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Its a Burner Outer- Transcript

[Speaker 1]

Welcome to Charity Therapy, a podcast from Birken Law about building better nonprofits. I'm your host, Jess Birken. Hello and welcome to this episode of Charity Therapy.

Today I am joined by my good longtime friend from grad school, Noah Gerding.

[Speaker 2]

Hello!

[Speaker 1]

I love how far back we go. It's so fun.

[Speaker 2]

So far back. I know. I know.

I know.

[Speaker 1]

Noah is just a kick-ass fundraiser. He's currently working as the Development Director of the Shalom Foundation and is a consultant with Responsive Fundraising. Noah, thank you so much for being here.

[Speaker 2]

Thank you for the space. Thanks for the invite. Absolutely.

How can we not connect after all these grad school years?

[Speaker 1]

I know. Well, we just, you know, we keep popping into each other's lives periodically. And I feel like I really just want to do all of the questions in our best Minnesota.

Because you and I end up riffing really hard on our Minnesota accents and it is always the highlight of hanging out with you.

[Speaker 2]

You still my beating heart, or I should say heart. Oh, for cute. Oh, for gosh.

We have to stop. Oh my goodness.

[Speaker 1]

It's going to come back and I'm not ashamed. It's going to be super fun. Just let it fly.

It's that kind of a podcast.

[Speaker 2]

Here we go. Let's own it.

[Speaker 1]

Okay. So here we go, Noah. You know, I know a huge theme in your career.

[Speaker 2]

You're not really going to start that way, are you? Okay. Let's do it.

Let's go.

[Speaker 1]

Yeah. No, don't edit that out. No.

I want the listeners to like hear the Minnesota in all of its glory. All right. No, in all seriousness though, a big part of your sort of like professional ism is about this responsive fundraising.

And I feel like at the basic level, fundraising is just like this messy human process. And it's really not an area that works like this simple machine where you just pull a lever and presto chango, you get more money. And I think it's one of those things, especially for smaller nonprofits, and I don't know, maybe it's true for bigger nonprofits as well, where people get really frustrated and discouraged when what they're doing just isn't working.

So like, do you have any quick tip on like, what is your sort of framework for how to improve what you're doing in fundraising?

[Speaker 2]

Yeah. You know, I think it'd be easy to say, well, just focus on the relationship with your supporters. I mean, that's a given, right?

Whatever kind of supporter type it is. But I think specifically, organizations and frontline staff and leaders need to understand how people give and the meaning and the motivation behind the gift. Are they externally motivated?

Are they internally motivated? Each of which comes with its own set of unique and individual KPIs, right? And so any framework that you have to begin the process to think about who is in your supporter base and how they give and why they're giving, you know, the human attribute aspect of the relational side of philanthropy, the more you know behind the gifts, you can steward them how they want to be stewarded.

[Speaker 1]

I love that. People are not just like wallets that just randomly open. I love that.

Yes. Okay. Let's dig into our questions.

Are you ready?

[Speaker 2]

Yeah.

[Speaker 1]

All right. Here we go. Our first question.

I recently came onto the board for a small but nationally affiliated nonprofit. We are facing a cash on hand crisis and looking for any and all ideas. We lack any type of major gifts program.

Everything is always events and grants funded. While I know a major gift program isn't going to solve the immediate cash issue, am I wrong to suggest that major gifts should be the real strategic focus? If you could see my face listeners on this one, I'm just like...

[Speaker 2]

You're cringing.

[Speaker 1]

Where's the sad tuba sound effect? I don't know what you're going to say about this. I'm so curious.

[Speaker 2]

I mean, I just want to hug this listener right now because this individual is 100% spot on with... It's what we just led in with, right? The major donor, the deep supporter, that's the relational side of the work.

Oftentimes, I've found that getting out of that whole donor acquisition, special events, lens of raising revenues is so time bound and it's exhausting and it's a burner outer. That's not even a thing. It's a burner outer.

[Speaker 1]

It's a burner outer.

[Speaker 2]

It's a burner. It burns people out. It burns volunteers out.

It burns lay leadership out. It burns boards out.

[Speaker 1]

Well, if you're always chasing the next grant or prepping for the next event, you have no long range planning a lot of times.

[Speaker 2]

A lot of times. And you have no time to actually develop a relationship with those that are already in your corner. And so, absolutely, they are not wrong in identifying the need to lean into major gifts work because that's the messiness.

But that will allow in time the budget malleability that it sounds like this person needs and this agency needs.

[Speaker 1]

I'm going to push back on it just a little because the reason I'm cringing is I feel like I can see the tweets on fundraising Twitter where the person is like, we just need major gifts. I'll email Oprah. You know what I mean?

