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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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What's After Next?

**How innovative chief executives
use entrepreneurial techniques
to lead and motivate their staff
and volunteers to succeed**

BY PAUL LAGASSE

Being innovative is the must-have quality of any successful leader in the competitive for-profit sector, but that attribute is generally not mentioned as often with regard to those who lead nonprofit organizations. Maybe that is beginning to change.

When the board of trustees of Shaw University (www.shawu.edu) in Raleigh, N.C., began its search for the school's 17th president, it sought someone who possessed not only academic and administrative experience but also business acumen—someone who would “merge the qualities of excellence in higher education with the professionalism of the boardroom,” as board chair Dr. Joseph N. Bell Jr. explains. Initially, faculty and staff were concerned that a for-profit management style would be at odds with the culture of Shaw, the oldest historically black university in the southern United States, which celebrated its 150th anniversary in 2015. However, the board understood that a business-savvy leader would help ensure that the university would thrive amid an uncertain economy. In the brief time since she was announced as the new president in June 2015, Tashni Dubroy, Ph.D., has already won over her skeptics.

“Every leader needs to have a vision and must be able to motivate others who may not see it yet,” says Dubroy, who came to Shaw as a student and worked her way up the academic ladder to become chair of the university's

natural sciences and mathematics department. To get the university to think entrepreneurially, she habitually employs terms such as “return on investment” and “value proposition.” “I am training the organization to think in a different manner,” she explains.

To that end, shortly after becoming president, Dubroy launched the *This is E.P.I.C.!* campaign for faculty, staff and students. The campaign encourages entrepreneurial thinking and excellence, presence in the community, clean and tidy spaces and excellent customer service. Dubroy says that the campaign is catching on quickly, especially among students.

Dubroy is always on the lookout for ways to celebrate effort and accomplishment, whether through praise and recognition, career development opportunities or even gift cards and extra time off for vacations. “Rewarding people for their work is important to me,” Dubroy explains. “I want to make sure they're enjoying themselves.”

Dubroy also encourages entrepreneurial thinking by asking people to think farther ahead than they are accustomed to. She describes this approach as a living strategy, forever flexing and stretching to identify and seize opportunities. “When I have strategy sessions with my vice presidents,” she says, “I'm always asking them, ‘What's after next?’”

STEPHANIE DALTON COWAN/GETTY IMAGES

The WD-40® Approach

Hybrid nonprofits—organizations that blend business management principles with mission-driven social outcomes—are a natural fit for energetic, visionary leaders such as Dubroy. Their emphases on accountability, transparency and measurable outcomes are in sync with today's business-savvy, data-driven donors who are more likely to view their gifts as social investments. And increasingly, business leaders are encouraged to join nonprofit boards as much, if not more, for their fiscal and managerial acumen as for their wealth and connections.

Successful leadership of hybrid organizations requires executives to possess a different suite of skills than they were required to have just a few decades ago, and that can be a challenge for even the most visionary leader.

One of the most important requisite skills for an entrepreneurial leader, and one of the most important concerns raised about hybrid nonprofits, is a tolerance for risk. Investors give their money to for-profit companies knowing that the venture may fail and that they may not see a return on their investment. Donors, on the other hand, have traditionally given their money to nonprofits

Nonprofit Leadership Doesn't Always Come from the Top

In many nonprofits, particularly smaller ones, staff members often wear more than one hat. Even in the most flexible organization, however, there's usually only one CEO. That does not mean that other people cannot be leaders, too. In fact, the most effective nonprofits recognize that leadership happens at all levels. The trick is to know how to lead your boss when the opportunity, or the urgent need, arises.

"If you're in a position to make a difference, then you need to step forward and get the support to make that difference," says Michael Useem, Ph.D., the William and Jacalyn Egan Professor of Management and Director of the Center for Leadership and Change Management at the Wharton School at the University of Pennsylvania (<http://wlp.wharton.upenn.edu/leadership-center>) in Philadelphia. "On some days, that may mean doing something that you might not otherwise have done. On other days, that may mean helping others below you to get to where they need to go."

