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The best fundraisers are leaders in the truest sense. Their leadership does not come from a position of power, however. It comes from a value proposition that their missions matter and merit investment.

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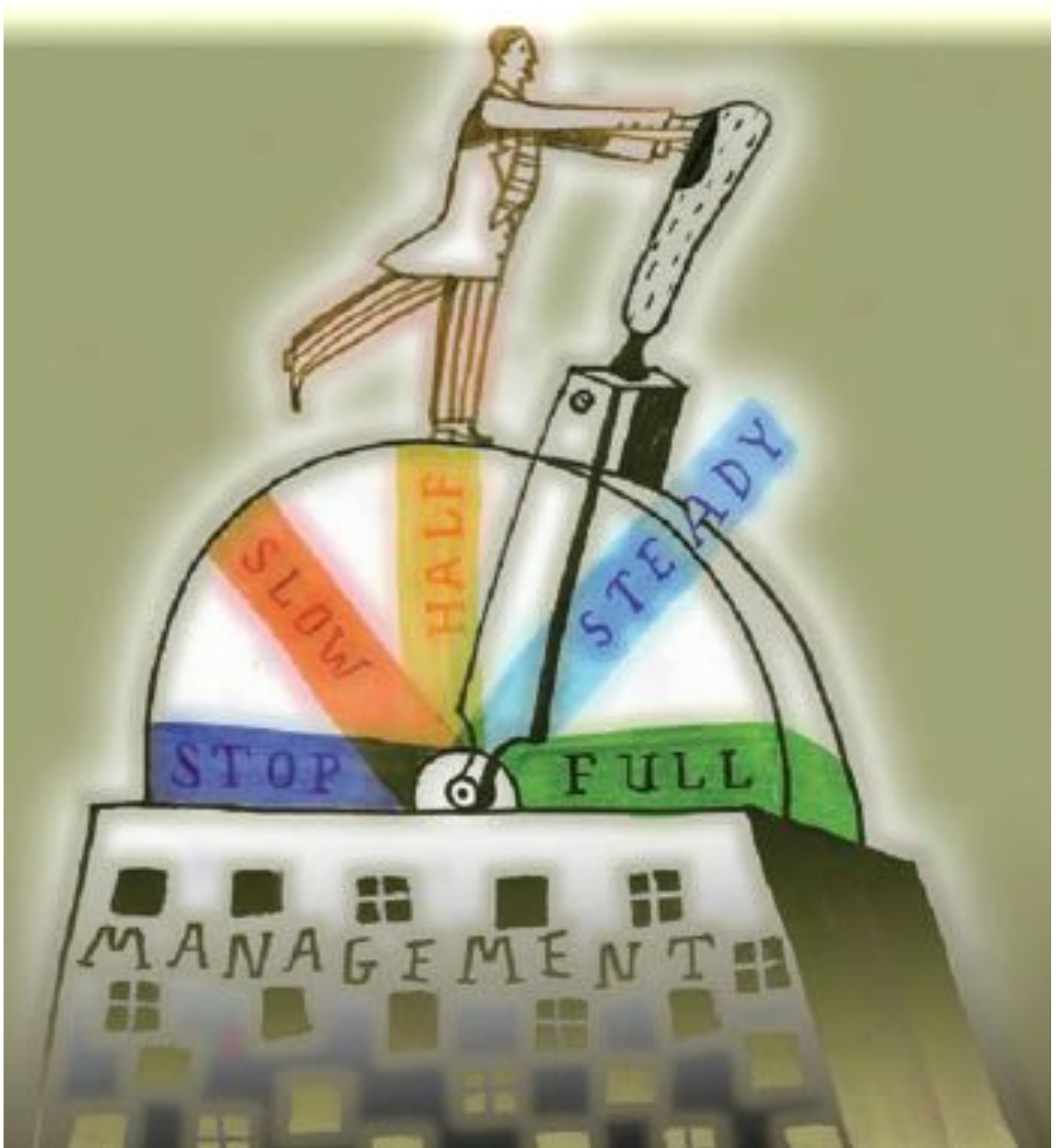
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THE CORNER OFFICE—



FULL SPEED AHEAD

How development directors are taking a leadership role through vision, resilience and commitment to mission

BY PAUL LAGASSE

The recovering economy is a double-edged sword. Now that nonprofits' finances are more stable, they are scrambling to retain talented and experienced staff before they can be lured away by career prospects elsewhere.

