

The Big

BY PAUL LAGASSE

AS THE BABY BOOMER GENERATION RETIRES, NONPROFITS' SURVIVAL will increasingly depend on their ability to recruit executives who can build strong relationships with the next generation of donors, constituents, staff and volunteers. It's a tall order. Not only will tomorrow's leaders be expected to keep programs funded amid a sluggish economy but they also will have to respond to a public demanding greater accountability and transparency, donors who want a bigger say in how their gifts are used and staff and volunteers eager to reduce burnout and turnover. Fortunately, there is a resource that nonprofits can turn to for multitalented leaders: the for-profit sector. >>

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Switch

While the bottom lines of nonprofit organizations and for-profit businesses may differ, the expectations placed on their executives are increasingly similar, particularly as nonprofit boards insist on implementing more professional day-to-day management practices within their organizations. If your nonprofit is looking for a new development director or CEO, what should you expect from a business executive—and what should he or she expect from you?

A Good Match

People who can demonstrate a strong connection to a cause, such as through a long track record of volunteering or in-depth knowledge of an issue, are more likely to be a good match with your nonprofit, says Laura Gassner Otting, president of the Nonprofit Professionals Advisory Group (www.nonprofitprofessionals.com), a national nonprofit executive search and leadership transition consultancy based in Boston. “Desire alone isn’t enough; they have to be able to demonstrate passion, which often has manifested itself through their career choices and volunteer experiences,” she says. “They need to get involved in a way that lets them see first-hand how impact is made, learn about trends in the sector and understand better how to connect their passion and their purpose. I often tell business people that if you wear your passion on your sleeve, people in the nonprofit sector will applaud your fashion sense.”

Gassner Otting, author of *Change Your Career: Transitioning to the Nonprofit Sector* (Kaplan, 2007), says that successful business people are good at building lasting relationships. “However,” she adds, “in the nonprofit sector you must also demand accountability with a level of trust and kindness.” Not all business executives are used to doing this. “In a nonprofit, the bottom line is more than just numbers. It’s also about progress toward goals that are harder to benchmark. And those who focus on just the numbers won’t be as successful.”

The search for a more meaningful bottom line was a major motivator for Jim Anderson, a partner at GoalBusters Consulting LLC (www.goalbusters.net) in Flagstaff, Ariz., who switched from a fast-track executive career in consumer research and national media sales to helping nonprofit development shops with their fundraising, campaign planning, board and staff training and more. Disillusioned by years of having his loyalty taken for granted and his creative efforts thwarted, Anderson realized he wanted to find a way to apply his energy and talents to changing the world instead. He shares, “I decided I would never simply shovel coal into someone’s machine again. What I do must matter.”

Talking with Alice Ferris, ACFRE, a consultant he met while working with a public radio station, he discovered that nonprofit consulting might be a suitable outlet for his passion. “I saw that motivating people to help improve the quality of life in their communities was not that different from persuading someone to buy a product or service,” he says. Soon, Anderson partnered with Ferris, who rebranded her firm as GoalBusters Consulting to do just that.

In addition to learning how to tone down his self-described, over-the-top salesman’s enthusiasm, Anderson admits he continues working to learn how to trust others more. “After all those years in media sales, I don’t always believe people are genuine,” he says. Anderson’s skill at quickly sizing people up still comes in handy, but now he uses it to build rapport rather than to sniff out hidden agendas.

“Understanding donor motivation isn’t much different from understanding consumer behavior,” he says. “If you understand motivation, you can guide behavior. To do that you observe, you listen, you ask good questions and pay attention to the details.” If you’re successful, that leads to stronger relationships for yourself and for your organization, Anderson adds.

Toni McHugh, former vice president of sales for CNBC Europe, who left a career in television advertising sales to join Boys & Girls Clubs of Greater Washington in Washington, D.C., and is currently at the Medical University of South Carolina’s Storm Eye Institute in Charleston (www.muschealth.com/eyes) as director of development, agrees. “The biggest skill that’s transferred from sales to nonprofits is relationship building,” she says. “Unless you’re on a sales floor selling a refrigerator, all sales are about relationships because you want them to continue to buy your product.”

McHugh, who had volunteered extensively while working in advertising—she founded the New Jersey Committee for Adoption and later served as chair of the National Committee for Adoption—says that her experiences serving many different constituent groups made nonprofit work a logical career choice when she had finally had enough of watching friends get laid off while executives claimed ever-larger bonuses.