Because they're facing a cash on hand crisis, they're panicking. And so, I feel like the major gifts program is coming from a place of scarcity, crisis, panic. We just need somebody to give us a big chunk of money, which that might be real.

And I don't mean to undercut their feelings. And I'm sure it does feel that way. But I would encourage you to go through a bigger process of thinking about what is your major gifts program.

It's not just somebody to save you from your cash on hand crisis right now, but it's a long-term strategy. And it's not something that you can build in a second. These are relationships that have to be developed over time, I'm assuming.

[Speaker 2]

Correct. I mean, that's spot on. These are relationships that take anywhere between three, five, seven plus years to really nurture to a point of that budget malleability that we talked about.

And so, I think as this organization would look at this type of acquisition fundraising and the feeling that they're stuck in an annual giving churn, if you will, if I can use that word, there may

be those supporters who have been with them for a long time already that have been giving towards these annual asks. And as a top-tier segment, I would begin with the length of time somebody's been supporting the organization and start with them and be vulnerable enough to share the story. Not the crisis story, but the real, like, this is where we're going as an organization and what do you think about it?

Is this right?

[Speaker 1]

Yeah. I love that. Like, they have the beginnings of a major gifts program probably right under their nose.

They just need to take a look at it.

[Speaker 2]

Press the pause button and look. Yeah. Mm-hmm.

[Speaker 1]

Yeah, it is really hard when you're strapped for money. All right, next question. I'm going for foundations in smaller pots of money with the idea that these are a more likely bet than these super competitive large grants we've been applying for.

We always get far in the competition, but we haven't been successful so far. My thinking goes something like, I need to triple my output assuming I won't win most of the proposal requests that I submit. If I'm assuming I could win one-third of the proposals, then I need to submit three times as many at similar request amounts.

What do you think about this approach? Whew!

[Speaker 2]

Well, let me just clarify, because we got the plan here from the listener is to triple the revenue raised specifically from institutional supporters. Is that how you?

[Speaker 1]

That's what I'm hearing. Their task, I guess they've been assigned, like, they're like, hey, we need three times as much money from grants, especially foundation grants.

[Speaker 2]

Okay.

[Speaker 1]

So they're thinking, I know I'm not going to get this many, you know, for every four grants I put in, I'm going to get one. So I've got to, like, exponentially increase the amount of applications I put out.

[Speaker 2]

Okay. Yeah. So from a workflow standpoint, it sounds like this question is rooted in, like, the tactical.

[Speaker 1]

It is rooted in the tactical. I'm just not sure that their calculation is right.

[Speaker 2]

Well, right? Like, that's where I was going. So can I just offer some counter questions or some counter inquiries?

[Speaker 1]

Yeah, yeah. Let's do it. I mean, we don't have more facts, but we'll just make them up.

Do it.

[Speaker 2]

Let's just make them up. So, I mean, some of my questions, at least to get the baseline here, would be, like, what percentage of the total contributed revenue is already from this segment, like, as a total budget? Like, and how, to your point, like, how many of your future, I'm doing air quotes, like, triple the revenue foundation targets are existing or new, and what's a smaller foundation defined as?

Like, these are all critical things, and, like, where did this, what's the basis for this triple thing? I'm stuck on this triple with you.

[Speaker 1]

I know. I'm like, oh, back the truck up. Which board member told you you had to triple the grant money?

[Speaker 2]

Board member that might not have done fundraising? No, I don't know. No.

Probably not. Maybe so. Maybe so.

Does anybody, to that point about board members, though, is there anybody in that network of supporters that's already, has relationships with some of these smaller pots or family foundations? Or, again, I don't know how they define a foundation, so.

[Speaker 1]

The thing is, so, first of all, I can hear all the consultants out there crying that this person got good advice and didn't take it, and is writing into the podcast to get a different answer. So, a senior consultant discouraged me from this mindset. Well, I want to talk about, like, why would they discourage you?

I think there is a certain reality that you maybe need to target better.

[Speaker 2]

Yes. Yeah.

[Speaker 1]

Instead of just taking a shotgun approach where you just blast as many BB grant applications out into the world as possible, how about really narrowing your focus on people who are likely to give, or who have funded you before, and developing those relationships to go deeper for bigger money, or, like, why would we? I don't know.

[Speaker 2]

Yes, and, like, I'd also want to know, like, is this one person doing it? Is this a half FTE blasting all this stuff into the world? Is it with a contract grant writer, which, still, like, what does that responsibility function, that budgetary function look like internally?

And to your point, like, let's be smart and intentional about both the time and the prospecting. I mean, I would at least start with that and think critically about that, and what, realistically, what this whole triple goal meant, means, where is it rooted, right? What is the triple factor?

It sounds like a game show. What's it rooted in?

