

AFP Chicago: Be Part of the Solution

Introduction:

The challenging economy and competition for funding has increased the pressure on nonprofits to operate as efficiently as possible. Within the last couple of years, there has been a renewed interest by those in the philanthropic sector to help nonprofits build capacity. One of the areas highlighted as being most problematic in the effort to build capacity is the ongoing turnover in the development department, in particular at the Chief Development Officer (CDO) or Director of Development (DOD) level. With the average tenure in these positions being about 18 months, this took many in the philanthropic community by surprise. For those of us in the development field, this was not a shock as we have been aware of this situation for some time. However, what is new is that this increased focus has created an opportunity for us to advance this discussion and leverage this attention to promote greater retention.

The conversation began with a joint program between the Donors Forum and AFP Chicago on May 22, 2013, which emphasized the findings of a report by CompassPoint titled **UnderDeveloped: A National Study of Challenges Facing Nonprofit Fundraising**. This report highlighted some of the challenges in the nonprofit sector and cited that lack of resources contributed to a rapid turnover in the CDO position. In addition, Campbell & Company released their national study called **CDO Confidential: What CDOs want you to know about retention**. Building on the momentum established by these two national studies, AFP Chicago honed in on the local perspective by hosting an interactive program on June 7, 2013 called: Be Part of the Solution: An Interactive Discussion on Strategies for Recruitment, Retention and Team Building. The focus of this was program was to identify next steps and solutions to this growing threat to the field.

Purpose:

The goal of the AFP Chicago program **Be Part of the Solution** was to capitalize on the renewed attention to the challenge of turnover and address the reality of what nonprofits can do to create a work environment that attracts and retains talented development professionals. We aimed to identify the top factors, both internal and external, that can impact success in the development field and recognize what tactics and tools development professionals can realistically employ in order to increase their effectiveness and stem turnover. We also intended to set benchmarks for a career in development as an important step toward establishing industry-wide standards for job expectations and performance.

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Methodology:

On June 7, 2013, AFP Chicago held a program for development professionals called: Be Part of the Solution: An Interactive Discussion on Strategies for Recruitment, Retention and Team Building.

Participants were sitting at one of six tables and seating was assigned. The program began with a personal feedback form distributed to the 42 participants in the room. The form asked seven questions and was intended to get an initial pulse of the room prior to any conversation. These findings were discussed at the tables and then followed by a general topic that was different at each table.

Several aspects of this program that were unusual for other AFP Chicago Programs included:

1. Assigned seating based upon sector and years in the development field. This was designed to enhance the conversations and diversity as every table topic was different. Also, some topics such as board engagement were not appropriate for everyone (such as people new to development) and this was factored in to the seating assignments.
2. This was an interactive event with different topics at every table facilitated by seasoned fundraising peers. Everyone at the table was encouraged to add to the discussion.
3. Presentations of each table's findings at the end of the program highlighted the suggested outcomes and tools of the table topics. Each table did a "call-out" and mentioned their top responses so everyone could hear.

Please note, for the purposes of this report, CDO (Chief Development Officer) and DOD (Director of Development) are used interchangeably as being the highest development title and level in an organization.

Project Limitations:

These results are based upon the survey of 42 participants and a variety of years in the field. Based on the follow-up survey results:

- 70% attended this program as a result of the topic.
- 88% were AFP Members.
- 27% of the program participants worked in the Human Services sector, followed by Education and Arts, each at 22%.

Thus, this audience was predisposed to the topic and through their AFP membership, was already interested in professional development. This may or may not be representative of the larger pool of development professionals. While there are common themes with the CompassPoint findings, it does not reflect the opinions of the entire development profession in the Chicagoland area.

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Personal Feedback Form:

The Personal Feedback Form (Attachment A) was distributed to all participants at the beginning of the program and was designed to serve as a warm up to the table conversations. Each person had a few minutes to fill it out and all responses were kept anonymous. Forms were collected at the end of the program and the results tabulated (see Attachment B). Below is an overview of the questions, the top three responses for each question, and the corresponding percentage of total responses for that question. We note that each table responded to a different final question on the Feedback Form, specifically designed as a lead in to their assigned table topic, and have thus eliminated this question from the tabulations below.

