

HOW TO RUN A SUCCESSFUL NONPROFIT



2020

HAVE YOU REACHED YOUR POTENTIAL?

BAUW

So you have a nonprofit: it's operating adequately, you're growing your social media numbers, and volunteers and clients are flocking through your doors. Maybe only one or two of those are true? Need help with all of the above? That just means you have **realized** your potential, and now it's time to **reach** your potential. Running a successful nonprofit takes time, energy, capacity, and a lot of creativity. If you're wondering how to run more effectively and efficiently, this guide is for you.

ATTRACT, ENGAGE & EXPAND.

It's time to take a look at your nonprofit and really analyze how you're doing. Are you duplicating services? Are you missing out on grant opportunities? Are you even able to grow as is or do you need to invest in your organization first?



Let's take a look inward, how is our organization doing?

1. How much does your organization fundraise?
 - a. Is your org's funding portfolio diversified?
2. What is your org's brand awareness?
 - a. Is your org on social media, how is marketing tracked?
3. Can your org increase volunteer engagement?
4. Is your org's board as effective and engaged as possible?
5. How is your org serving its clients? How is impact tracked?
6. Is your org as strong as an advocate for the community as possible?

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GENERAL TIPS

Have a clear mission statement—the mission is the primary goal of the organization—it is why the organization exists. It is the drive of the organization and explains the end goal: what the organization is trying to accomplish.

Should answer five questions:

- What does the organization plan to do?
- Who will it serve?
- Where will it operate?
- How does the organization plan to deliver its services?
- Why has it chosen its specific social purpose?

Mission statements should be targeted:

- A mission statement to do everything will likely not be achieved and the organization will lack clear direction.
- If the mission statement is too narrow, it may not provide sufficient challenge to sustain itself over time.

Costs can be complicated—It is important to understand what you want to achieve and depends on the intended use.

Planning is essential—planning can be accomplished by establishing the mission, a strategic plan, a long-range plan, and preparing a detailed budget.

Having a profit surplus is important—having a profit surplus allows the organization to provide a safety margin, replace equipment and facilities overtime, and expand their services over time, as well as improve and take advantage of new technologies.

Volunteers are necessary—nonprofit organizations are able to leverage the volunteers passion and excitement to reach a wider audience and accomplish your mission. Volunteers expand what your organization is capable of.

Finkler, S., Smith, D., Calabrese, T. and Purtell, R. (2018). *Financial management for public health, and not-for-profit organizations*, 6th Ed. Thousand Oaks, CA: CQ Press An Imprint of Sage Publications, Inc. ISBN: 9781483307701

McRay, EA. (2011). *10 business essentials for nonprofits*. Foundation Group. Retrieved from: <https://www.501c3.org/10-business-essentials-for-nonprofits/>

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CHARACTERISTICS OF A SUCCESSFUL NONPROFIT

Always focused on their mission—It's the reason for existence—it is their direction. The mission statement, vision, and values should be shared to employees and donors. With a clear mission statement, the purpose is clear—employees and donors can see the bigger picture and understand how they are contributing.

Donor-Centric—know that donors are much more than the dollars they give. Understand that donors are people and it is important to help donors understand how they are making an impact. Let donors see how they are making a difference and explain in terms they understand and how their donation is making an impact.

Diverse Funding Sources—even though a nonprofit focuses on their mission, and not making a profit, having a profit is still important. Developing diverse funding sources, is a good practice.

- For nonprofits, there are many sources available—individual donations, grants, corporate sponsorships, membership fees, in-kind donations, planned giving (gifts through a will, estate planning), foundation support, annual-giving programs, & running a campaign.

- **Investing is another possible income source**—cash that is not immediately needed for operations is idle or surplus—could be invested to get some return on the “idle cash”
 - **Checking and savings account**—could be through online banking for a better APR.
 - **Certificate of deposit**—higher-yielding investment, but ties money up for a least a month and there is a penalty for early withdrawal
 - **Marketable securities**—high return if invested properly, subject to fluctuations...this includes bonds and notes and shares of stock
- **Important to understand how the organization looks at risk before investing**—some people within the organization will want more risk, while others will want a more secure option.

Ibrisevic, Ilma. (2018). *7 Key characteristics of a successful nonprofit*. Donorbox Nonprofit Blog. Retrieved from: <https://donorbox.org/nonprofit-blog/characteristics-of-a-successful-nonprofit/>

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CHARACTERISTICS OF A SUCCESSFUL NONPROFIT CONT.

Engaging—as an organization, the nonprofit should be able to create passion and connect volunteers, donors, and employees to the mission statement, the goal of the organization. By creating a connection, volunteers, donors, and employees will continuously work towards the mission statement and achieving the goals of the organization.