Useem is the author of *Leading Up: How to Lead Your Boss So You Both Win* (Crown Business, 2003), a collection of eight case studies of men and women who led from below—and some who tried and failed—in war and peace, in the boardroom, in the halls of government and even on the flanks of Mount Everest. The key ingredient of leading up, Useem says, is communications. Subordinates can help their superiors make smart decisions by providing them with timely and accurate information, by offering thoughtful feedback and constructive criticism and by not being afraid to make a case and stand by it.

Leading up is especially important in nonprofits because of the unique emphasis on mission above all. "A nonprofit organization places greater value on people below the executive director being knowledgeable about the mission and savvy about the strategy," he points out. "That's because they don't serve the executive director or the board. They serve the people who need the service that the organization provides."

Useem has also written about the changing role of board leadership. In *Boards That Lead: When to Take Charge, When to Partner, and When to Stay Out of the Way* (Harvard Business Review Press, 2013), co-authored with Ram Charan and Dennis C. Carey, Useem notes that in a corporate setting, the board is responsible for monitoring the organization on behalf of the stockholders. In a nonprofit, however, the leadership and management role of the board is typically more ambiguous. Good board members, Useem explains, can do more than just bring in gifts. If they have leadership experience, the board members can work with the executive director to solve thorny management issues. The best nonprofits facilitate that kind of interaction.

"If you compare the quality of board governance over the past 20 years, you'll see they have become more independent, savvy and more leadership-oriented," Useem says. "A good chair will work with the board to ensure that all the voices are heard in the boardroom, that everyone respects each other and that they bring out the best in each other."

with the expectation that their gifts will see a return—not for them personally, but for the program they have chosen to support and, by extension, the community at large. Is it therefore unethical for a nonprofit to take risks?

“Probably one of the most important things for a leader to do in order to encourage risk taking is to allow people to fail,” says Lisa Petrides, Ph.D., CEO and founder of the Institute for the Study of Knowledge Management in Education (www.iskme.org), an education nonprofit in Half Moon Bay, Calif., that supports the development of innovative teaching and learning practices through continuous learning and collaboration. Petrides calls it the “WD-40® approach,” after the lubricating and water-displacing spray whose name refers to its having been the 40th attempt at a successful product. “They embraced their failures,” Petrides observes. “They built the story of their failure into the success.”

Similarly, Petrides argues, entrepreneurial nonprofit CEOs should encourage a culture of risk and accountability throughout their organizations. Accountability is important. Leaders must still be able to demonstrate impact to donors, as they always have done. With sound metrics in place, an organization can utilize the outcomes of both its successes and its failures. “Metrics have to have built into them enough flexibility to encourage learning from your mistakes,” says Petrides, who credits the approach with sustaining an organization through the recession, as well as through a shift to create a sustainable business model for the nonprofit. “Successful or not, I always ask, ‘What worked, what didn’t work and what have we learned because of it?’” she says.

Macro-Managing

In small nonprofits, empowered staff and volunteers are an operational necessity. People who are entrusted with responsibility, authority and autonomy do their jobs more effectively and make better ambassadors. Furthermore, they are more able to shoulder the burdens of sudden, dramatic shifts in scale, scope or mission. Amy Wolfe, CFRE, president and CEO of AgSafe (www.agsafe.org) in Escalon, Calif., can vouch for this. Over the past 18 months, her organization, which provides safety and health training for agricultural workers, supervisors and employers throughout the western United States, has doubled its budget and tripled its staff and soon will be extending its operations across the country to the East Coast—a dizzying expansion that Wolfe says could have happened only because everyone in the organization was as dedicated to its success as the leadership was.

“We like to say we macro-manage around here,” Wolfe explains. “People have a tremendous amount of

autonomy.” AgSafe relies on cross-training, regular meetings, conference calls and regular communications to ensure that everyone knows what everyone else is doing. Thus, everyone has at least some idea of how to do others’ jobs, too, not only so that they can step in if needed but also so that they know what they are asking of others.