- 1. What are the top three factors within your organization that impact your success?**
 - a. Adequate infrastructure and staffing (17%)
 - b. Culture of philanthropy and the willingness of non-development staff and volunteers to work on development (17%)
 - c. Strong relationship with the CEO and senior leadership, and their understanding of philanthropy (16%)

- 2. What are the top three factors outside of your organization that impact your success?**
 - a. The uncertainty of the economy (23%)
 - b. The public image and reputation of my nonprofit (19%)
 - c. Competition from other nonprofits for funding (14%)

- 3. What do you value most about your current position?**
 - a. Passion to promote the mission of the organization and create change (33%)
 - b. Building relationships with donors, partners and stakeholders (21%)
 - c. My development team (17%)

- 4. What do you wish you could change about your current position?**
 - a. Additional staff to expand our capacity (39%)
 - b. Better support and participation from leadership (CEO/Board) for development efforts (11%)
 - c. More realistic expectations on results and the time it takes to achieve them (11%)

- 5. What prompted you to make your last career move?**
 - a. Better opportunity presented itself (28%)
 - b. Unrealistic expectations from senior leadership (18%)
 - c. Bad cultural or mission fit (13%)

- 6. Could your decision to move have been addressed before you made the decision to move?**
 - a. No, it was a better opportunity and I needed a change (33%)

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- b. No, the expectations for the position were never articulated – I was left out of the process (19%)
- c. Yes, if I had more support from senior leadership and the flexibility to work remotely (11%)

Conclusion:

Organizational capacity was a reoccurring theme throughout the entire discussion, regardless of the sector or size of an organization. This economy has impacted everyone. Most development professionals believe that inadequate staffing is directly impacting their ability to bring in revenue.

Many also noted that their organization lacked a “Culture of Philanthropy”, that is, an understanding among executive leadership, program staff, and volunteers of how the development process works and a willingness to participate in it.

The findings from the personal feedback forms indicate that while the economy is still a factor for development professionals (and will be regardless of the position), there are issues internal to an organization that can support greater retention among development professionals. Income did come up as an indicator for retention, but it was not cited as a strong reason for people to seek new employment. Many feel that what may be “lost” in compensation is “gained” in enthusiasm for and belief in the mission of their organization. Thus, by identifying and addressing those issues that an organization has control over, we can help stem the turnover in the development positions and ultimately increase our effectiveness as nonprofit organizations.

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Once the personal feedback forms were collected, facilitated table discussions occurred that included topics around six central themes. Each table discussed a separate theme with instructions to focus on actual tactics, strategies and tools.

TABLE DISCUSSIONS:

I. Creating a Culture of Philanthropy:

One of the central themes in our findings was the need for a strong culture of philanthropy within an organization. Having this culture means that everyone from the CEO level and below, has a responsibility to ensure the financial success of an organization and participate in the development effort. We note that it is important for this message to be conveyed in a “top-down” manner to ensure buy in and support from the entire organization.

Strategies & Tactics:

1. A change in culture takes about three years and begins with the orientation of all new staff members, regardless of their position. Involve development staff in orientation and present how fundraising fits into the broader organization. New staff will be more receptive to this message and it is a perfect time to educate them on how they can help.
2. Insert the concept of philanthropy in every job description, not just development positions. Create benchmarks and activities so staff can measure their success and hold themselves accountable. This can include submitting one story every month for use in development publications, making five thank you calls a month, attending two donor visits each year, etc.
3. Ensure that all non-development staff receives the tools and resources necessary so that they are prepared and understand what results and outcomes donors are expecting. This can include copies of grants and reports so that program staff understands which outcomes to emphasize. It can also mean copies of new board member’s biographies, so they have a better understanding of leadership. Giving program staff a copy of a proposal prior to a site visit as well as holding a strategy meeting prior to the visit will help ensure that they fully understand their role, expectations and what the donor is interested in seeing.
4. Involve all staff in some big picture conversations so they begin to think beyond their one program or area and think about the organization as a whole.
5. Treat non-development staff like you would any volunteer. Use positive reinforcement by saying thank you, celebrating successes and proper recognition of program staff efforts will help ensure that those efforts are repeated.
6. Inform senior leadership of non-development staff assistance in development. Public recognition will not only reinforce a staff member’s willingness to help again, but inspires others to join the effort.