Adaptable—willing to learn and improve continuously. Nonprofits should be willing to adapt to new technologies, practices, and the changing environment. The organization should be open to feedback and willing to listen to their board, volunteers, staff, and other organizations.



Ibrisevic, Ilma. (2018). *7 Key characteristics of a successful nonprofit*. Donorbox Nonprofit Blog. Retrieved from: <https://donorbox.org/nonprofit-blog/characteristics-of-a-successful-nonprofit/>

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MARKETING

Raises awareness—with better brand awareness, more people will know about your organization—it gets your organization in front of new people and informs them on how they can contribute to the mission. The more people that know about the organization, allows more potential donors, leading to more potential funding.

Promotes your services—helps promote the purpose of your organization.

Create a marketing plan

1. Define your goal—use SMART goals (specific, measurable, attainable, relevant, and timely) to be precise when making a goal. Think about what you would like to accomplish through these ads/campaign

2. Understand your audience—with nonprofit marketing, there are many audiences—it is important to understand who you are talking to and vary your message based on the consumer.

3. Key point/message—this is the part you want your consumers to remember. This is why you are running the campaign, the why your organization deserves support. This message encompasses the main point.

- **Keep your key messages aligned**—create an identity for your brand
- Keep the key message meaningful, but simple—you want the audience to remember this.
- Keep the message similar for each audience—each audience will relate more to a message more directed towards their persona.
- The mission, vision, goals, and with the key messages having a similar tones throughout them, it creates a strong message to show your purpose.

4. Marketing strategies/tactics—this is how you are going to say it. Marketing tactics are the channels to use: email, social media, out-of-home, events, and more. It is important to have an understanding of the tactic before launching.

5. Analyze performance—understand how the campaign/advertisements performed allows for improvement and seeing the successes

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MARKETING CONT.

Email marketing—personal, powerful and highly effective. Can send weekly updates, donation needs, volunteer opportunities, educate, and send a thank you.

Event marketing—effective & enjoyable way to raise awareness, connect, and gain support.

Video marketing—gains interest and support from all audiences. Video is personal and sparks emotion and empathy. Video is also a chance to reach more people and educate.

Social media marketing—it is free and allows the organization to create a brand identity. Social media allows your organization to share your mission, news, build brand awareness, fundraise, increase number of volunteers, and give recognition.

Website—this is the base of your organization. This is where consumers can come and get important information and learn, in depth, about the organization. The website can serve as a link between your social media, events, videos, online donations, and more.



Decker, Allie. (2020). *The ultimate guide to nonprofit marketing in 2020*. HubSpot. Retrieved from: <https://blog.hubspot.com/marketing/how-to-run-a-lean-mean-nonprofit-marketing-machine>

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FUNDRAISING

Be ethical—transparency allows the donor to have confidence in your organization. Make it easy for visitors to find information—sources of revenue (unless they ask to remain anonymous), board members, programs, outcomes, staff, financial statements—about the organization

Be accountable—send gift acknowledgements, respect their restrictions, disclose what is required by law as an organization, provide reports and let donors/potential donors see the impact, give them acknowledgement when it is wanted. Be able to show donors what their money is being used for.

Respect donor intent—legal and ethical matter—it is important to recognize "restricted" gifts and use restricted gifts how the donor intended. Make sure to clarify with the donor if necessary.

Be transparent—report fundraising costs and operating costs (this is required by law as well), but this is not something a nonprofit should be ashamed of—these costs help achieve the mission as well.

Understand your donor—know that they are more than just their donation, they are a person. Understand the "ask" and get to know the donor—do not push them if they ask for time to think about the donation. Follow-up with them and understand their concerns—be willing to negotiate.



National Council of Nonprofits. (2020). *Ethical fundraising*. Retrieved from: <https://www.councilofnonprofits.org/tools-resources/ethical-fundraising>

Heyman, Darian Rodriguez. (2016). *Nonprofit fundraising 101: A practical guide with easy to implement ideas and tips from industry experts*. John Wiley & Sons, Inc. ISBN: 9781119100461

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EVALUATION & MEASUREMENT OF OUTCOMES

Impact is important: it is what you are trying to accomplish and the results that come of the hard work.