With a budget of \$2.6 million and a staff of 17, having a dedicated fundraiser is not currently feasible. The development manager splits her time with communications, and the operations director also manages the grants. And Wolfe is constantly on the move handling new business development. Here again, the organization’s culture of philanthropy works to its advantage. “We’re all fundraisers here,” Wolfe says. “Everyone on our team—soup to nuts, top to bottom, front to back—knows that they are representatives of the organization.”

The Effect of a CEO’s Fundraising Knowledge

A longitudinal, qualitative study was conducted with CEOs of 12 fundraising organizations across Australia to answer the question, “How might a change in a CEO’s fundraising knowledge improve fundraising activity and outcomes for his or her organization?”

The CEOs, along with Caitriona Fay, philanthropic services manager at Perpetual Private in Sydney, and lead researcher Dr. Wendy Scaife, senior research fellow at the Australian Centre for Philanthropy and Nonprofit Studies at Queensland University of Technology in Brisbane, traveled to San Antonio in 2014 to attend the AFP International Fundraising Conference.

The working paper, *Pivotal people, pivotal journeys: Interim report on the impact of a fundraising study tour on CEOs and their organisations* by Wendy A. Scaife, Marie Crittal and Katie McDonald (2015), can be read at <http://eprints.qut.edu.au/87409/1/Pivotal%20people%20pivotal%20journeys%20V8.pdf>.

Wolfe encourages her people to be open about their concerns, challenges and frustrations so that she can help them find solutions. Because she believes in leadership by example, Wolfe is just as candid with her staff and board about the challenges she faces as the head of the organization. “I regularly talk about what I’m struggling with,” she explains. “It gives people permission to share theirs, too.”

Speaking of challenges, Wolfe says that she has found few resources dedicated to helping executives of fast-growing, small nonprofits to manage the operational and administrative aspects of the job. Like many small organizations, AgSafe relies on consultants and outside experts, but she would like to see something more systematic emerge. “I’d like to see a place for safe conversations among leaders,” she says. “It’s a lonely place to be.”

Followership

BY EUGENE A. SCANLAN, Ph.D.

Many years ago, at my college commencement, our speaker started his speech something like this: “Lots of commencement speakers talk about leadership. I’m here to talk about something equally important: being a good follower. We all can’t be leaders; many of us need to be good or even great followers.”

I hadn’t thought about this for years, but I think what I may call “followership” can be equally important for an organization to run effectively. Apple’s Steve Jobs had several things to say that can be applied to “followership.”

- “Be a yardstick of quality. Some people aren’t used to an environment where excellence is expected.”
- “If they (employees) are working in an environment where excellence is expected, then they will do excellent work without anything but self-motivation. I’m talking about an environment in which excellence is noticed and respected and is in the culture. If you have that, you don’t have to tell people to do excellent work. They understand it from their surroundings.”

And management guru Peter Drucker talks about organizational decision making and roles this way: “Most discussions of decision making assume that only senior executives make decisions or that only senior executives’ decisions matter. This is a dangerous mistake. ... Making good decisions is a crucial skill at every level.”

Even William Shakespeare had something to say about being a good follower: “Yet he that can endure to follow with allegiance a fall’n lord, does conquer him that did his master conquer, and earns a place i’ the story” (*Antony and Cleopatra*, Act 3, Scene 13).

So what do I mean by “followership”? First, consider what it does not mean:

- Blindly following a leader, no matter what he or she wants, says or does
- Believing your niche—your job description and role—is the limit to what you should do, be involved with or think about
- Feeling your ideas, creative thoughts and insights beyond your role will not be welcomed
- Believing that an organization’s leaders are solely the product of the organizational chart
- Accepting that consensus is the best way for an organization to proceed

You should recognize that leaders without followers are not leaders at all, merely figureheads. My favorite story about this came from a tiny lady, Lydia, with whom I worked many years ago. She once told me that, several years before I knew her, she had been an active member of the Industrial Workers of the World (IWW) in Chicago. The IWW had organized a huge demonstration on Michigan Avenue, and as they assembled, they realized that they were surrounded by members of the military, who had aimed several machine guns at