[Speaker 1]

Somebody else from the same organization as the other question, they have a cash problem. I don't know. I don't like the starting presumption that I'm going to assume I won't win most of the grants I apply for.

It's like, well, if you start there, then you won't.

[Speaker 2]

Of course, that's going to be your goal that you achieve. Of course you're not going to get it, because you assume that you're not.

[Speaker 1]

Yeah, I feel like there's not a great answer here.

[Speaker 2]

There's not a great answer to those impartial consultants, those coaches, those mentors out there. And again, the two of us didn't know much else about the nitty-gritty of the situation, but I do tend to agree, like, let's pause and let's talk about the why behind the triple first.

[Speaker 1]

Yeah, and assuming that there's, maybe there's a really compelling reason. Maybe it's like there's an incredible need in our community, and it's exploding, and we need to, we need to like level up to meet that need. Great.

Why not go to a funder you already work with and tell them the story about how this need is exploding, and we need to like meet it? Because why not just try and get one or two huge grants instead of trying to apply for a hundred and seventy-five thinking that you'll only get ten? Yeah, it's just, yeah.

I'm sorry, your consultant was correct. Don't bring this mindset into it. All right, moving on.

Here is our final question. Hello. Hey there.

Hi. I want to say hello back when the people are like, hello.

[Speaker 2]

It's better than greetings.

[Speaker 1]

Greetings and salutation. Hello. I am the director of development, and I am looking for a good way to help my fundraising team track our progress as a whole and as individuals.

I'd like to develop some good KPI templates, but I'm not sure what we should track. Any ideas? And KPIs, listeners, means key performance indicator.

[Speaker 2]

So when we start talking about KPIs, we tend to want to get in the weeds. And I think we'll be a little, we'll dance around that. But I think, I mean, it's a lovely question.

And candidly, I think as we talk about, as we think about our time, our commitments at work, like we want to know what we're doing is either working or if we need to course correct. So to that end, I've personally always been confused with organizations that have KPIs and metrics that are not at all rooted in things that the staff or team can control.

[Speaker 1]

Yeah.

[Speaker 2]

You know, and I'll say that we open this up by saying that this is messy, wonderfully joyful, beautiful work, but it's messy and it's human. And generally, what I've found is the things that matter, like truly deeply matter are not predictable and kind of inefficient. Instead of assuming or like proposing like you need to track these five things.

And if we're talking about institutions or individuals, like pause that button. I guess I'd go back to what does progress mean, both individually and as a team? What does fundraising actually do for the agency or organization?

And is there an alignment with an annual revenue plan or some larger strategic initiative that's maybe over multi years?

[Speaker 1]

And I'm going to make an assumption here just based on this question. They're saying, I'm the director of development. I'm looking for a good way to help my fundraising team.

But it sounds like they have no measurements in place. So I'm going to kind of go out on a limb here and say this is actually a very small nonprofit. That is the this is a board position because sometimes boards have a director of development and the team is a bunch of volunteers.

Because if this was like an organization that was big enough to have a paid staff who was a director of development and a department of people, they probably wouldn't be asking this question.

[Speaker 2]

Or even a department of that one, right? The question would be different.

[Speaker 1]

Yeah. So I'm going with this is like somebody who's new and they're trying to kind of figure out what it looks like to track fundraising success. And I think you're hitting the nail on the head with like there are some things that people go to because they think that's the right way to measure it when it's not.

[Speaker 2]

And that's where the trouble starts when they think it's the right thing to do.

[Speaker 1]

Yeah. So I think just to like blow that out a little bit, I can share a story just from my own from the law firm, right? Like I was working with a John Grant.

He's a coach. He's amazing. I love John Grant.

Shout out. And we were talking about, you know, KPIs and measuring things and I was resisting sort of like dollars measurements because I'm not particularly motivated by money. Obviously, my practice is working with small nonprofits.

But what we ended up doing was measuring client touches with the idea that like the more interactions we had with our clients, the better our firm would be doing overall because we're a client experience focused firm and more interactions with the client is going to result in more work or whatever because I do need to buy groceries even if I don't really care about the money as like a goal. So we actually measured like how many interactions did we have. And I feel like that lends itself in a way to like a fundraising environment where it's like this is about relationship.

So that's maybe one of the things we measure is what are the things that we're doing that touch the relationships.

[Speaker 2]

I don't know. That's right. Just spitballing.

I think you hit it on the head. Like we can go down the road of, you know, assuming like there's a plan for every single donor and then there's a tiered and qualified caseload. And then there's, you know, how each donor plan rolls up into a monthly quarterly annual forecasted budget.

And then let's further assume that each type of outreach tactic is segmented and pause. We need to pause. So I think you're right in that a lot of great starting points are what is realistic as a human doing this work, especially if we're assuming that this is a volunteer.

