

Fundraising Good Times: Nonprofit values and efficiency

Written by Mel and Pearl Shaw
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Board members with experience and connections in the private sector can help nonprofit organizations grow and think in new ways. And nonprofit service can help board members from the private sector to grow and think in new ways, too.

Efficiency and cost reductions often contribute to business success. Time and energy is devoted to developing and implementing strategies that increase the efficiency, value and profit while decreasing costs. Technology, collaboration, and innovation have factored greatly in this process.

Technology, collaboration and innovation are also prevalent within the nonprofit sector. At the same time many nonprofits are often seen as inefficient. Sometimes even board members question the "results" of the nonprofits they serve. While questions are always welcome within organizations that value the full participation of all members, it is also important to consider some of the ways in which nonprofits, in general, are different from the private sector, in general.

Many nonprofits place trust, relationships, community building and diversity at the heart of their values and operations. This enables them to do the hard work that takes time – and sometimes generations – to accomplish. Ending poverty, eliminating health disparities, decreasing family violence and increasing educational attainment often require strong relationships, trust and a knowledge and understanding of the people being served. An efficiency-focused organization might, for example, choose to consolidate services in one location, eliminating neighborhood-based services. This can reduce operating costs and benefit staff who can work together more closely in one office instead of five smaller ones. But, this might not be what is best for the families being served. Removing service providers from the fabric of the community can decrease an organization's understanding of the issues, concerns and assets of a neighborhood. It can make it more difficult for people to access services due to transportation issues. It can work to break down the trust that has been built up over years – a trust that encourages people to take different actions in an effort to achieve different outcomes.

Likewise, it may not be apparent to board members that a long-term receptionist is one of the most important people within the organization because of the relationships she has developed with families the nonprofit serves. She could be replaced with a new phone system, but what else might the organization lose that is core to its mission?

And that is the difference – nonprofits measure success by their ability to deliver on their mission. Sometimes that process is very similar to that used by the private sector. Sometimes it is different, or may appear inefficient. If you provide leadership for a nonprofit take time to

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understand the core values that drive the organization and how these are made manifest in operations.

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