From her volunteer experience, McHugh understood fully that donor relationships are built on trust and integrity rather than on bargaining or negotiation. The other difference, she says, is patience. “A donor doesn’t want to be pushed. You still need the tenacity, the willingness to ask for the gift. But if they say no, you need to be able to hear whether they’re really saying they’ll think about it instead. If it’s good for them and they like it, something will eventually happen.”

Leadership, Acumen and Passion

Business professionals are becoming a mainstay on nonprofit boards. According to the BoardSource *Nonprofit Governance Index 2007*, 89 percent of board members have business management experience and 85 percent have finance or accounting experience. Increasingly, these board members are not only requiring their nonprofits to adopt sound management and fiscal policies akin to those followed by businesses but they are also looking to the business world for people with those skills.

Even so, business executives applying for development positions might find it harder to get attention than those seeking to fill executive leadership positions, says Richard
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Changing the Direction of Innovation

Lauren Klostermann's twin passions are animal welfare advocacy and online marketing—an unusual combination, to be sure. However, she was able to combine both and make a difference at the same time.

Klostermann was working for a small advertising agency in Denver when she felt the urge to put her interests to work in helping the greater good. She conducted informational interviews at the Denver Dumb Friends League (www.ddfl.org), the iconic century-old animal shelter where she had been volunteering for several years. “I just wanted to work in a nonprofit. It didn't really matter where,” she says. “Animal welfare would just have been icing on the cake.”

As it happened, Klostermann was able to have her cake and eat it, too—icing and all—when a position opened up across town in the program office of the American Humane Association (www.americanhumane.org). As American Humane's director of online

communications and e-philanthropy, today Klostermann is in charge of developing and managing the association's online fundraising campaigns. It is a good fit for the energetic Klostermann, who prefers small, tight-knit organizations with an entrepreneurial spirit and a faster pace. “What excited me the most was how everyone had the same amount of passion I did,” she says. She also values the openness of the organization's senior leadership to new ideas. With their support, she has been able to apply her previous experience with paid search, SEO (search-engine optimization), website development and project management.

Klostermann encourages other young tech-savvy professionals to consider careers in the nonprofit sector because their skills are highly transferrable. More important, Klostermann believes young professionals also can help nonprofits become more innovative. “I want to make sure we're integrating tactics before they become ‘nonprofit trends,’” she says. “Innovations tend to start in the business space and then move to nonprofits. I'd like to change that direction.”

M. King, president and CEO of Kittleman & Associates LLC (www.kittleman.net), a Chicago-based executive search firm dedicated to the nonprofit sector. “Volunteer boards make decisions on hiring CEOs, but CEOs make decisions on hiring everyone else,” he explains. “A CEO in the museum sector is more likely to hire a development officer whose experience reflects that field. Business-sector professionals often don’t consider that dynamic.”

King, the author of *From Making a Profit to Making a Difference: How to Launch Your New Career in Nonprof-*

its (Planning Communications, 2000), says that candidates from the for-profit sector stand a better chance of being selected if, in addition to good relationship-building skills and extensive volunteer experience, they can demonstrate an understanding of the organization’s culture and have experience dealing with a broad range of constituencies and directing and motivating staff and volunteers.

Flexibility is also important, King says. Executives who are used to working within the rigid hierarchies of the business world may have trouble adapting to collaborative, process-

For-Profit to Nonprofit: Making the Transition

BY LINDA LYSAKOWSKI, ACFRE

Most development professionals did not grow up thinking, “I want to be a fundraiser someday.” Some entered the field of development from other areas of the nonprofit world, some through volunteer channels and some from the corporate world. In recent years the latter path has become a popular route into development. As banks and other corporations downsize and as corporate leaders seek more meaningful work, we are likely to see even more people following the path to development from the corporate world.

My own route to entering the fundraising profession may be a familiar story to some of you. Back in the 1970s I was a banker. Most banks, partly because of the Community Reinvestment Act and partly because they wanted to be good corporate citizens, encouraged their employees to be active volunteers in their communities. Like many other bank employees, I eagerly volunteered for numerous fundraising activities, including working on my alma mater’s annual corporate appeal. This was the first time I realized there was actually a profession of fundraising—that people actually got paid to ask for money! Gee, I had been doing it as a volunteer for many years and loved the feeling of satisfaction that came with obtaining a commitment for a gift to the annual appeal, working on a successful fundraising event and talking to a group of business colleagues about the great work a nonprofit was doing in our community. I could actually get paid to do this? How hard could this be if volunteers could do it? I soon learned it was not as easy as it seemed to be.

