

Added Value

Timely Info from Karen Eber Davis Consulting

Fall 2004

Part Three: What Is Success? Sustaining and Growing Resources

Money may kindle,
but it cannot by
itself, and for very
long, burn.
-Igor Stravinski

Note: This article is the third of a four-part series on the topic of "What is Success?" The previous two articles ("Beyond Outputs, Outcomes and the Bottom Line" and "Making More Mission") can be found at kedconsult.com

Success requires a whole array of resources to fuel an organization's mission. Money is an obvious resource, but as someone wise said, "Although money is always useful, it is never sufficient." Organizations that focus only on money miss new opportunities to increase resources, ignore many other resources they already possess and even fail to protect vital resources. All resources can help achieve mission, long-term survival and success.

Resource types

You may find it helpful to classify resources into two types: *tangible* and *intangible*. Tangible resources are relatively easy to list and are routinely taken into consideration. They include buildings, staff, bank accounts, volunteers, equipment, supplies and the like. Developing an inventory of intangible resources invites more consideration, and often varies by organization. For example, your list may include the

camaraderie among staff and volunteers, the regular practice of ethical standards, overall credibility, the quality of your media connections and your patron's loyalty to your cause. Another organization might list attributes like creativity, flexibility, fresh thinking and their willingness to prevail in the face of setbacks.

Working with the concept

As a thought-provoker, ask your board or staff to brainstorm all your organization's resources, both tangible and intangible. A month later, recheck your list for additions. At this time, consider ranking the resources in two ways, first in order of their importance to your survival and second in order of importance to your success.

Another useful and team-building exercise involves creating a task force to focus on your most important intangible resource. The task force can consider if the resource could be increased, sustained or managed as it decreases. For example, imagine how many ideas a task force could develop and help implement to help elevate your marketing presence. To keep the task force

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Karen Eber Davis Consulting, "the More than Money" organization, helps people turn good ideas into exceptional, funded ventures. Since 1994, the firm has helped hundreds of organizations, including social service, education, religious, arts, environmental government and healthcare institutions to improve the services they offer to their customers and strengthen their organizations.


Karen Eber Davis Consulting

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productive, suggest they develop three specific activities that they can finish in six months.

Success and resources

Most people agree that success over time brings more resources. Even though money is the most common resource we count, money does not stand in isolation from other organization resources, both tangible and intangible. Successful organizations seek to grow both tangible and intangible assets.

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Added Value: Four pieces of advice about increasing your money resources

2. “It doesn’t seem right to spend money to make money.”

Response: Spending money is what you do when you purchase picnic food, park it in the August sun for hours and then throw them away to avoid food poisoning. Investing is replacing tires on your car, teaching a child to read, taking five awkward minutes to have your body part squeezed in a mammography machine and learning how to find resources for your mission. All of these activities have time and costs associated with them. I advocate your goals include making terrific use of **all** your investments, including your money but especially your time. You will make great gains by investing in both.

3. “The cost is the same except for Joe’s time.”

Response: Therefore, the cost is different. Joe, who is very busy, would likely take one hour a week more each week (x 52) at \$10 an hour, or \$520, to complete the activity. Remember: Any resource has costs associated with obtaining it. I counsel you to make sure your cost estimates include all the real “costs,”

not just obvious out-of-pocket expenditures.

4. “They didn’t have to do anything except submit a letter, and they got \$300,000.”

Response: Yes, groups and individuals often get a few “lucky” breaks—some come early, some come later. It’s wise to take full advantage of your windfalls. However, remember that *Easy Money* is the name of a depression-era Milton Bradley board game, not the “game” you can count on to develop long-term resource streams. Generally what looks like “not doing anything” involved careful planning, patience, work at increasing organizational credibility, quality programming, relationship building and ASKING.

Money is an important resource in your organization, too important to let myths and false calculations get in the way of your planning for it. If you hear statements like these at your organization, by challenging them, perhaps with arguments presented here, you can help your organization to make better decisions that will in time help it to increase its resources.

Feedback:

Agree, disagree? What other money related “myths” do you encounter? Email and let us know your thoughts!

Newsroom

What’s new at the kedconsult.com website?

