



Two Sides of the Coin

by Bob Jones

Taoists suggest that pain and joy are two sides of the same coin. In a recent *Families in Society* reflection on terrorism and September 11, Kam-shing Yip gently reminded us that just as blessings often bring suffering, so too at the end of suffering come blessings. There is much wisdom in this perspective. Yet, it is hard for our staff and volunteers to hold on to a balanced vision of the organization while enduring the pain of cutback after cutback. But quite probably, one of the blessings to be gained in these difficult times, particularly from the tensions around agency allocation of scarce resources, is the dialogue it requires. The dialogue should be among our board members, leadership teams, and staff, and it should sharpen our definition of who we are, bring greater clarity to values and mission, further develop the essential core capacities we require in order to be effective, and foster innovation and positive change to enter a new and uncharted frontier.

This dialogue is the beginning of the empowerment of your leadership team and board. In this process, the rediscovery of your values, vision, mission, and

creative capacity will uncover a renewed energy that can be harnessed on behalf of resource development, innovations, and identification of new opportunities. In fact, if we allow ourselves and our leadership teams both sides of the coin, including “the blessings,” I believe we will embark on a very exciting and creative period in the evolution of the child- and family-serving field.

I am aware of the organizational trauma many of us are enduring. The economic downturn is hitting all of us quite hard. My agency, like so many others, has had significant revenue reductions and staff retrenchments. Government is in deficit, foundation revenues are down, donors feel depleted and uncertain about their future, unemployment is at staggering levels in many communities, local businesses and retail establishments are suffering, and all of this is within the general anxiety and uncertainty of global tensions and war. In one Midwestern city the local nonprofit management support center has completed a curriculum on how to close a nonprofit agency. Agencies are downsizing, folding, merging, and just struggling to find safe harbor. In my

last column I suggested that we will be required to work twice as hard to raise the same amount of money. For most of us raising the same amount of money will be impossible. Worse yet, many of us are in environments where charitable fundraising has been elevated to a level of professional sophistication that now requires significant investments of staff and capital in order to compete at the very time when dollars are scarce. These are challenging times.

A colleague recently told me that we are in “the winter of our career.” A simple yet powerful metaphor in which she captured the barren and resource depleted nature of our environment, the painful but natural cycles of the system shifts we are facing. Yet it also demonstrated an awareness that spring does arrive and therefore the consequent necessity that her agency be prepared with energy, creativity, and spirit of innovation for that day.

This is new for most of us. The fact is that few of us have been executives, board members, or development professionals during such a deep and difficult economic downturn. Great scarcity challenges our ability to find balance, hold to a calm and deliberate approach to organizational capacity building and mission direction, as well as to nurture a sense of hope within our agencies.

Positive, visionary, and hopeful leadership is exactly what is required of leadership teams and us. It is what we must provide our staff, volunteers, and community. Managing the mood, mitigating the fear, and providing a vision of a tomorrow is essential if we are to sustain and nurture the morale of our staff and volunteers who make our mission a reality.

It is all too easy to allow ourselves and our agencies to be defined by the cuts, the shortfalls and the sense of resource depletion. We struggle with hard questions: How do we ensure adequate investments are maintained in organizational core capacities while program dollars continue to decline? How do we appropriately position our agencies for future opportunities and the economic recovery that will eventually occur while continuing to sustain governmental and philanthropic revenue reductions? And

most importantly, how do we help our staff and board keep a healthy perspective on the entire organization when their anxiety and fears are targeted upon their job or their program or their particular area of interest?

During challenging and difficult times in nonprofit leadership, many people fall into the trap of a depressive, internally focused, deficit-based thinking process with cost-cutting strategies as the primary emphasis and solution. Additionally, it is easy to become isolated and overwhelmed by the challenges of surviving these times. This is why I stressed the power of relationships and our network in the last column. The collegial relationships we maintain and develop in this network are a tremendous asset. We are not alone. I guarantee, whatever you are facing, one of us out here is also struggling with the same challenge. Reach out and stay connected.