One thing that immediately struck me when I announced to friends and co-workers that I was leaving the bank to become a member of the nonprofit fundraising community was their question, “Why would you leave a career in banking and take a pay cut?” This question helped me realize that most people tend to think nonprofit employees receive, and probably deserve, a much lower salary than other professionals.

On the contrary, there can be many rewarding (both financially and emotionally) careers for corporate leaders entering the field of development. Bankers, attorneys, financial planners, Realtors, sales people and media professionals often gravitate to the nonprofit world after some exposure to this



oriented approaches. “The carrot is not money,” King tells his clients. “The carrot is building the organization’s capacity to better deliver its mission.”

New development professionals come from all sectors—even the media. Elizabeth Willson Moss, development officer at Pardee Hospital Foundation in Hendersonville, N.C. (www.pardeehospitalfoundation.org), credits her knowledge of the community and management skills gained as a newspaper and magazine editor for the smooth transition into her nonprofit job earlier this year. As a reporter she covered

sector through their clients or colleagues. So what are some of the things you might face upon entering the development profession? The first, and not among the least, is culture shock.

It may be difficult for a business executive to move into a field where the hours are often out of the ordinary, the work ethic is distinct and the work climate far different from that to which he or she is accustomed. Many nonprofits start their workday later in the morning but may work into the evening hours. Development, of course, is not a 9-to-5 job, but many corporate leaders are amazed at what they perceive to be the much more laid-back approach to work that some nonprofits tend to have. They may be accustomed to a more competitive environment where collaborations with agencies that may even be considered competitors are not something they have had to deal with before.

They also may never have dealt with the budget constraints that nonprofits often deal with on a daily basis. In particular, if a position is grant funded it may disappear simply because the funding is no longer available. Unlike businesses, the program side of a nonprofit organization is usually not expected to be profitable so there need to be other sources of revenue generation. That is where development comes in.

On the positive side, corporate leaders can bring much to the nonprofit sector. Every nonprofit can benefit by applying sound business principles to its operation. Some of the valuable skills business people, especially entrepreneurs, bring to the nonprofit sector are the ability to develop budgets, make plans, manage meetings and lead others within the organization. Corporate leaders also can bring critical business contacts to the nonprofit organization, contacts that can be potential funders, sources of volunteers, or representatives for the nonprofit. They may have innovative ideas for nonprofits in the area of profit-making subsidiaries or projects that can help organizations diversify their revenue streams without jeopardizing their tax-exempt nonprofit status. They should not hesitate to bring their valuable business skills to the nonprofit organization, but they should be aware of the fact that, even though they have a great deal of experience in one world, there is much to learn in this new career.

While most businesses are ethical, the level of ethics and transparency required in the nonprofit sector (*A Donor Bill of Rights*, *AFP Code of Ethical Principles and Standards*, etc.) may be new to many business people. If they are entering the nonprofit sector for the first time, they may be surprised that the organization’s financial information must be available to the public

healthcare, and over time she developed both an interest and an expertise in the field. Moss also found that she enjoyed raising money for a cause she believed in when she served as president of the local high school band boosters. As downsizing forced her to wear additional editorial hats in the newspaper business, she decided it was time to put her knowledge of healthcare and love of fundraising to work in the nonprofit sector.

With a reporter’s knack for timing, one day over lunch Moss discussed her aspirations with Myra Grant, long-time

and that—because a nonprofit is basically a public trust—it is required to be accountable to its donors and the public.

Knowing that an organization and its development staff are aware of, committed to and active in promoting *A Donor Bill of Rights* and other ethical standards puts donors at ease and makes them feel that they are working with an organization that cares about them.

Most people coming from the corporate world understand the value of professional networks. However, they now will be developing a network of nonprofit peers to help them succeed in their new career. One question they should ask before accepting a position is the level of support that the organization will provide for them to join and become active in professional associations, such as AFP, AHP, CASE, etc. An organization that is willing to invest in its staff at all levels should be willing to pay for membership in professional organizations and allow the development staff to actively participate in these organizations during their workweek.

In addition to national and international professional organizations, there are statewide associations of nonprofits in the United States that often have a focus on fundraising and development and can provide people new to the profession with another network of professionals who can help support their career.

