyone's innate capacity, often regardless of education, to contribute meaningfully to economic and social development.
- Show a dogged determination that pushes them to take risks that others wouldn't dare.
- Balance their passion for change with the zeal to measure and monitor impact.
- Have a great deal to teach change-makers in other sectors.
- Display a healthy impatience.

Management ...

Rule of 3s for your case statement

When it comes to an organization's case statement, Marcy Heim offers the "Readability Rule," and as with most things, it comes in three's. Heim, CFRE, of Heim Consulting Services in Madison, Wisc., was a presenter at the recent Association of Fundraising Professionals International Conference on Fundraising in San Diego.

While case statements need to be of a size and type relative to the size and scope of an organization, given a medium-sized organization Heim said prospective givers should be able to "read" the final document as follows:

- 30 seconds -- Look at the photos and large captions and get a good idea of who you are and what you are dreaming of.
- 3 minutes -- Read the captions under the photos, read all the headings, maybe wander into the copy here and there and get a deeper understanding
- 30 minutes - Read the entire statement from cover to cover, every word.

The case statement is the one definitive piece of the whole campaign and should be written for a specific constituency or campaign, about the institution's services, programs and objectives, Heim said. The preparation of the case statement is requisite to success in every aspect of an institution's total development program, including annual, capital and planned giving.

Advice Heim has received from constituents includes, be up front, be honest about problems, skip big words and "vegetable soup," don't be arrogant or presume anything, and be concise and to the point. It's also important to show how the organization can have long-term impact.

Management ...

Passion matters when it comes to raising money

Dedication and commitment to cause are important, but at the recent conference for nonprofits, Erin McHugh Saif of Target Analysis Group emphasized the importance of uncovering donor passion.

Discovering a donor's passion, McHugh Saif told the audience, can pay huge dividends. Learning very early in a relationship with a donor about that donor's passion can get an early foundation established for building a solid relationship, uncovering prospect opportunities, allocating resources in smarter ways and identifying potential volunteers, event participants, committee members, feasibility study participants and telemarketing prospects.

Identifying a donor's passion can be done through collecting and analyzing data that matters. This includes:

- Data that goes beyond gift transactions. Online activity vs. mail activity vs. event activity; telemarketing gifts; multi-source donors.
- Data offered by the donor. Change of address. Phone number - donor offered or vendor purchased?
- Data that is hard coded; storing it in the "Notes" field doesn't count.
- Data that indicates loyalty or affinity to your mission over other organizations.
- Extraordinary behavior - hand-written notes, calls of praise, etc.
- Data that captures donor engagement. Survey responders - people don't waste time on things they don't care about, including surveys. Pairing event data with other donor interactions helps to distinguish average donors from extraordinary donors.
- Volunteers. They care enough to give you their time. They want to be noticed.

Management...

10 challenges that are really opportunities

Despite the loftist goals, many leaders in both the nonprofit and for-profit worlds can see difficulties in any plan for the future. In their book *The Power of Unreasonable People*, John Elkington and Pamela Hartigan present 10 opportunities where many might find only difficulties, or, as they describe them, divides.

- Demographic opportunities. The population of the world is increasing and the age is

- skewing, with some countries aging and others getting younger.
- Financial opportunities. The already staggering divides in wealth distribution have become more dramatic in recent years.
- Nutritional opportunities. Increased population can contribute to demands for food, but in today's world the misery of others is visible as never before.
- Resource opportunities. Demographic pressures are fostering awareness of the natural resource limits to economic growth.
- Environmental opportunities. Polls around the world show that ordinary citizens are waking up to the risk to their health and livelihoods posed by environmental problems.
- Health opportunities. Health problems seem to be overwhelming, but they are closely linked to the other areas mentioned.
- Gender opportunities. Disasters are not gender neutral. Many hit women harder than men.
- Educational opportunities. Few factors are as powerful as education in addressing the aforementioned divides.
- Digital opportunities. It is an astounding fact that 80 percent of the people in the world have never heard a dial tone of any kind.

Security opportunities. Social and environmental entrepreneurs have very different views from those of for-profits on what it will take to ensure security in this century.

Management...

Ethical misconduct is getting worse

While nonprofits, for the most part, still have an ethical edge on jobs in business and government, the social sector isn't too far ahead.

The Ethics Resource Center published its findings in the National Nonprofit Ethics Survey to give an inside look at the sector's code of ethics. But, the view isn't pretty.

The Ethics Resource Center interviewed 3,452 employees spanning the three sectors, with 558 respondents from nonprofits, and polled them on issues such as misconduct, ethics and violations in the workplace.

Nonprofit employees reported observing the highest levels of misconduct since the survey started in 2000 with 55 percent of employees saying they witnessed a form of misconduct in the past year. That level is on par with business (56 percent) and government (57 percent).

Financial misconduct was also reported among nonprofits and eight percent admitted that they saw financial fraud – compared to the 5 percent of employees in the business sector.

Misconduct included putting own interests ahead of the organization (21 percent), abusive behavior (19 percent) and misreporting working hours (19 percent).

Approximately 38 percent of employees who observed misconduct chose not to report to management, with top reasons including doubts that anything would change and fear of retaliation. Employees were least likely to report environmental violations, the misuse of confidential information and Internet abuses.

Strong management made a difference – but in a negative way. Nonprofit employees felt that top management set the ethical tone more than their business and government counterparts.

And those organizations with a board of directors are 18 percent less likely to think that the organization has strong leadership compared to organizations that have an executive director or president at the top. Employees that had a board of directors generally had less trust in the management and their accountability.