1. A survey

Take a few moments to respond to our current survey: *What is the best activity your organization ever did to increase its capacity?*

2. New articles

- How Will We Pay for This? 14 Approaches to Obtaining Income
- Never Miss a Grant Deadline Again
- Where Do Nonprofits Get their Funding?

3. Details on events

- **Oct. 21-** Corporate and Foundation Grant Seeking
- **Nov. 30– Advanced Grant Clinic:** How to Successfully Answer the Dreaded “Future Funding” Question
- **Jan. 13-**Show Me the Money
- **Feb. 17-** Three-Steps to Program Improvement; The Get Wise Strategy

Besides these new items, don’t forget regular features like back issues of this publication and articles like:

- How First Class Are Your Operations?
- How to Develop a Great Mission Statement
- Your Organization's Future

Good News for Purchasers of *Local Sources* & *More Local Sources, 2004-2005*

In addition to the resource books, purchasers get periodic updates. To date, I emailed three updates (2 for MLS and 1 for LS). If you purchased a copy of the current edition and didn’t receive them, please email me to obtain this information.

Resource Exercise: Invite Your Leadership to Dessert

Do you want to help your leaders gain new insight about your organization? Invite them for dessert, and ask them to participate in this rich exercise.

Goals:

To share with others about your current income sources and to look at opportunities for future funding.

Time:

Allow one hour, as part of a retreat or a meeting.

Steps:

1. Hand each participant a paper with a 6-inch circle drawn on it.
2. List your income categories on a board (optional).
3. Ask each participant to individually make a pie chart for your organization based on his or her best guess of your current income sources.
4. Share the results. Discuss the ranges of the guesses.
5. Post your existing income pie chart.
6. Share one or more of the following pie charts:
 - a. The compilation for all nonprofits found in the free articles section at www.kedconsult.com.
 - b. If you are part of a national organization, the compilation of your sister organization's pie chart
 - c. A chart from your industry segment, i.e., animal welfare, congregations or employment specialists.
7. Ask for surprises, insights and learning points. Share what you learned putting the exercise together.
8. Additional optional questions for the group:

- a. What is our ideal pie chart?
 - b. Do we invest our training, resources and leadership in proportion to the amount of funds they yield? Does it make sense to do so?
 - c. Are we missing any slices (funding sources)?
 - d. If we want to enlarge or change the proportions of our pie, what actions must we take? Is this an appropriate activity for a task force?
10. As you make plans, serve dessert—pie, of course.

Preparation:

- Do a dry run of the exercises as if you were actually participating. Walk through the steps and modify as needed.
- Gather supplies: pencils, markers, newsprint or a whiteboard to take notes and circle handouts. Create a pie chart for your organization. Gather other pie charts. Collect dessert supplies: pies, plates, forks and serving utensils.

Grant-Link

If your income pie chart is vastly different from other organizations in your sector you may wish to include this information in your applications and case statements --- tell why the difference is a positive or if its not, share specific efforts underway to modify your income pie chart.

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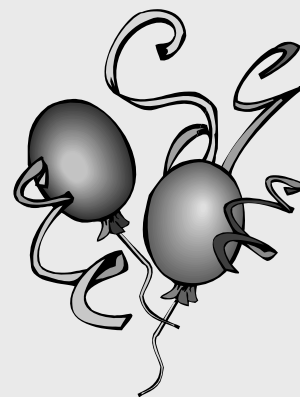
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Added Value: Four Pieces of Advice About Increasing Your Money Resources

This issue marks the tenth anniversary of my consulting firm. Over the years, my work has often revolved around answering questions related to funding organizations and programs. Here are four comments that I've frequently heard along with my typical responses:

1. "If we were *big*, we wouldn't have this money problem (or replace *big* with a phrase like *an arts group, a social service agency, from Sarasota, etc.*)
Response: The nonprofit search for resources is a constant. No matter how successful and large you become, you will always have a mission and a vision yet to fulfill. As Henry Kissinger said, "Each success only buys an admission ticket to a more difficult problem." Nonprofits, for the most part, offer goods and services at below market cost. Combine this with all the wonderful and creative ways that exist to pursue your mission, and you can begin to see the ocean full of resources you need. I recommend you accept this reality, and resolve to get extraordinarily adept at attracting resources, including money, to your organization.

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Our 10th!

Celebrating ten years of
serving organizations
and helping leaders
make their visions
come true!