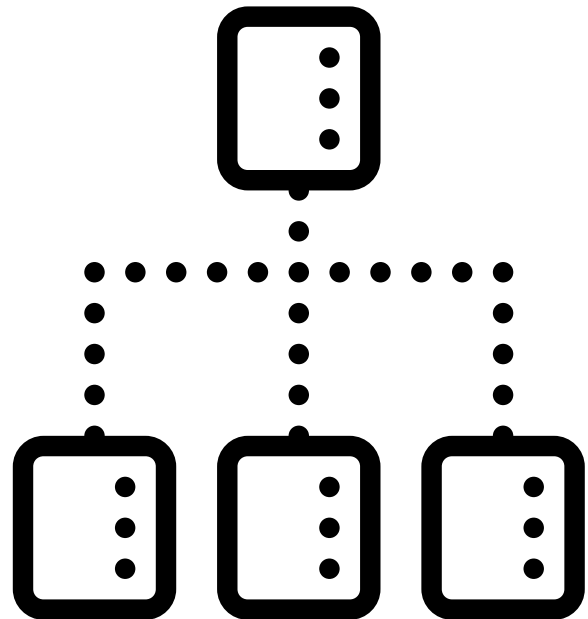
Grantmakers, partners, donors, volunteers, etc. care about the results—it is important to evaluate your nonprofit so you can show your impact and explain the importance of your organization. It is important to let them see how they are making an impact through their donation.

Evaluation could be done formally, by using feedback loops (see what works and what doesn't), by monitoring goals and using lists—it depends on what works best for your organization.

Measurement can be used in marketing as well—it provides data and stories to be told and used to visually explain your impact

Allows for improvement or to see what is working well—gives feedback for what is going well and what may not be going so well. It allows you to see what adjustments need to be made.

Shows accountability—when working with donors, it is important that they know they can trust you and that you are accountable. Being able to show them numbers, and an evaluation, it helps build their trust with you.



National Council of Nonprofits. (2020). *Evaluation and measurement of outcomes*. Retrieved from: <https://www.councilofnonprofits.org/tools-resources/evaluation-and-measurement-of-outcomes>

Ibrisevic, Ilma. (2018). *Measuring nonprofit social impact: A crash course*. Donorbox Nonprofit Blog. Retrieved from: <https://donorbox.org/nonprofit-blog/measuring-nonprofit-social-impact/>

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INFRASTRUCTURE

Business Plan—this explains the who/what/when/where of the organization. It is the action plan identifying the tasks, milestones, and goals. It also identifies the potential successes and risks the organization may face providing a SWOT analysis.

Strategic Plan—outlines how the organization plans to achieve the mission. This plan typically does not have financial targets, but is paving the way for specific, detailed budgets. The strategic plan is the link between the mission and the activities of the organization. The strategic plan answers the “how.”

Long-range Plan—this establishes the major activities to be performed by the organization within the next 3 – 5 years. The long-range plan provides a link between the strategic plan and the day-to-day operations. This will give the organization an opportunity to grow and create a vision.

Budget—this is the mission, strategic plan, and long-range plan come together to create the budget. The budget is the plan to accomplish the goals set through the mission, strategic plan, and long-range plan. This is where the financial aspect of the organization comes into the picture. The budget is a statement of the organizations priorities. A budget provides a plan.



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National Council of Nonprofits. (2020). *Business Planning for Nonprofits*. Retrieved from: <https://www.councilofnonprofits.org/tools-resources/business-planning-nonprofits>

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BROOKINGS COMMUNITY CONNECTIONS

Brookings Area United Way—works to bring people together and help the community reach its fullest potential. We partner with nonprofits throughout the community and help build a stronger community. By working with many nonprofits, we are able to see the needs of the community and hear from nonprofits about what is happening/what needs to be focused on in order to create a strong community. Offer a community calendar for events being offered around the community as well.

- **Phone number:** (605) 692-4979
- **Address:** 619 5th Avenue, PO Box 750, Brookings, SD 57006
- **Email:** uw@brookingsunitedway.org

Chamber of Commerce—features businesses within the Brookings community. The Chamber works to promote and connect within the community. They want to enrich and advocate for the community as well. They work to connect the businesses within Brookings. They have a community events calendar as well.

- **Phone number:** (605) 692-8922
- **Address:** 1321 6th Street, Brookings, SD 57006
- **Email:** info@brookingschamber.org



BROOKINGS AREA UNITED WAY

Brookings Area United Way is a 501(c) 3 fighting for the better health, education, and financial stability of every individual in Brookings County. United Way leverages community donations to help stabilize and promote critical programs and initiate crucial conversations about Brookings County's most pressing social issues. By uniting people, sharing resources, inspiring hope and enriching lives for a stronger Brookings County a community where all children and families live in a safe and nurturing environment with the same opportunities for success.

For more information, please visit brookingsunitedway.org.

Disclaimer: This information is valid as of August 2020. These guides are recommendations and by no means should be used as an all-inclusive list of running a nonprofit. Please do adequate research and check all sources with official decisions of a 501(c).