

AGENDA**WEEK 11, APRIL 8****LEAD 7300 MANAGEMENT OF NONPROFIT ORGANIZATIONS****ARMSTRONG ATLANTIC STATE UNIVERSITY**

1. Guest speakers for April 8: Telfair Museums Executive Director (Lisa Grove) and HR Manager (Mary Nestor-Harper)
2. Guest speaker for April 15. Melissa Emery. Board Chair of the Savannah Philharmonic. President of the Skidaway Island chapter of Kiwanis, a service club.
3. Discuss WA10A. Comments after grading. Some people missed a couple of things. (1) We will need to train the veteran staff on the new IT system. (2) We will need to train the board and volunteers on parts of the new IT system.
4. Discuss WA11A. Writing assignment. WA11A. *Board Role in Fundraising*. Due WEEK 11.

You are Debbie Drummer. You work on a contract basis as a fund raiser and management consultant to nonprofit organizations. You were recently retained on a two-month consulting contract by Carol Careful, the Executive Director of a Savannah-based charity called ExcellentEducation.edu. They identify high school students who are potential dropouts, and they conduct intervention activities (e.g., they provide tutors, they provide part-time jobs for students) that help keep kids in school. The results of their program have been outstanding, and virtually no student who has come into their program has quit high school before graduation.

A board of directors luncheon meeting is held at a fancy restaurant, and you are asked to attend. The current board includes only wealthy people who volunteer their time as supporters of education. None of the board members are actively involved in fund raising for ExcellentEducation. The board includes no people from the business community and no professionals from the educational community. As you sit at the big board table in a private dining room, Rene Rich, Chairwoman of the board begins to speak. She is a “peanut heiress” who is on boards of seven charities in town.

Rene explains, “Debbie, during recent years, there has been a number of developments that have had a negative effect on fundraising. The board of directors believes we need to respond to the shrinkage in our funding stream. Your predecessor as Director of Individual and Corporate Fundraising, Laura Lowkey, left us recently. She was such a dear little thing. Our Executive Director believed that we should develop a relationship with a consultant, and she hired you. So let us welcome you aboard with a toast of champagne. I hope you enjoyed the luncheon; I love the Chateaubriand. The

wine cellar is excellent here, and I love the flower arrangements.” Rene does not offer any comments regarding what the board of directors wants you to do.

After the board of directors meeting, you meet with your client, the Executive Director. Carol Careful makes some interesting comments. “This situation is very frustrating. The people on the board are nice, caring people. They are generous folks, and they write big checks every year. But they seem to treat these board meetings as social occasions, not work. The board members are not businesslike. We are supposed to have 15 board members, but only nine board seats are currently filled. The board is making no effort to fill the six vacant seats. There are several board committees, but none of them is active. The board has not established projects and activities for its committees. For example, the Board’s Fund Raising Committee has not met in six months. The current board members do not do the things that a board should be doing. They are doing nothing about fund raising other than writing checks and delegating the other fundraising responsibilities to staff people. The reason why Laura Lowkey quit was fear -- she was terrified to go to the board and tell them the truth, that they are a dysfunctional board.

“The reason I hired you, a contractor, is because you won’t worry about losing your job, so you will tell them the truth. I want you to write a position paper. Make it 600 words long. Explain how the board should be structured. Explain what sort of people we need to add to the board. Explain what committees the board should have in operation. Explain what the board committees should be doing in terms of projects and activities. Explain that committees can include board members and other volunteers from the community. Explain that, if a volunteer from the community serves on a committee, that can be a stepping stone to future board membership. Explain what the board members of a typical charity do to raise money. Put anything else into your recommendation paper that you believe the board should do. When they meet next month, plan to give them a presentation. If they agree to adopt your plan, I will offer you the job that was vacated by Laura Lowkey. It pays \$75,000 per year.”

Fortunately, you recently graduated from Armstrong Atlantic State University, where you earned a master’s degree in Professional Communications and Leadership. One of your courses was Management of Nonprofit organizations. The Heyman textbook included some material that might be useful in building the position paper. You can use other references if you like.

5. To prepare for WEEK 11 class, we asked you to read the following material. Let’s discuss.

- Chapter 22, Online peer-to-peer fundraising. Pages 357-372
- Chapter 23, Cause-related marketing. Pages 373-387
- Chapter 24, Social enterprise 101: an overview of the basic principles. Page 389-403

6. For Week 12, please read the following material. Come to class prepared to discuss.

- Marketing and Communications. Pages 405-407. In the world of for-profits, the marketing process can be described by the following questions. **What product am I making? How much will it cost me to make and sell each product? What customers will want to buy the product? How many products will they buy? How much will they be willing to pay for each product? How much revenue will the products bring in? How will I find the customers who want to buy the products? Is a business based on this product financially viable?**

In the world of nonprofits, we re-arrange and re-word these questions. Instead of customers, we need to work with two groups: clients and donors? **What service do we provide? How many clients do we provide this service to? How much does it cost me to provide that service to a client? How much money will it cost me to deliver that service to all of my clients? In many nonprofits, the resources come from donors. How will I find the donors, get their attention, and bring in the money and other resources that we need? Is an organization based on this service financially viable?**

- Chapter 25. Nonprofit marketing. Pages 409-427
- Chapter 26. Using Web 2.0 Tools to tell your organization's story. Page 429-444.