One of the advantages of belonging to a professional association is the ability to get involved in a mentoring program. Whether formal or informal, a mentoring relationship is a great opportunity for “newbies” to learn from longtime professionals. Someone who offers expertise in a particular area, such as planned giving, also can greatly benefit a newcomer. Mentors can enhance skills, boost morale and provide career guidance. Then, once the “newbie” has been in this field for a while, he or she should consider serving as a mentor to others.

Finally, one of the best ways for professionals from the for-profit sector to enhance their personal growth in development is to look at the certification process. Fundraisers who have been in the field for five years or longer may be eligible to become a CFRE (Certified Fund Raising Executive). This certification has become a respected designation in the field, and many job opportunities may require certification or, at the very least, the job posting will state, “CFRE preferred.” (See the article on page 32.)

Linda Lysakowski, ACFRE, is president and CEO of Capital Venture in Las Vegas and author of Fundraising as a Career: What, Are You Crazy? (CharityChannel Press, 2010), linda@cvfundraising.com.

executive director of the Pardee Hospital Foundation. Grant said that Pardee was preparing to establish a new development position—one that ended up being a perfect fit for Moss' skills and experience in relationship building, writing and editing, marketing and, of course, multitasking. (Moss and her family's positive patient history with the hospital helped as well.)

"As a journalist, I was on a mission, too," Moss explains. "Journalism is also about building relationships. With newspapers, everything is more immediate, but now I can take the time to be more personal and to develop deeper bonds with donors and board members."

As part of her development work, Moss interviews patients, doctors and donors for feature stories that she writes for the foundation website and magazine, and is busy preparing marketing materials for a grateful patient fundraising campaign. "I'm still getting to do the things I really love," she says. "Part of the reason the foundation was interested in me was because they knew I had these skills. It's amazing how they have translated so well."

Development professionals also come from the K-12 education field. Deborah Cordano, CFRE, director of major gifts at Methodist Hospital Foundation in Pasadena, Calif. (www.methodisthospital.org/foundation/), says the skills she brings to her development position were those that served her well when teaching elementary and high school English for 12 years: writing ability, organizational skills, diplomacy, collegiality and the ability to respond flexibly to sudden changes. When Cordano decided in 1987 that it was time to leave teaching, she aggressively sought positions where she thought her skills would be useful. "I interviewed at 75 places," she says, "but all of them were looking for people with prior experience." The only organizations willing to consider her, she says, were nonprofits. Since her first nonprofit job writing public relations materials for a small college consortium, Cordano has sought to grow in her chosen profession. "I love what I do and I've never looked back," she says.

However, Cordano admits that the situation is different today than it was a quarter-century ago when she switched to nonprofit work. "When I started, everyone was coming into fundraising from another career," she says. "The people coming in today are much better prepared. They've had volunteer commitments as students, they know exactly what the profession is and they're able to assume good positions immediately."

Checklists to Gauge Your Readiness

In today's competitive job market, the best way to position yourself as a strong candidate for a nonprofit position is to show your commitment to a cause, says Shelly Cryer, a Connecticut-based nonprofit consultant and author of *The Nonprofit Career Guide: How to Land a Job That Makes a Difference* (Fieldstone Alliance and Turner Publishing, 2008). "It's not enough to simply say you want to make a difference," she says. "In order to make a successful change,



you have to have focus and direction." That means becoming a self-educated expert in the subject you care about: Attend lectures, read journals and network with people in the field to stay on top of the latest developments and trends. Volunteering for board service is a great way to learn how nonprofit organizations work and to see if you are a good fit with the culture. "The ability to have a deep conversation on the subject with a potential employer is important," Cryer says. "They're going to be looking for that commitment and knowledge."

Cryer, who founded the Initiative for Nonprofit Sector Careers (www.humanics.org/insc), a workforce research and advocacy project now at the Nonprofit Leadership Alliance (formerly American Humanics) in Kansas City, Mo. (www.humanics.org), also strongly encourages business executives to get development experience—even if they are not looking for a fundraising position. "The vast majority of nonprofit organizations are small and midsize groups, and responsibilities are often more blurred than they are in business," she says. "A job title doesn't always indicate what you're going to end up doing."

Michael Alexander, president and CEO of the United Way of Fresno County (UWFC) in Fresno, Calif. (www.unitedwayfresno.org), says that nonprofits are willing to look for talent wherever they find it. "If they've been grooming someone and they're ready to step up, that's great," he says. "If not, they'll need to find someone with the right skill set." Alexander's experience is a case in point. He left a healthcare consulting practice to return to nonprofit leadership at the beginning of 2011. Prior to that, as a healthcare administrator in Colorado and California, Alexander had been active as a volunteer and member of the boards of the Mile High United

Way and Fresno County United Way. That experience, plus his healthcare administrative background and professional connections in Fresno, suited him well for guiding UWFC's program areas in school dropout prevention, emergency food and shelter, family financial stability and community strengthening initiatives.