Broad and Deep Networks

Keith Burwell, president and CEO of the Toledo Community Foundation Inc. (www.toledocf.org) in Ohio, shares Wolfe's belief in the importance of connecting with colleagues. It is particularly important in the world of community foundations, he argues, since no two are alike. "I think the best leaders in community foundations are the ones with the broadest and deepest networks," he

says. "We don't have that infrastructure in our community, which means I approach leadership by looking at how we can leverage relationships."

The Northwest Ohio Pathways HUB (www.hcno.org/health-improvement-initiatives/pathways.html) is an example of how Burwell leveraged the Toledo Community Foundation's connections to address a seemingly intractable health issue. A decade ago, three

the demonstrators. Lydia, probably less than 5 feet tall, turned to the crowd and said something to the effect, "They'll never shoot us. Follow me!" And she started to walk toward the machine guns. As she walked, she noticed that many of the guns were trained on her. She turned around and saw that no one had followed her. She quietly walked back and merged into the crowd.

Here was a leader without followers—out there, exposed, vulnerable and alone.

During my many years as a consultant, I often had to play a more subtle role than trying to be a leader. Board meetings could be especially sensitive times because I needed to get across findings and results of studies or report on progress without seeming to take over the board. Also, I often would need to get critical decisions made but could not seem to push the board too hard or too fast. So, essentially, I was playing the role of a follower by taking the time to listen and answer questions while keeping things moving along toward the goals I had set in my mind.

As a development staff member at various organizations, I also needed to become a good follower while still being someone recognized as having valuable input. For example, as the director of development at one organization, I asked to attend all meetings of the program staff because new program ideas and plans were being developed in these meetings, and my input could help better shape new programs that might be more fundable than others. I also came to have a better understanding of the programs' details so I could shape proposals to potential funders.

Sometimes as a follower, you may have a leader who is difficult, demanding, caught up in the organizational structure and status of employees or even taking the organization in what you and others believe is the wrong direction. Some signs of a problem leader can include:

- Building "silos" around departments or program areas (an easier way to control what happens)
- Insisting that he or she knows more about what you are doing than you do
- Trying to assume your management or staff role
- Running meetings with little or no input from other key staff
- Directing the planning process toward his or her objectives rather than in keeping with the mission and goals of the organization
- Demanding 24/7 accessibility to staff and immediate responses from them
- Expecting that all employees will be totally dedicated to the organization rather than balancing work with other personal priorities, such as family
- Ignoring constraints on the organization, such as budgets, funding and outside factors (e.g., regulations, service areas, etc.)

The easy thing to do is to become the passive follower—stay in your cubicle, do your job, listen to the gossip and anger of others and then go home at the end of the day. The more difficult thing to do is

Continues on page 34.

zip codes in Lucas County, in which Toledo is located, were found to have high numbers of babies born at dangerously low birth weights, in some instances at twice the national average. Low-birth-weight (LBW) babies are at risk of chronic ill health, which can imperil the finances of low-income families. Both a program and the resources to implement it were lacking.


The Toledo Community Foundation tapped into its local network of healthcare practitioners, hospitals, social workers, grant makers and public health officials to organize the Pathways HUB, based on a model program for LBW babies first pioneered by a physician in Alaska. The foundation invited the physician to come to Lucas County and replicate his program. An army of social

Followership (continued)

to play a more active role and address the negatives with positive action. Development staff members are uniquely positioned to make this happen by giving feedback from members, donors and others about the need to change.

