



# view from the **EDGE**

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Jim Shapiro



Shannon Barnes

## **Why Most Nonprofits Fail to Raise Money (And what to do about it!)**

Just because you passionately believe in your organization's mission doesn't mean that you know how to financially fund that mission. Nonprofit organizations raise money every day; the problem is that most of them aren't raising enough. As a result, nonprofit organizations end up in chaos – unmanageable, unpredictable, and unable to fund and continue their core mission. But have hope – you can break this cycle!



Nonprofit organizations are typically created to address many of the common problems or needs facing our communities. The very nature of nonprofit work however renders leaders ill-equipped to attract and retain resources such as donors, dollars, staff and volunteers. And your revenue doesn't come from selling a widget, but from telling your nonprofit's story.

These issues and roadblocks make it very important for you to tell your nonprofit story in a clear and concise way. Assuming your mission is valid and your story is being told in a visible way, your focus will turn to raising money. The issue at hand is not first how to raise more money, but rather, *how to prepare to raise more money*. There are many "how to" books on fundraising. While the technical skills are important, without a business process and plan, you will experience only short-term results and not the desired long-term financial return required to sustain your nonprofit business. Success rests on your ability to create an annual fundraising road map: directions, timelines, expenses, and new opportunities to raising money by leveraging your visible nonprofit story and mission.

The fundraising facts are simple. There are more nonprofit businesses than ever before in our country. 86% of all dollars raised to support nonprofits comes from individuals – it's people that fuel nonprofit work. By telling your nonprofit story via strategic methods like direct mail, special events, grants, etc., your organization will raise its visibility in the community and ultimately raise more money. JS

## December EDGE Events

Because of all the other demands of the season, we are not offering any webinars or teleconferences in December. But please make plans to join us for these 2009 training dates:

January 14, 28

February 11, 25

Get information and register for these free webinars at [www.theEDGEgroup.org/webinar.htm](http://www.theEDGEgroup.org/webinar.htm)

## EDGE Blog

You'll find lots of information and thoughts on numerous leadership, strategic and fundraising questions at <http://theedgegroup.blogspot.com>.

## Website information

Check it out at [www.theEDGEgroup.org](http://www.theEDGEgroup.org).

## Book Recommendation

*The Five Most Important Questions You Will Ever Ask About Your Organization* by Peter F. Drucker (and friends). Released by the Leader to Leader institute, this book combines classic Drucker material with applications and thoughts by some of today's leading organizational and leadership thinkers. A quick and impacting read that you will reference again and again.

## Contact Information

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## Survive and Thrive During Tough Economic Times

The biblical book of Ecclesiastes communicates concepts about timing. There is a time to be born, and a time to die; a time to plant, and a time to harvest; a time to breakdown, and a time to build up. The concept of timing is an important one as you evaluate your organizations ability to survive the current economic climate and strive to find new ways to grow and expand your mission. Consider these three thoughts.

1. **Reduce:** Now is the time to reduce expenses, to adjust budgets, and to carefully manage cash-flow. Unless you're in a very unique position, it is most likely not the time to make major capital investments, acquiring debt, or hiring additional staff.
2. **Retain:** Now is the time to retain the clients and donors your currently have through improved customer service and appreciation communication. It is not the time to cut marketing budgets, skimp on donor appreciation opportunities or reduce donor acquisition methods.
3. **Prepare:** Now is the time to prepare for the future "harvest" by creating mission focused strategies that can be implemented during improved financial times. It is not the time to sit back and wait for economic improvements before you think and plan for strategic growth.

Your organization can survive this current economic crisis, and be the first in line to benefit when the economy improves. Think ahead, build a good strategy, and give it a little "time." JS

## Strongly Led, Under-Managed

Without sound management practices, even the most successful nonprofit will be unable to sustain, let alone increase, its impact over time. In a recent Bridgespan Group survey of senior staff members, respondents consistently rated their organizations leadership (i.e. overall vision) much higher than its management dimensions (i.e. trade-offs, priorities, execution). From the research, many nonprofits appear to be strongly led, but under-managed.

The signs of inadequate management are easy to spot: Staff members are confused about their roles and responsibilities and out-of-control finances threaten to overwhelm the organization's focus on impact.

With all the focus on the economy, management issues are often overlooked or de-emphasized. Make a commitment to the health of your organization: be intentional about your Leadership and Strategic EDGE, and you will significantly help move it forward in its mission impact! SDB



## **Mission Accomplished?**

Here is the test to find whether your mission on Earth is finished: if you're alive, it isn't.

Richard Bach