What's realistic in a week and in a month? And then what do those touches look like? Or what do those engagement points look like?

And I would hope that if we're valuing the relationship over the revenue, that there's a good sense of more often than not, there's not an ask, right? More often than not, it's just, hey, this came up and we thought about you or saw this. What do you think about that?

Thought you'd be interested in something, you know?

[Speaker 1]

Right, because I think the knee-jerk response to somebody who's just starting out and trying to figure out what to measure is, how many times did we ask? How many dollars did we raise? How many grants did we apply for?

And those are not necessarily the right things to measure.

[Speaker 2]

It's not meaningful.

[Speaker 1]

And you can't force people to give. So measuring your success by the amount of dollars that came in, it sounds intuitive, but it's the wrong measurement. Exactly.

It's not the thing that leads to the dollars coming in. You need to measure the things that lead to the dollars coming in.

[Speaker 2]

Also, the things that you measure should be in your control, like back to what I said before. And what you just said and what we just talked about, those are the things that you can control. You can control how many phone calls, how many coffees, how many visits, how many social pings.

You can control emails and all of that.

[Speaker 1]

And you can control- And you can count how many kudos did you get, how many positive comments on social, the good things coming back to you that are a metric of you're engaging positively with your community. You can measure those, too. I measure Google reviews, right?

Maybe you're not going to measure that. But you might get an email from a donor that's like, hey, I gave and I'm so happy with what you're doing. And hash mark, you know, there's another one.

[Speaker 2]

Mm-hmm, agree. Yeah, that's a great question. That's a really great question.

[Speaker 1]

It is a really great question. And I love taking it from the idea of like the beginner's mind because I feel like that's where we have the most ability to be like, don't go over there. That's the danger zone.

Come over here. This is where you can be successful.

[Speaker 2]

Yeah, exactly. That's the prime fulcrum of where we can actually change this whole narrative and system. Yep.

[Speaker 1]

Well, I think we have a couple of takeaways from these that really all circles back to your first comment. It's focus on the relationship. Don't focus on the dollars.

Focus on the relationship. Understand your donors. What does it mean to them to give to you?

What is motivating them? Are they externally motivated or internally motivated? Focus on the relationship.

And then I think another one that stuck out for me is if you're in crisis, first of all, that's not a good mental place to be in for planning.

[Speaker 2]

No, I've been there.

[Speaker 1]

I get it. A cash crisis does not equal send an email to Oprah. So if you're developing a major gift strategy, come at it from a place of looking at your community, developing those relationships that you already have, and knowing that that is a five to seven year process and it's not a quick fix.

[Speaker 2]

It takes time.

[Speaker 1]

So don't let your board pressure you to hurry up and turn around some major gifts. It's a long, long process because, again, it's all about the relationship. And then the last one maybe is measure what you can control.

I love that as a takeaway. When you're measuring success, don't hand away your power and be like, oh, I guess I failed because people didn't do what I wanted. They didn't respond to my 600 grant applications I sent out.

Measure what you can control.

[Speaker 2]

Right.

[Speaker 1]

Well, Noah, I know you are, you're on LinkedIn.

[Speaker 2]

I am on LinkedIn.

[Speaker 1]

And you're doing something exciting this fall here in the Twin Cities in Minnesota. Where can people find you this November?

[Speaker 2]

Yeah. So I am going to be at Neighborhood House for one of our New to Minnesota Responsive Fundraising Roadshows. And it's really just a peer learning event where a lot of the strategies and tactics that we talked about through these questions today, it's kind of a cool primer for what's to come.

And so I'm hosting it alongside other executive directors and fundraising leaders. And just so we can all collectively think about meaningful relationships, how to track some really good things that are in your control and walk away with some really great frameworks for how to think about fundraising, development, and stakeholder communication. So I'm happy to, it's on November 4th, and I'm happy to share those event details with you or put them in your...

[Speaker 1]

In the show notes. Awesome. So my folks in the Twin Cities here.

Oh, yeah. You know, come on down and visit with Noah on November 4th, eh? Okay.

[Speaker 2]

Yeah. I'm just grateful to have this space.

[Speaker 1]

Oh, I'm so glad to hold it open for you there, Noah. All right. If you enjoyed this episode, do me a huge favor.

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About the Author

Hi, I'm Jess Birken.

I'm the owner of Birken Law Office, I help nonprofits solve problems so they can quit worrying and get back to what matters most – The Mission. I'm not like most attorneys, I actually have an outgoing personality, and – like you – I like to think outside the box. Most of my clients are passionate and have an entrepreneurial spirit. I'm like that too. My goal is to help you crush it. Getting bogged down in the minutia sucks the joy out of the important stuff. My clients want to do the work – not the paperwork.

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