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II. Realistic Expectations for Director of Development Role:

Nonprofit best practice suggests that a CEO should spend 30-50% of his/her time on fundraising. Their effectiveness is directly connected to the work of the CDO; hence, the CDO/CEO relationship is an important indicator for a successful fundraising program. The board of directors also plays a key role with responsibility for both fiduciary oversight and resource development. Most successful fundraising programs can point to an active, engaged board that is willing to help secure funds and resources for the organization. The strength of the CDO/CEO relationship and the role of the board in fundraising were identified as strategic issues impacting realistic goal-setting for development directors.

Strategies & Tactics:

1. Include Directors of Development in budgeting for new resources for the following year. By not eliciting development staff input, organizations create unrealistic expectations and consequently do not have development staff buy-in to the results.
2. Manage CEO and Board expectations for revenue by being proactive and presenting a budget draft prior to the budget being set. This draft can be a private stretch budget (more aggressive than the one presented to the board), but will need to include a timeline of what changes would need to occur before this is reached. As development staff, we can control the strategies, but not necessarily the results.
3. Keep board and senior staff updated on development and communicate often. The more they understand the strategy and the activities that have occurred, the better they will understand why a particular strategy was a success or not. This helps leadership have a better understanding of the process and should help with goal setting in the future.

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III. Engaging Non-Developmental Staff in Fundraising:

A key discussion point among the group was the need for CDOs to build strong relationships with program staff to create trust and build a culture of collaboration. As development professionals, it is our charge to get to know the best staff person to talk with and/or present to individual and institutional donors. Take them to lunch, invite them to a strategy meeting etc. Everyone has different skills so development staff must cultivate these colleagues as they would a donor and use a lot of positive reinforcement.

Strategies & Tactics:

1. Build credibility with other staff members by sharing fundraising metrics and accomplishments. Be sure to tie this back to how it benefits the organization, so they get a better sense of how the whole organization is benefitting.
2. Lead with inspiration, not need. Keep non-development staff focused on the big picture of what we are trying to accomplish. Everyone wants to be part of a winning team.
3. Encourage the inclusion of some development functions in annual planning for non-development program areas (i.e. five thank you calls, going on a visit with a donor etc.) In order for this to happen, senior leadership must be on board.
4. Create a monthly report card and give it to both senior leadership and staff. This tool will keep them informed and help to create a culture of philanthropy.

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IV. Board Best Practices:

Regardless of which study is presented, board engagement is a huge issue for many nonprofits. Many board members do not fully understand their role and how to adequately use their skills and networks on behalf of an organization. Many organizations do not adequately orient their board members to help them fulfill their roles. This is a complex challenge, but there are many ways in which an organization can move the needle to create positive change.

Strategies & Tactics:

1. Require all board members to serve on the development committee for their first year.
2. Set and enforce term limit options. Board member can get tired and we need a way to make it easy for them to move. If you want to keep them involved, consider establishing an emeritus board for all ex-board members.
3. Use the board's governing committee as a partner in accountability. This might be the nomination or board affairs committee. Checking in on fulfillment of roles and responsibilities is often best done on a peer-to-peer basis.
4. Involve development staff in the orientation process of board members. If development staff has no access to the board, there will not be any relationship that will occur to help facilitate resource development.
5. Set the tone with the board at recruitment. They need to understand what the expectations are and what role they can play. It is not all about asking for the gift. Calls to donors, articles for newsletters, making connections, etc. are also part of philanthropy.
6. Ask the board to create their own development plans by specifying what they would be willing to do the next year towards fundraising (i.e. personal gift, hold a home party, bring two people for a tour, sign-up the organization for a "jeans day" etc.). See impact plan Attachment C.
7. Use direct accolades at board meetings to acknowledge board members who have contributed to the fundraising effort and create subtle peer pressure for other board members to engage in this work.