Alexander offers a short checklist for assessing whether you are ready to step up to a nonprofit leadership position:

- **Do you have a passion for the work?** “There’s a lot of work, and the pay is not like in the business world.”
- **Can you work with a board?** “If you haven’t worked with or been on a board, that’s going to be a problem that you’d better understand going in.”
- **Do you have good connections within the community?** “You’ll need to know people who could be supporters, advisers and collaborators.”
- **Are you comfortable going out and talking to people?** “It’s not about you. It’s about your organization. But you have to be comfortable about sharing that with people.”
- **Do you have experience managing people?** “If you don’t know how to run an organization, it will be a challenge jumping right into it.”

Business People Do Care

While there are many myths about nonprofits floating around the for-profit sector, Charles W. Gehring, president and CEO of LifeCare Alliance in Columbus, Ohio (www.lifecarealliance.org), says many nonprofit executives harbor their own misconceptions about the motives of people who want to give up business careers to work in their sector. He heard some of them himself after he left a successful career as a financial and operations officer to eventually head one of the nation’s top-10 Meals on Wheels agencies.

“I remember this like it was yesterday,” he says. “Back when I got this job, I went to my first meeting with the executive directors of several local nonprofits. I hadn’t really said anything up to that point, but then one of the executive directors—who certainly had to know my background—said, ‘Well, as you know, some agencies have been hiring business people to run them, and we all know that business people don’t care about the clients.’” Gehring says he did not respond to the comment at the time, but in the decade since he has dedicated his career to disproving it.

Gehring’s nonprofit pedigree is as impressive as any career charity director. As a young executive at Anheuser-Busch, Gehring represented the company on several nonprofit boards. At Sanese Services, where he also served as a vice president, Gehring directed nearly 80 corporate and public food service accounts, many of which were affiliated with United Way chapters. At Sanese, Gehring learned not only how to operate a large organization but also how nonprofits operated. “I found their inner workings fascinating,” he says. “The nuts and bolts of the job aren’t that different, but the products are. At Anheuser-Busch, if we dropped a product, a few people might have written a letter to complain. When you

drop a product in the nonprofit world, that means someone doesn’t get served. It’s a vastly different dynamic.”

When the opportunity arose to join Catholic Social Services, Gehring was able to turn the struggling organization’s finances around so swiftly that within two months the organization was taking in more money than it was spending on programs. At LifeCare Alliance, Gehring has overseen a dramatic expansion through strategic mergers that today allows it to prepare 1.6 million meals a year for 15,000 clients. The Meals-on-Wheels program delivers 1 million of those, while the rest are served in the organization’s 22 dining centers or through after-school/supper and daycare programs. On top of that, LifeCare Alliance also operates central Ohio’s visiting nurse program.

Under Gehring’s leadership, LifeCare Alliance has expanded its capacity to the point that it does not have to put patients on a waiting list. Gehring offers these results as proof that he cares. “My response to that executive today,” he says, “would be to ask, ‘Who’s the one who really cares—the person who works to make sure his organization has funding so that when someone calls it can help or the person who has to struggle to get funding and therefore has a waiting list of people who need its help?’”

It is a lesson that nonprofits everywhere are taking to heart—the realization that business executives care, too, and they have the knowledge, skills, talent and passion to help nonprofits weather tough times and serve more people better. 🗨️

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Resources

BoardSource *Nonprofit Governance Index 2007*

www.boardsource.org/dl.asp?document_id=553

Change Your Career: Transitioning to the Nonprofit Sector by Laura Gassner Otting (Kaplan, 2007), paperback, 270 pages

Fundraising as a Career: What, Are You Crazy? by Linda Lysakowski, ACFRE (CharityChannel Press, 2010), paperback, 108 pages

From Making a Profit to Making a Difference: How to Launch Your New Career in Nonprofits by Richard M. King (Planning Communications, 2000), hardcover, 178 pages

Managing Executive Transitions: A Guide for Nonprofits by Tim Wolfred (Fieldstone Alliance, 2009), paperback, 165 pages

The Nonprofit Career Guide: How to Land a Job That Makes a Difference by Shelly Cryer (Fieldstone Alliance and Turner Publishing, 2008), paperback, 300 pages