According to the latest *Nonprofit Employment Trends Survey™* from Nonprofit HR (www.nonprofithr.com) in Washington, D.C., and Chicago, voluntary turnover in the nonprofit sector was expected to jump from 10 percent in 2014 to 14 percent in 2015, due primarily to the lack of competitive salaries, promotion opportunities and staff resources. Further complicating the situation, the survey also found that three out of five executive positions were expected to be filled from other nonprofit organizations. As a result, senior nonprofit staff no longer have to fear that leaving their current position will mean having to take a lesser-paying job or leaving the sector altogether—both common fears at the height of the recession.

One way to entice development directors to stay, experts advise, is to provide them with opportunities to exercise their leadership skills throughout the organization.

Vision and Resilience

The current situation was foreshadowed by a landmark survey of executive directors and development directors, *UnderDeveloped: A National Study of Challenges Facing Nonprofit Fundraising*, conducted by CompassPoint Nonprofit Services (www.compasspoint.org) in Oakland, Calif., and the Evelyn and Walter Haas, Jr. Fund (www.haasjr.org) in San Francisco. The 2013 study reported that half of the development directors surveyed expected to leave their current positions within two years, with 40 percent leaving fundraising altogether. According to Marla Cornelius, MNA, senior project director at CompassPoint and, with Jeanne Bell, co-author of *UnderDeveloped*, development directors are often drastically underutilized in organizations that have complex hierar-

chical structures. “On the other hand,” Cornelius says, “in organizations that empower, leverage and democratize leadership, chief development officers are in a position to really embrace leadership and not just to manage fundraising.”


Penelope Burk, president of Cygnus Applied Research (<http://cygresearch.com/dev>) in Chicago and Toronto, agrees. In rigidly stratified organizations, she says, “the CEO holds the vision and the power. In those environments, change equals fear, and people protect the welfare of their own programs.”

A leader, on the other hand, focuses on the welfare of the entire institution. “While managers are dealing with the present and making the current programs as effective as possible,” Burk adds, “the leader is asking, ‘What’s coming? What do I see on the horizon? And how do we prepare for it?’”

The change that results from long-range vision often entails risk, however. Suppose an organization’s fundraising revenue from direct mail is declining. Rather than focusing on how to wring the last drops of revenue from that source, a visionary development director would instead proactively reduce his or her organization’s dependence on direct mail and simultaneously bring other fundraising streams online. Nevertheless, CEOs and board members often balk at any argument in favor of abandoning tried-and-true techniques. In such instances, the development director must make the case for taking the risk, including acknowledging that the new approach may fail. And, as a rule, failure tends to be a lot more common than success.

One way to overcome resistance is to get people used to focusing not on success but on learning from failure, Burk explains. Development leaders exhibit resilience, bouncing back from their failures, by learning what went wrong and what to do better the next time. And, by their example, they encourage others to take smart risks, too.

New Survey Will Focus on the Bright Spots

 *UnderDeveloped: A National Study of Challenges Facing Nonprofit Fundraising*, the 2013 survey of executive directors and development directors conducted by CompassPoint Nonprofit Services (www.compasspoint.org) and the Evelyn and Walter Haas, Jr. Fund (www.haasjr.org), identified a “vicious cycle” of conditions within many nonprofits that was not only driving frustrated development directors out the door but also making it difficult for organizations to bring in new development directors to replace them. The cause of the cycle, the survey concluded, was the lack of a “culture of philanthropy” that encouraged staff and volunteers to see themselves as donor-focused ambassadors of their organizations.

Having identified the problem and its causes, the Haas, Jr. Fund, CompassPoint and Klein & Roth Consulting (www.kleinandroth.com) in Oakland, Calif., have since undertaken new research to study nonprofits that have been able to avoid, or break, the vicious cycle and, in so doing, achieve breakthrough successes with fundraising. Although the report is due out in early 2016, the research team is able to share some illuminating preliminary insights in advance that will no doubt be of interest to fundraisers eager to achieve similar outcomes in their own organizations.

The new study employs positive-deviance analysis, also called bright-spotting. Bright-spotting focuses on identifying organizations that have attained better results than their peers who are operating within similar environments and within similar conditions. The goal is

to provide nonprofit leaders with case studies that are replicable across a broad range of nonprofits, says Marla Cornelius, MNA, senior project director at CompassPoint. “We wanted to find case studies that are not just interesting but that are replicable,” she explains.

CompassPoint began by inviting nonprofits to nominate social justice and social change organizations with budgets of between \$500,000 and \$5 million that had experienced significant sustained growth over the past several years. From the 100 organizations nominated, the research team selected 12 on which to focus. At each of the 12 organizations, they then conducted five in-depth interviews, one each with the executive director, the development director, a program director, a board member and a donor. The goal was to identify how each organization’s successful fundraising program began, what its strategies and results were and what lessons could be extrapolated from their experience.