The Bare Bones

Nowhere is the two-sided coin more apparent to me than in the difficult decisions we are confronting, almost on a daily basis, in agency resource allocation. A cartoon sent to me by a colleague graphically captured the internal tensions and the danger of these competitive times of scarcity. In it, primitive cave people hold clubs, look ferocious, and gather about their kill of sorts. The caption reads: "This meeting was called in order to discuss the meat. It has been pointed out that there is no more meat. A motion has been made to fight over the bones."

This scenario is particularly poignant for our development professionals. Particularly during this time of less return on investment from development activities, there may be a tendency by some program staff, managers, board members, and even executives to begin to question, even to begrudge, development efforts and/or staff the resources needed to maintain donor relations and community partnerships. Strong leadership and a genuine sense of hope are required by all of our leadership professionals in order to avoid divisive budgetary battles over the allocation of limited resources. It is quite understandable how internal fis-

cal tensions can happen as competition between organizational core services and program commitments, with the latter often cloaked in the mantle of "mission," while the former is often seen as a kind of organizational indulgence. No one doubts that programs are facing escalating demand in the face of less support. But ironically, it is also now, more than ever, that we need organizational investments in capacity, particularly in our development and communications functions. Again, therein lies a blessing—an opportunity to bring to focus the complex systemic relationships (internal and external) that support our mission and bring life and energy to our ever-evolving community partnership.

Striking a Balance

Nonprofit leadership, both professional and volunteer, requires an articulation of hope for the future. It demands that we seek and nurture the innovative spirit that has allowed our agencies to grow and thrive in past decades and even centuries. Our ability to be connected with our community and to respond with creative energy and an innovative spirit is essential and will pay significant dividends in the future. As the prophet Isaiah declared: "Without vision the people are lost."

Although hope is essential, we are also required to provide and share with our leadership teams an integrated vision of our agency's systems and an appreciation for the complexity of relationship management that is required of our agency for future opportunities. We must also nurture and encourage innovative and creative programmatic responses. Key to these abilities is a fairly sophisticated understanding of the mission as well as the ability to articulate our mission as a defining, differentiating, and competitive strength that we bring to our community. This balanced vision of the interrelated nature of programs and core support is a managerial imperative if we are to chart a successful course through these turbulent waters. The clarity and energy found in a genuine understanding of and commitment to mission will be our North Star.

The Challenge: Maintaining/ Building Capacity

With all this said, I also recognize that financial resources for core institutional supports and services are now among the hardest to marshal. Sadly, and contrary to what we now know about social impact and effectiveness, program specific funding, once the hallmark of government, is now the direction being taken by most United Ways and foundations. Letts, Ryan, and Grossman in their *Managing Highly Effective Organizations* (1999) convincingly argue and present research that demonstrates that the missing ingredient in the prevalent, program-centered conception of social impact is organizational capacity. It is the capacity for strong performance in organizations that provides the foundation for lasting social benefits. The historic ambivalence of the nonprofit sector toward investments in infrastructure and capacity is clear to all of us and to anyone familiar with our field. Those authors argue, and I agree, that we need to broaden the perspective from what enables programs to succeed to what enables our agencies to perform well. But in an environment of program-specific funding and grants coupled with scarce resources, our agencies are not economically rewarded for our investments in capacity. Internal capacities, such as philanthropic development and communications, quality processes, research, benchmarking of performance, and human resource management all inflate the highly suspect and scrutinized "general and administrative" cost percentage. Yet, these capacities are the backbone of our ability to effectively advance our mission within the community and obtain sustainable results. It is clear that without investments in mission-supporting capacity, our organizations will fail to be truly adaptive to our communities. If we are to survive in these resource-depleted times, we must maintain our adaptive capacities through investments in organizational goals such as: development, communications, learning, responsiveness, and innovation. It is only in this way that we can nurture and encourage continuous re-invention of mission-centered solutions on behalf of our communities.

