Moves & Management

March 2012

NEW PODCAST!

The "What Does It All Add Up To?" Episode

Bob and Laura take on how organizations take on the conundrum of **"being big" while "being good"**...

the connection between *strategic planning, evaluation, stewardship and the case for support*...

and **measuring impact** to report to investors.

So. Some small, inconsequential topics. In fewer than 20 minutes.

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Stewardship and Sustainability: Beyond the Buzz

"Stewardship"... "Sustainability"
Both are uttered many times every week. Posts and newsletters and books abound with these "hot" themes.

At The Osborne Group, we try to be iconoclasts - take up the core principles of philanthropy and management and look at them from all angles. So why focus on these two words that mean so many - imprecise - things? Because there is real meaning and importance to these topics and we'll try to find some of them in this issue:

- Bob makes the case for committing to stewardship based in the hard data of our own donor bases
- Laura connects the dots between sustainability and strategic planning
- And Neesha offers her perspective on what we can, in fact, learn from "buzz" by taking apart the ultimate viral phenomenon.
- ...and when you're done reading: download our new podcast for more on sustainability, stewardship and strategic planning.

THEN... Come talk to us about it LIVE at AFP International!
Karen and Laura are coming to Vancouver, BC...

We're not "reception" people (no kidding, right?): join us for an informal meet-up for conversation on... whatever! Grab a drink and join the rollicking conversation on anything that is on your mind:

Pan Pacific Hotel (the one closest to the conference center)
Cascades Lounge on the lobby level
Sunday - April 1
5pm - 6:30pm

The "Numbers Case" for Stewardship
*by **Robert C. Osborne, Jr.***

When I first started my career, now many years ago, it was my general belief that non-profits are terrible at prospecting. When I delivered workshops, I would always hear questions like "All this information about

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Where (else) We Are

Not going to AFP International in Vancouver?
No problem - here's where else you can find us:

April
19th: AFP - CT, Meriden CT
Board Giving & Getting

May
9th: Youth I.N.C. Conference, NY NY
Strategic Planning

9-10th: Institute for Charitable Giving, Costa Mesa CA
Major Gifts

16th: AFP Jacksonville, FL
Culture of Philanthropy, Major Gift Skills

24th: Rockland Development Council, Suffern NY
Hard Working Special Events

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

cultivation is great, Bob, but how do we find the donors in the first place?" A good question I thought. ***But what I have come to realize is that most nonprofits are excellent at prospecting***...What they are terrible at is keeping those donors they manage to find.

What is your donor retention rate? I am willing to bet that 80% of you who are reading this article have no idea. Even if you have a respectable, if not stellar 75% retention rate year to year... that still means that you are losing 1/4 of your donors every year... and are literally replacing the entirety of your donor base once every four years! The biggest problem isn't really finding donors...

Add to this, the fact that it may take as much as 14 times the time and effort to acquire a new donor than to keep an old friend. And once you consider that these lost donors are also donors who won't be increased donors over time. Now we're talking about a lot of money falling off the table each year.
You can't afford to **NOT** deliver donor-centered, personalized stewardship full of impact to every donor each year!

Stewardship is not something that you fit in when you have the time. It is in many instances the single most important area that a nonprofit must focus on in order to grow and prosper. The above are real costs to your organization and real lost opportunities. They amount to substantial lost revenue, time and effort. It's time to start treating stewardship like every other aspect of fundraising by having a plan and executing it on timeline. You'll be pleasantly surprised how quickly you start to see returns in real revenue!

Sustainability Beyond Benchmarks
by Laura Goodwin

The organization that owns my heart - of which I've spoken often - undertook a process of "growth planning" this Spring as the first step in updating our strategic plan. "No problem", I thought. "Set some reach goals for the girls we want to serve, apply some percentage increases to our fund development goal, make sure we've got a balanced portfolio. I do this every day."

The most fundamental questions with which we needed to wrestle was: What do we do that has the highest sustainability - either because it's attractive to funders or self-funding? And what do we do that has the greatest impact on achieving our vision, creating the kind of change we're seeking to affect? As you can well guess, the answer to those two questions only achieved an overlap in the Venn diagram sometimes... not often enough.

Clearly we keep doing those "high-sustain, high-impact" activities: investors love them, we need them. It would be easy to say that our response to the other two outlying groups - the things attractive to donors with lower impact implementation plan

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and the things "hard to sell" but important - is simple:

- Do a better job of educating donors about moving their support from low impact to high impact activities.

But of course it's not that simple. Lower impact activities often are those where investors can get involved as volunteers, or where donors know they are reaching - in our case - lots and lots of girls. Higher impact activities are sometimes those that are harder for investors to understand, with long term implications, or decidedly difficult to "sell" (underwriting for STD prevention, anyone? Important. And hard.) As we worked, we realized that we had a lot of puzzle pieces that we needed to fit together that made me think about a balanced portfolio in a whole new way. How much of each of these elements would chart the right path forward for us, that would ensure we could grow and deliver the right outcomes to the world?

We turned the corner when we finally could see all of the pieces and develop a rationale for our whole approach - we will do some lower impact activities (never "low", but some "lower") because they have an articulated role in our fund development plan, and we have ensured that we are not engaging in "mission creep"; we will also do more and more higher impact activities and can articulate the WHY and the HOW to our investors in a more compelling and thoughtful way than we ever could before. We can stand behind ***every*** element of our strategic plan with our investors and can enroll them in the impact they are achieving - what it "all adds up to"...

Is a balanced portfolio - both sources of philanthropic revenue and methods of raising funds - important for sustainability? **Absolutely. ABSOLUTELY.** But it's not the whole story... To be sustainable, we must also be able to tell our investors a clear, compelling, thoughtful story backed by our plan of ***why*** we do what we do. That is where sustainable meets stewardship.

Is there anything left to be said about KONY 2012?

It's been covered. Covered and covered and covered. And when you think you've heard all you can stand to hear, some backlash to the backlash happens. Agreed.

Neesha has some things to say about KONY 2012 that step to the side of the merits of the project itself, its politics and the questions around both stewardship and sustainability of this organization in the future. What can we learn from this ***phenomenon*** that is helpful in our own work?

Read on. You'll be glad you did.

KONY 2012: The "SuperBug" of Viral Videos

by Neesha N. Rahim

As soon as I saw the KONY 2012 video, I couldn't wait to share it with everyone I knew, especially those in the nonprofit world. I don't want to focus on the ensuing debate of the merits and faults of the campaign. Others have accomplished that quite thoroughly... **Instead, I want to focus on how you might benefit from KONY 2012:**

No matter where I stand personally, I can't deny that this is the most phenomenal piece of story telling I have ever seen. The video has earned the title of "most viral video in history" boasting up to 100 million views and counting. It's clear that this campaign and the organization which started it, Invisible Children, have much to teach us. Here are a few of my favorite posts on it:

- What we can learn about story telling and inspiring a viral storm
- How to respond to a social media crisis
- How to ride the coattails of all the positive emotions that have surfaced after KONY 2012 - See this wonderful post on newsjacking

Donors all over the nation have just received an incredible lesson in how to vet a nonprofit. People I hardly know, including some kids in middle school (!), are all of a sudden asking me about Charity Navigator and debating the financial credibility of Invisible Children with me. I'm thrilled by this and ultimately, I am thankful to Invisible Children for inspiring this conversation. Use this moment to check in with your Charity Navigator rating (I know. I know. That's another controversial topic...) and communicate that to your donors!

No matter how they stand on KONY 2012, at this moment, I'll bet they'd like to know this about you.