“The largest source of funding for many small organizations, particularly social justice organizations, has traditionally been foundations and government grants,” Cornelius explains. “These bright spots are different in that they’ve been able to raise significant funds from individuals in their communities.”

Despite the focus on organizations of a certain size and mission, nonprofits of all kinds will find something of value in the results, Cornelius says, whether related to culture or infrastructure or fundraising practice. “There will be important lessons here,” she promises. “Everyone will pick up something of value.”

Innovation and training are also important for attracting and keeping young talent, says Deanna Horn, a real estate agent in Langley, British Columbia, who volunteers on numerous boards in her community. Horn is the chair of the board of directors of the Langley Memorial Hospital Foundation (www.lmhfoundation.com) and president-elect of the British Columbia Real Estate Association (BCREA, www.bcrea.bc.ca), and both organizations maintain active leadership training programs. The hospital foundation, for example, offers one-day strategic planning and governance trainings, roundtables and networking events that bring together leaders from local and regional nonprofits. BCREA has a dedicated budget line item for training and sends board members to annual, two-day intensive programs. Horn also endorsed an annual governance training session for the board as a whole. Because the training programs are visible demonstrations of their organizations' dedication and professionalism, Horn says that they have boosted their reputations in the community and their clout with prospective board members.

Another way that chief development officers can demonstrate leadership in their organizations, and in the fundraising profession at large, is to volunteer on the boards of other organizations, particularly smaller ones that may lack expertise, Schiller suggests. It is an inexpensive way to broaden your experience and to see things from a donor's and/or a board member's perspective. Serving on finance committees, for example, may provide broader insight into what works and what doesn't in financial planning and how fundraising fits into a larger financial framework. Furthermore, such service can make you one of the "go-to" people in your local nonprofit community and foster goodwill for your organization. "It far outweighs the opportunity costs," Schiller says. "Creative leaders understand this."

At the same time, a good leader is both a beneficiary and a benefactor of mentorship. "People gravitate to talent magnets, but they also follow and learn from them," Schiller says, emphasizing that a critical component of successful leadership is followership. "Great leaders will tell you stories about their role models." Even so, Schiller admits, there are some things about great leaders that are innate. "You can't teach hard work," he points out, "and you can't teach caring."

Putting Ideas Into Practice

Hard work and an abundance of caring were vital to the success of the renovated advancement program at Loma Linda University (www.llu.edu), a Seventh-day Adventist educational and health sciences institution in Loma Linda, Calif. Until recently, each of the university's eight professional schools and six hospitals had its own

development program, resulting in duplicated effort, conflicting messaging and diluted revenues. Richard H. Hart, M.D., DrPH, the university's president and CEO, realized that such an arrangement could not support the university's upcoming multimillion-dollar Vision 2020 capital campaign. Could an advancement director with a new strategy forge a single, passionate, mission-oriented team out of a gaggle of competing departments in time for the campaign?

Soon after accepting the position as the university's first senior vice president of advancement, veteran fundraiser Rachelle B. Bussell, CFRE, discovered that not only did the 14 individual advancement teams not communicate with one another, but many had never even met. "Each person had his or her own focus," Bussell recalls. "I had to find a way to get them to back up and see all their strengths working together." Her pitch? Give her a year to prove that they could make more of an impact collectively than individually while respecting the identity of each school or hospital.

Through patience and persuasion, Bussell and her team efforts eventually won them over. "Some were on board right away, some tested the waters and some stood back," she says. Critical to her success was the support of Dr. Hart, who named her to the university's executive leadership team. Fundraisers likewise responded positively to the flattening of the reporting structure and Bussell's encouragement to take risks. Eighteen months later, Bussell says, the university is seeing a "tremendous" increase in both the number and amounts of gifts. In 2014, in fact, more than 70 percent of major gifts were the result of the new, coordinated approach. During the same time, the team rebranded the institution as one coordinated body driven by a single mission.

"It's been an incredibly exciting time," Bussell says with a mixture of pride and relief. "I'm even more excited by the opportunities that lie ahead." 📍

Paul Lagasse is a freelance writer in La Plata, Md. (www.avwrites.com).

Resources and Additional Reading

The Chief Development Officer: Beyond Fundraising by Ronald J. Schiller (R&L Education, 2013), paperback, 170 pages

Donor-Centered Fundraising by Penelope Burk (Cygnus Applied Research, 2003), paperback, 238 pages

Donor-Centered Leadership by Penelope Burk (Cygnus Applied Research, 2013), paperback, 376 pages

UnderDeveloped: A National Study of Challenges Facing Nonprofit Fundraising

www.compasspoint.org/underdeveloped