THE OSBORNE GROUP

Moves & Management

March 2011

Who said nothing is free?

Not us.

April 7, 2011
2-3pm ET

We will be hosting a FREE WEBINAR on engaging your board in fund development.

Everyone needs a little help with that, eh?

We'll discuss:

1) Creating do-able, important roles for your board that move fund development forward

2) Creating self-accountability on the board

3) The most important roles for staff to play in supporting board work

The Cost: $0. Zip, zilch, nada. (*OK, it will cost you an hour of your life. But think of how many Facebook has already cost you... And do* ***they*** *have ideas for board*

Create a Balanced Portfolio: But How?

by Laura Goodwin

We focused in our last issue on the importance of a balanced portfolio, the measures to be watching to know when you're there... And we discuss this topic in our latest podcast too - check out the description of our most recent discussion below...

Believing that you SHOULD get there... and actually getting there are two different things, we realize. Here are a few real-life scenarios from our experience with current and former clients that offer some perspective on how to get there. (Names and identifying details have been changed to protect the innocent...)

- The ***"Doing Good for Kids"*** organization received more than 40% of its funding from just three government sources, state and county contracts for services they provide. Because this funding was tied through their program, they didn't really even have it on the dashboard of their philanthropy leaders. "That's steady, service delivery revenue. It's not going anywhere." Until it did go somewhere: away. In a dramatic overhaul of how their local governments were providing these services to kids, all of these contracts were terminated almost simultaneously. The thought of having a back-up plan through their fund development efforts hadn't entered their minds, as they had gotten pulled into the too-common "siloed" thinking about revenue: raised versus earned. Their leadership dug deep and instead of panicking (OK... real life: *after* panicking...), did a complete assessment of their deficits and assets as an organization. Rather than just trusting that they had assessed themselves correctly, they started testing their assumptions throughout the community: with their individual donors, with corporate donors and non-donors, and among their community foundations. They discovered that foundations had an out-dated perception of them; the foundations believed that this organization received the ***vast majority*** of its funding through government sources and wasn't tapped into community philanthropy. Building a strong relationship with a key community foundation led to a major grant and then to others stepping in once they saw the key foundation's endorsement. This organization was not shy about asking their foundation champion to help them correct this misperception, introduce them throughout the foundation community, and encourage others to see them not as a $500 grantee, but a potential $50,000 or $250,000 grantee. Foundation giving went from a low single digit *engagement?)*

The Catch: We can only host 100 registrants for this webinar. You can have as many people as you want in your office, gathered around your computer... But we'll send log-in information to the first 100 people to email us.

Want in on this offer?
Sign Up Now!

Culture of Philanthropy: It's not just nirvana...

You know that here at The Osborne Group, we've got a long tradition of thinking about, talking about and helping our clients build a "culture of philanthropy" that began long before that was a trendy watchword...

Things are catching on...

We're really proud to let you know that there is an Osborne Group resource on **building a culture of philanthropy in the AFP Resource Center**! You can read Karen's article here.

And, later in the month, Karen will be presenting a two-part workshop at the *AFP International Conference on Fundraising* in Chicago called **"Creating a Culture of Philanthropy and Stewardship - A**

percentage of their total revenue to a healthy 20% of their philanthropy revenue over the course of 14 months.

- The ***"Foundation for Righting Wrongs"*** had received most of their fund-raising income from one major special event - one of those events most of us dream about having: **THE** event of the year that *everyone* knows about and people come back to, year after year after year. The dream had a nightmare inside because the event itself was organized by a group of outside volunteers who decided one year that they should diversify the support this event generated and they were going to grant the funding to another group this year. Never mind that the volunteer group had been formed years ago by this organization, never mind that this foundation received nearly all their philanthropic support through donors to this event... The event's own "brand" had overtaken their brand and the foundation had ceased to be the center of the reason for the event. They pulled together their cabinet of board members who had been involved or attended in the past and assembled their list of donors to this event. They got busy delivering great stewardship to re-start relationships with those event attendees who didn't understand they were also donors (which they admit they should have been doing all along). From their total list, they did some triage and got on the phones, got out in the community face-to-face with the most loyal and the highest level donors and they built relationships like mad with those they most needed to continue giving to them into the future. It was portfolio diversification at hyper-speed because they had to, but they made it. And, they'll be the first to admit that they're stronger for it now.
- The "***Keeping You Healthy***" organization was facing the prospect of the major industry in their community folding. This economy was rough on business long before it was rough on government coffers. But, they had planned ahead and maintained strong relationships with the senior leadership throughout this industry - providing mutual service and aid for years on years, delivering meaningful and specific stewardship for the gifts this industry provided, listening carefully and strategically engaging these leaders as it was best for each one of them. During the worst of this community's crisis, one of the champions they had developed appeared at a major forum to say:

> *"I am still here for Keeping You Healthy. With all that we're going through, we still need them and they still need us. As we cut back, we can't cut back here. Please join me in stepping up once again - giving what your company can give and turning to your own personal philanthropy to give more."*

Corporate giving still went down, but not nearly as tragically as it could have; individual giving - especially among new leadership donors - went up and those donors have stayed with them today. So often in the process of building a balanced portfolio of donors from all corners of your community, you create the most powerful champions for your work - and that's the greatest bulwark to have for long-term sustainability.

Podcast #6: *The Balanced Portfolio Episode*

Sure Path to Big Gifts!". *(You can access registration for this conference through the link above.)*

Laura will be presenting the workshop **"Building a Culture of Philanthropy"** at the *Integrated Bridge to Marketing and Fundraising Conference* this summer in National Harbor, MD (between Baltimore and Washington DC.) She'll be leading this session with our friend, client of the firm, and crackling-good presenter, Jennifer Z. McIver, the Director of Field Support, National 4-H Council. You can find very preliminary details about this conference on [their website].

...And be on the lookout for an article in the *Chronicle of Philanthropy* over the coming weeks with quotes from Karen, on the internal culture we build around donor information - how we acquire it, treat it, what we write down - and what we don't. We don't have a publication date from them as of the publication date of this issue, but be watching. *C'mon Chronicle, run the story! You know you want to...*

Join Our List

Join Our Mailing List!

Look: we care and we're worried about you. And we know that a lot of you rely on many government dollars to get the good work you do done.

We got the whole Osborne Group Philanthropy Gang together for our latest podcast... In this episode, Karen, Laura, Neesha and Bob all talk "balanced portfolios." **Do you have a plan for the day when dollars from the government (or corporate or foundation or whatever you rely on a lot) go away? For too many, the question is now "When?" and not "If?"** This episode is dedicated to helping you think proactively about steps you can take now to ensure you've got strong sources of funding from many different areas. And we remind you of what it takes to have a program full of strong, high level relationships with those who can provide big funding when you suddenly need to replace dollars.

In our "Afterthoughts" segment, a shocking but true confession: Laura admits that she has become impervious to direct mail. And Neesha patiently explains why Laura is completely wrong on this. Neesha is always patient when we're wrong.

Go to:
[The Osborne Group]
and scroll down to *Information You Can Use*

Seeing Foundations as Equals
by Robert Osborne, Jr.

One of the more common and frustrating phenomena I run across in my consulting life is the approach many not-for-profits take with foundations. Too often, we approach foundations not as fellow philanthropic organizations, or even as applicants, but as ***supplicants*** desperate to sell a foundation on our work. At its worst, this mentality results in "chasing money": we're happy to take whatever funds are available even if those funds don't enable us to pursue our top priorities; the foundation gets the impression that we'll do whatever is needed to chase a dollar and our strategic business plan is neither particularly strategic nor much of a plan if we're willing to abandon it so easily. Usually it just results in our not being able or willing to pursue our own priorities because they don't neatly fit in with a foundation's preferred funding streams.

A better approach is to regard foundations as equals. Like you, foundations are trying achieve a specific, positive impact in the world. In seeking this positive impact, they have thoughtfully constructed funding opportunities to achieve their goals. But if you understand the underlying motivation of a foundation, you may be able to persuade them to fund your particular approach to the same problem. Ask them:

- "What is the foundation trying to achieve with its philanthropy?"
- "Why have you chosen these types of programs and approaches to achieve that goal?"

You can then go on to explain how your own approach is consistent with their goals. Foundations aren't slaves to their own guidelines and neither should you be. By treating foundations as equals and understanding their underlying motivations, you may just find you are able to get funding for your own priorities even if they don't fit in perfectly with the foundation's stated interests

What We Offer...

We partner with you to:

- Develop long-range strategic or campaign plans
- Identify ways to diversify your funding streams and build an implementation plan
- Build strong Board leadership to help steer your organization through rocky times

Or any other aspect of philanthropy, opinion research or organizational management...

Call us at
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