However, economic pressures can and often do drive resource-focused, program-specific models of funding and management—the classic dilemma of money or mission. Sadly this direction often prevents agencies from integrating and articulating the compelling added component of their mission. This narrow focus causes the loss of the strongest differentiating quality offered to partners in government, the business world, and philanthropy—mission. Of course we must embrace and harness principles of business and technology, but never at the expense of understanding that mission-centered action is our primary asset and energizing force within our communities.

Lester Salamon and others stress the resilience of our sector. They emphasize our ability to focus upon the specific value we bring to the larger civic society, our commitment within and to our community, our willingness to be a sustainable presence. More clearly put by a colleague: “Look, we have to keep focused on the mission, we can’t keep arguing over the bones. This needs to be a time of opportunity and innovation—not hunkering down and hibernating until the winter is over. Planning for the future is key.”

Tools & Tips

Okay, all of the above makes sense, but admittedly a tad lofty and abstract while there are payrolls to meet, clients to be served, donors to be found, programs to support, and tough resource allocation decisions to be made. So, allow me to offer some basic thoughts on sustaining hope, energizing fund development efforts, and nurturing an innovative spirit—regardless of where your agency stands on the size or even the existence of a current development department.

1 Work the plan! Involve your leadership team in revisiting and revising it to reflect the unfolding realities your agency and community face. If you don’t have a plan proceed to number two.

2 Begin planning. Gather and engage the collective wisdom of your staff and volunteer leadership. Write a mission-centered business plan. Include both your programmatic and organizational development goals. Don’t just talk about

it, write it. But make it simple and don’t exceed your agency’s resources to develop or execute it.

- Work it. A grade “C” plan executed with energy will always out-perform delay.
- Don’t sacrifice the adequate in the pursuit of the perfect.
- Remember a plan is a tangible commitment. It is a statement of leadership intent and a vision of hope for the future.

3 If you don’t know how to write a plan, which is more common than you may realize, then borrow one from the Severson Center or a colleague. (Tom Harvey, senior vice president of member services at the Alliance just mailed a curriculum to all of us in the Alliance on writing and using business plans in service of mission. It’s a great template.)

- Edit the borrowed plan to your situation and community. Involve your leadership team in this process.
- Call the Alliance and get linked with a couple of colleagues who might be able to talk you through it or give you some ideas and tips.

4 Put time, energy, and resources into your leadership team. Now more than ever we need the ideas and energy of our professional and volunteer leaders. Do not isolate yourself or allow key players in your organization to become isolated. Much creativity and innovation will come out of the empowerment of the leadership of our agencies.

5 Invest time with a colleague who you can trust. Confide in her or him. Seek support and the confidence that is found in a solid peer-to-peer network. It makes a huge difference to know you’re not alone. It makes an even bigger difference if you have a peer with whom to reality test and brainstorm.

6 Work with your board. Use the planning process and the plan to energize and educate them regarding the realities you are facing together. They should be your biggest source of support and a reservoir of positive energy on behalf of your mission and the plan.

- If they are not helpful, work with them even more and return to suggestion number four. Part of our job, as leaders,

is to expand the board’s vision and understanding of the possibilities of our agency. The planning process is often the key to their understanding.

- Note: It is neither acceptable nor adaptive to “explain” that a board is one of the debilitating factors in an agency’s decline.

7 Become familiar with all the tools the Alliance Resource Development Network (RDN) has to offer you in helping you to energize the board, develop your plans, and support your fund development process. There are affinity groups, published curricula, distance learning opportunities, bibliographies, and resource packets available through the Severson Center as well as a rich and experienced network of colleagues with whom to network. (For more information on RDN, see page 30.)

8 Join the CEO or the RDN Listserv.

9 Breathe—yes, breathe! Take care of yourself and manage your energy well. Remember, this is a marathon upon which we are engaged. It is not a sprint. Pace yourself. And also remember that you are not alone.

Suffering and blessings are indeed two sides of the same coin. Tough times, for sure, yet with a sense of hope, a renewed passion for our mission, the determination to plan for tomorrow, the discipline to work our plan while responding to the challenges of today. We will not only survive but also put in motion the creative and innovative energies that will allow us ultimately to thrive. So, flip the coin. It has two sides! ▲



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