7. Writing Assignment for WEEK 12. WA12A. *Grant*. 600 words. 100 points.

You are Ursula Ulysses. You are a graduate of Armstrong's master's degree program in Professional Communications and Leadership. You are employed by Savannah Soft Heart, a group that promotes good cardiovascular health. Your role is Grant Writer. Your organization gets 40 percent of its revenues from donations, dues and events. Soft Heart gets 60 percent of its revenue from grants. Nancy Nasty, Executive Director of Soft Heart, calls you into a meeting. It does not prove to be a pleasant occasion.

"Well Ursula, you have been our grant writer for six years. When you arrived in 2008, you were a bundle of energy. During your first year, you wrote ten grant proposals, and we won six of them. During your second year, you wrote nine grant proposals, and we won five of them. In year three, you wrote eight grant proposals, and we won four of them. In year four, you wrote seven grant proposals, and we won three of them. In year five, you wrote six grant proposals, and we won only two of them. So let's

look at the numbers. You are writing fewer proposals each year (a drop from ten to six), and we have a declining win rate (a drop from 60 percent to 33 percent). Given the fact that we obtain most of our revenue from grants, your performance is pretty disturbing. It can't have escaped you that our organization has had to downsize three staff members recently. So one of the things you and I are here to talk about is that you are being placed on "probation." A warning letter is being placed in your personnel file. If your output of proposals does not increase, and if your win rate does not improve, you will not be working for us six months from now. Do you understand what I am saying?

"When an employee is placed on warning, our organization requires me to work with the employee to develop a 'remediation plan.' This is a plan for the things that employee agrees to do in order to 'get back on track.' I want you to create your own remediation plan. You will create a plan to write a major grant proposal. As you know, the Ford Foundation has been a steady supporter of our organization. Five years ago, they were giving us grants in the \$3 million range. Last year, the amount dropped to \$2 million. We need to keep the Ford Foundation money coming in, and we need to get them to increase the amount of their grant to something in the \$3 to \$4 million range. So, given that the Ford Foundation annual grant application must be submitted by us within two months from today, I want to see you write a plan for preparing that grant proposal. The plan should be in the range of 600 words. It should include an outline of the contents of the grant proposal. Perhaps your plan should provide for preparation of the following chapters for your grant proposal.

- Discuss the history of the rich relationship between Ford and Savannah Soft Heart. Explain that we have helped over 700 people in the past year with Ford money. Detail the kinds of health benefits we have provided to these patients (e.g., reduced incidence of heart attacks).
- Discuss the services that Savannah Soft Heart currently performs with money from sources other than Ford (We help over 3,000 people). If Ford likes what they see, perhaps they will begin to fund some of those programs.
- The most significant development that you should discuss is our new program that funds heart catheterization procedures for economically disadvantaged people. Ford is not currently a sponsor of this program, but we would like to have them become a supporter. Cardiologists use catheterizations to diagnose heart problems, and this can lead to surgical procedures that can significantly extend a patient's life expectancy. Uninsured poor people cannot afford heart catheterizations, so we have begun paying for them. We are getting dramatic results, with life expectancies being extended by an average of five years. We have helped over 300 people in the program's inaugural year. This is a very powerful

story. If we can get Ford to become a supporter of our new catheterization program, that might get us to the \$4 million funding level that we would like to see from Ford.

- You may have some other ideas about ‘healthy heart’ services that we might provide, new activities and projects that might bring in more money from Ford. Tell me what other things would make our story more powerful. Use your imagination.

“Please provide your plan for the Ford Foundation in two days. Use e-mail to send it to me so that I can review it while I am on the road. I will be at a meeting in Detroit, and I expect to see some Ford Foundation people while I am there. I may be able to pick up some intelligence that will help you write a more powerful proposal.”

You know that the real reason why the numbers are down for your grant writing function is the Great Recession that has plagued the nonprofit industry since 2008. The foundations have less money to give, so they are offering fewer grants. Meanwhile, the charities are in trouble, so they are writing more grant proposals. The result is every grant writer in the country has a lower batting average than six years ago. However, you decide not to bring up this fact, because Nancy is not in a mood to listen to ‘excuses,’ and she might fire you immediately. You leave the meeting feeling rather “beat up.”

Savannah Soft Heart has been a good employer for you. You like working here, and the pay is good (\$75,000 per year). After you have had an hour to gather your thoughts, you begin to see a way to turn failure into success, to turn a corner and save your job. You recall that you took the Armstrong course in Managing Nonprofit Organizations. The Heyman textbook included a chapter on grants. Maybe if you review it, you will get some ideas that will help you plan to build a superb proposal to Ford. You can use other references if you like.