The survey showed that an ethics risk was greatly reduced when organization leaders established an organization-wide ethics and compliance program. The Ethics Resource Center recommended that organizations assess themselves and cultivate a working environment that will address misconduct.

4 rules before scheduling that team meeting

The democratic approach, while offering a world of benefits including morale boosting, can be detrimental in one area of conducting business, meetings.

Anyone who has ever attended a meeting knows they can pay dividends or be enormously counterproductive. In his book *Great Business Teams*, Howard M. Guttman suggests several ground rules that can be helpful for meetings in organizations that utilize a team approach.

Rather than being limited strictly by custom – “We’ve always done it that way” – teams can establish a set of protocols for meetings. The protocols should be guided by the following questions:

- How often will the team meet, and how long will meetings last?
Newly formed teams frequently feel a need for long meetings, but as they become more comfortable with each other, meeting time shrinks.
- Where will the team meet? This is not usually an issue for teams whose members are

close together, but it can be more of a problem for far-flung operations. A possible issue is the type of venue, in terms of available technology.

- Who will lead meetings? Not usually an issue with a strictly defined hierarchy, this can be a problem early on with any team. Again, a team approach implies that no one person will dominate the meeting, even if one person “leads” it.

How and by whom will the agenda be set? This is another question that might need time to be answered clearly.

7 steps to great team decisions

If an organization has made a commitment to a team approach, rather than a rigidly hierarchical one, the decision-making process can take on a far different look from one residing with one person.

The good thing about the team approach is that it can reflect decisions reflecting the contributions of many people. That can also be its downfall.

In his book *Great Business Teams*, Howard M. Guttman identifies certain steps that teams can take to ensure that their decisions are both as speedy and effective as possible.

The steps are:

- Identify the decisions that need to be made. The question is not who will make the decision but which key decisions the team will be making.
- Identify decision subteams. Subteams become steering committees, based on the nature and type of decisions that must be made.
- Assign accountability. The individual who is responsible for driving closure should be process focused, able to depersonalize and able to see the big picture.
- Set objectives and timelines. Because not every subteam makes decisions but rather gathers facts, clarify how much authority it has and when it will present findings.
- Select the decision-making mode. There are three basic types: unilateral, consultative and consensus.
- Identify information sources. Learn who should be tapped for information.

Determine the shelf life of the decision. Few decisions are forever. Set a postdecision review date.

10 communication strategies

Good communication is important for any leader, and most managers believe they are good communicators. Many managers are in fact wrong in their communication self-assessment, but there are ways by which to improve.

In her book "The Voice of Authority," Dianna Booher offers 10 communication strategies that she maintains all leaders need to know. Utilizing them can go a long way toward improving both performance and morale.

The 10 strategies involve asking certain questions. They are:

- Is it correct? Put simply, this means, "Is it the truth?" There are easy answers, and then there are truthful, more difficult answers.
- Is it complete? In the absence of information, people get their facts from whatever faucet is leaking.
- Is it clear? There are often signs that you're not getting through: lack of questions, unexpected responses, lack of coordination, rework and low morale.
- Is it purposefully unclear? Over time, this can erode trust.
- Is it consistent? Think of the anonymous saying: "Some people might doubt what you say, but they will always believe what you do."
- Are you credible? Five factors work here: look, language, likeability, character and competence.
- Are you concerned and connected? Really?
- Is it current? Speed of information often equates to status.
- Does your communication make you look competent?
- Is it circular? Lack of communication in an organization becomes evident to outsiders over time.

Problems and possible solutions

You got your problems, and you got your solutions. And sometimes the solutions even solve the problems.

Sometimes they don't, though, and therein lies another problem.

Much of the work in the nonprofit sector is directed at solving, or at least thinking about solutions to problems. Not every problem can be solved easily, or at all; otherwise, many nonprofits could simply cease operations once they achieved their aim.

In their book *Money Spent Wisely*, Paul Brest and Hal Harvey offer advice about analyzing

problems and developing solutions.

They offer the following considerations:

- To solve a problem, you must first understand its causes. Solutions must be based on an empirically sound “theory of change,” a theory of how the relevant parts of the physical or social world change.
- A solution is ultimately embodied in a strategic plan, sometimes called a “logic model,” a causal chain leading to the desired outcome.
- A strategic plan should set clear goals defining what success would look like and should measure progress toward them.
- Every strategy has risks: the strategy might not work as you expected, grantees might not be up to the task, or the plan might have unintentional bad consequences. Identifying the risks up front can help reduce them.

Making sure there’s clarity in contracts

Oral contracts might not be worth the paper they’re not written on, but nonprofit organizations do need to enter into contracts at some point or other.

Large organizations often have plenty of experience with contracts and other legal entanglements, but small or start-up organizations could be facing the contract maze without even knowing where or how to begin.

In her book *Starting and Building a Nonprofit*, Peri H. Pakroo offers several tips for modifying or drafting a contract. By far, the best approach is to keep things simple and aim for clarity. That can be accomplished by the following:

- To prevent confusion, don’t use “he,” “she,” “they” or other pronouns in your contracts. Instead, use the actual names of the parties or their roles, such as Client or Contractor.
- Stay away from legalistic words like wherefore, herewith or hereinafter. This kind of language is both unnecessary and outdated.
- Make at least a couple of drafts of your contract. After completing the first draft, let it rest a day or so, and then go back over it. Does it leave any questions in your mind?

- Get a lawyer's help if you need it. If you have questions or want help drafting specific language, a quick consultation with a lawyer will get you the information quickly and won't cost nearly as much as hiring a lawyer to draft the contract from scratch.

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