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V. Benchmarks for Development Professionals:

One role of interest for AFP Chicago was to create a universal list of benchmarks for the development profession as asking association members create the benchmarks helps to ensure that they are reasonable expectations. Because the experiences and skills sets of a Director of Development (or CDO) can vary widely, this may be part of the problem filling those positions and keeping staff. We also heard a great deal about unrealistic expectations as being cited as reasons for leaving. If benchmarks were consistent and universal, this would help clarify expectations on both the part of the development professional, senior leadership and hiring committees. It is also a gauge for both development staff and their managers as to whether their skills are developing in an appropriate way. Below is a list of skills and benchmarks that AFP Chicago members have determined development professionals need to reach by years 1, 3 and at the director level.

Before hiring:

- Passion for your mission – if a potential candidate is not passionate about the work of the organization; it is going to be difficult for them to “sell it”. If they do not have it in the beginning, they are probably not going to ever have it.
- Ability to communicate – a candidate must be a good writer and able to persuade others. Ask for samples of their writing so that you can see if they have this quality.
- Look for self-confidence, curiosity, tenacity and strong ethics. During the interview, have them describe some situation they have had to overcome. Did they give up or push through? This shows tenacity.
- They need to know the business communication standards of Microsoft Word, Excel, and PowerPoint.

By 1 year:

- Determine if this field is the correct career path for them. It is hard to motivate people if they are not sure they want to be there. What is their next level? What experiences do they want to gain? If they cannot answer these questions, managing them will be harder.
- Knowledge of the CRM system your nonprofit is using. They need to be able to input gifts, pull queries and other reports.
- Have ethics training, either through AFP Chicago or some other curriculum so they understand how they fit into this sector.
- Reading industry publications on a regular basis so they are informed (Nonprofit Times, Chronicle of Philanthropy, Crain’s, etc.).
- Basic understanding of the various roles in development, particularly in the area of the annual fund and why proper gift entry is so important. As early development professionals they will most likely

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be in a role for gift entry. They need to understand how the information is used and what it means for future donations.

After 3 years:

- Commitment to the career path – they want to advance and know what experiences they need to still gain.
- They can read and understand financial statements.
- Are included in part of big picture discussions – develops understanding of strategy and their role in development.
- Understand metrics of fundraising such as ROI, attrition rates etc. Ability to analyze data.
- Participate in budgeting so they are vested in the results.
- Training on how to ask for gifts.
- Has met the board of directors.

At the Director of Development (or CDO) Level:

- Ability to articulate the case for support.
- Must have the ability to develop and articulate a development strategy to the development team, other staff and the board of directors.
- Must have the ability to travel to see donors.
- Management skills – must be able to manage and motivate a development team (and possibly the board).
- Good collaboration skills are necessary in order to work with other staff members.
- Presentation skills to the board – must have access to the board.

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VI. Elevating the Fundraising Profession:

In general, the average person in Illinois does not fully understand the role nonprofits play in providing vital direct services for our communities. Many are not aware that government does not provide these services directly nor are they aware of the complex subcontracting relationship with the State of Illinois and federal government. They tend to believe that the services are duplicated (both the state and the nonprofits provide the services to the same groups) and consequently this is wasteful. Given the competition for limited funds, development professionals can find themselves feeling little more than vendors on occasion.

Moreover, the general public sees poorly performing schools, increased violence and social ills, all which call into question how effective nonprofits actually are in improving lives. This perception perpetuates the stereotypes of well-meaning, but incompetent nonprofits that need to be given money tied to direct results (restricted funding) because they cannot handle unrestricted funds and get the results (general operating). While this is changing and we are seeing a renewed recognition on the importance of general operating support, nonprofits and the sector need to do a better job publicizing the importance of what we do.

Strategies & Tactics:

1. Educate the public on fundraising versus philanthropy. Working through organizations such as AFP Chicago, show how philanthropy helps educate our workforce, build our communities and creates new citizens.
2. Share our metrics and show how we are making a difference. This is noble work and we need the outcomes to show we are making a difference.
3. Educate the nonprofit sector and the general public about the specific skill sets needed for this job. We are a profession and need ethical, well-rounded people in this field.
4. Create “ambassadors” – other program staff or volunteers. Steward them as you would any donor so that they understand and feel connected to development work.
5. Consider succession planning for CDOs – knowing who can take over when you are gone.
6. Demonstrate knowledge of the larger world.