So what are the characteristics of a good or great follower? Here are some ideas you may consider:

- A good follower understands the mission of his or her organization and its importance in the larger environment.
- He or she understands the major programs, services and activities of the organization and how these meet the needs of those served.
- The good follower is willing to think creatively beyond his or her role about ways the organization can improve, become more effective and efficient and meet new or changing needs within its mission.
- He or she is willing to actively express and promote these ideas, techniques, internal improvements and other things that will enhance the organization and its effectiveness.
- The good follower sets an example of excellence and quality in his or her work, no matter what the work entails.
- He or she participates as much as possible in the broader aspects of the organization and contributes to them.
- He or she is willing to actively express and promote ideas, techniques, internal improvements and other things that will enhance the organization and its effectiveness.
- The good follower believes in the value and abilities of others to contribute to the organization and its improvement and actively encourages them to do so.
- He or she encourages teamwork and the open exchange of ideas, perceptions and legitimate concerns related to the organization.
- He or she encourages, both by example and attitude, open and honest discussion and the free exchange of ideas and suggestions in meetings.
- As much as possible, the good follower discourages consensus agreements and favors the open expression of dissenting views as well as explanations of why these views are held. As I used to say to some clients who favored consensus approaches, lemmings have 100 percent consensus as they go over the cliff together.
- In all of his or her work and activities, the good follower acts with the highest standards of ethics, honesty and openness.

After you review these characteristics of a good or great follower, you may ask yourself, "Aren't those the same or similar characteristics of a good leader?" And maybe that's the real point of good or great followership. 

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workers canvassed the county, knocking on every door, developing a comprehensive census of LBW children in the county and helping families get access to health and childcare, as well as housing and food assistance.

The program has succeeded in lowering instances of LBW children in Lucas County from 13.4 percent in 2013 to 9.5 percent the following year. The project is serving as a model for other communities in Ohio and across the country, and the U.S. Health Resources and Services Administration has selected it to be part of a national demonstration project on improving health outcomes. “We accomplished all that as a result of networking,” Burwell says with pride. “That’s the beauty of the networks. Something that works in, say, the Silicon Valley Community Foundation can work here.”

All it takes is someone with out-of-the-box vision. Burwell is quick to point out that such vision is cultural, not individual. “I don’t perceive myself as the only captain of the ship,” he says. “We each do our part in looking forward.”

The Journey Is the Deal

Regardless of the size or mission of their organizations, whether they consider themselves to be charismatic or cerebral, effective nonprofit leaders credit their openness to new ideas as a vitally important tool of their success. Whether traveling, reading or speaking with old friends or complete strangers, they are always on the lookout for something that works for others that might work for them. They also emphasize that this trait is more common than most people think.

“It’s absolutely something you can learn,” says David G. Phillips, president and CEO of Custom Development Solutions Inc. (www.cdsfunds.com) in Mount Pleasant, S.C. “Leadership is not something that you’re born with. It’s something that you have to cultivate. Like respect, it’s not something you can give yourself.”

Phillips, for example, is an inveterate reader, and many of his insights into the nature of leadership he picked up from books of all kinds. Right now, he is intrigued by author Carol Dweck’s idea, as written in *Mindset: The New Psychology of Success* (Ballantine Books, 2007), of people having either a growth mindset or a fixed mindset. People with a fixed mindset, as Phillips describes it, are perfectionists who tend to go to pieces when they make a mistake. People with a growth mindset, on the other hand, learn from their mistakes and are open to others’ ideas, which helps them bounce back and do better the next time.

Echoing the philosophies of Petrides and Wolfe, Phillips says that the willingness to take risks and fail is one of the most valuable attitudes that a leader can pass along to his or her staff. “You have to teach your people that making mistakes is part of the game,” he says. “Struggling is important.” He likens it to the soreness you feel after working out at the gym. It is a sign that you are getting stronger.

Fundraisers believe in the power of the story. Successful nonprofit leaders recognize that one of the most important stories a nonprofit can tell is its own.

By encouraging their people to take smart risks, the most innovative nonprofit leaders empower them to do things that could become the next chapter in their organization’s saga. The result, Phillips says, is a more loyal, cohesive and passionate team, and that can translate into greater mission effectiveness.

“The journey is the deal,” Phillips says. “Summitting the mountain is fun, but it’s the people you summit with that make the hurrah.” 🗣️

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