

# From Transaction to Transformation: Attaining Success in the Nonprofit Sector

Craig's List Foundation  
Boot Camp – UC Berkeley  
August 19, 2006  
Kay Sprinkel Grace, Plenary Session

# What We'll Cover

- Attaining success: key principles leading to engagement and sustainability of your donors
- What donors are looking for and what they expect as investors
- From transaction to transformation: the biggest step you will ever take
- Why all of this is social investment and why each organization is a community asset
- Staying strategic: what it takes, why it is critical

# Key Success Principles

Tried, true and effective

# The Foundation and Framework for All Philanthropy

- People give to you because you meet needs, not because you have needs
- A gift to you is really a gift *through* you into the community (you are not the end user)
- All statistics about reach must be enriched with stories of impact
- Fundraising is not about money, it is about relationships
- It's not about you (windows or mirrors?)

# Defining Philanthropy

- “Assets” are more than financial
- Philanthropy has been transformed in its definition from “love of humankind” into the way that love is expressed: voluntary action for the public good which includes giving, asking, joining and serving
- Great philanthropic organizations build not only their financial assets, but their human and community assets as well
- Philanthropy must be engaged and sustainable to be successful

# The nature of engaged philanthropy

Hearing the “click”

# The “Big Three” of All Philanthropy

## ■ Mission

- Bigger than your organization
- Tells why you exist, not only what you do

## ■ Vision

- It's not about you

## ■ Values

- The biggest of the big three

# Mission Example

- Vector Health Programs (medical agency treating hands)
- “Next to the human face, hands are our most expressive feature. We talk with them. We work with them. We play with them. We comfort and love with them. An injury to the hand affects people professionally and personally. At Vector Health Programs, we give people back the use of their hands.”

# Mission Example

- Yale University School of Medicine (for a campaign at the beginning of discoveries in genetic engineering and biomedicine)
- “We are in the midst of one of the most profound intellectual revolutions of all time, the revolution in the biological sciences. Its implications for understanding life processes and combating disease are boundless.  
Yale is in the forefront of this revolution.”

# Mission Example

- For a campaign brochure for the Science Museum of Minnesota:
- “From ancient chipped stone tools, to modern computer chips, ingenuity is the human signature. We seek to understand and mimic a world and universe in which we are newcomers, to fly with birds, to communicate at the speed of light. This scientific quest is written in things we can touch, each of them a window to the future. *At the Science Museum of Minnesota, we touch the future, hands on.*”

# Vision: It's Not About You

- No longer just what you want to “look like, feel like, be like”
- A vision has to enroll your investors in the promise of community transformation and they have to be able to feel a part of its achievement
- Vision example from a New Orleans preschool education program: “Our vision is that every child in the greater New Orleans area will be ready when it is time to start school”

# Values: The Magnet for Donors

- All philanthropy (voluntary action for the public good) is based in values
- People don't give to, ask for, join, or serve any organization whose values they don't share
- When your values are evident, you engage people in a stronger and more lasting way
- Be sure you are marketing your values and your impact as well as your organization (Black & Decker)



**Philanthropy**

*Based in values*

**Development**

*Uncovers shared values*

**Fund Raising**

*Gives people opportunities  
to act on their values*

# Things That Get in Your Way

Why the road to transformation  
can be a rocky one

# The Paradox of Urgency

- The constant challenge of the professional: urgency of the need being met (the dream or the vision) –vs- the urgency of needing funds for the dream
- Creating partnerships with board members
- Translating dreams into opportunities for action
- Meeting the demands of donor-investors and the community
- Spinning the story of transformation: community, organization, donor-investor



*"Only a truly gifted proposal writer can reduce an exciting, visionary dream into measurable outcomes and unit costs."*

# The Expectations of Our Donors: How You Can Offer it All

- Impact
- Issues
- Investment
- Involvement
- Innovation

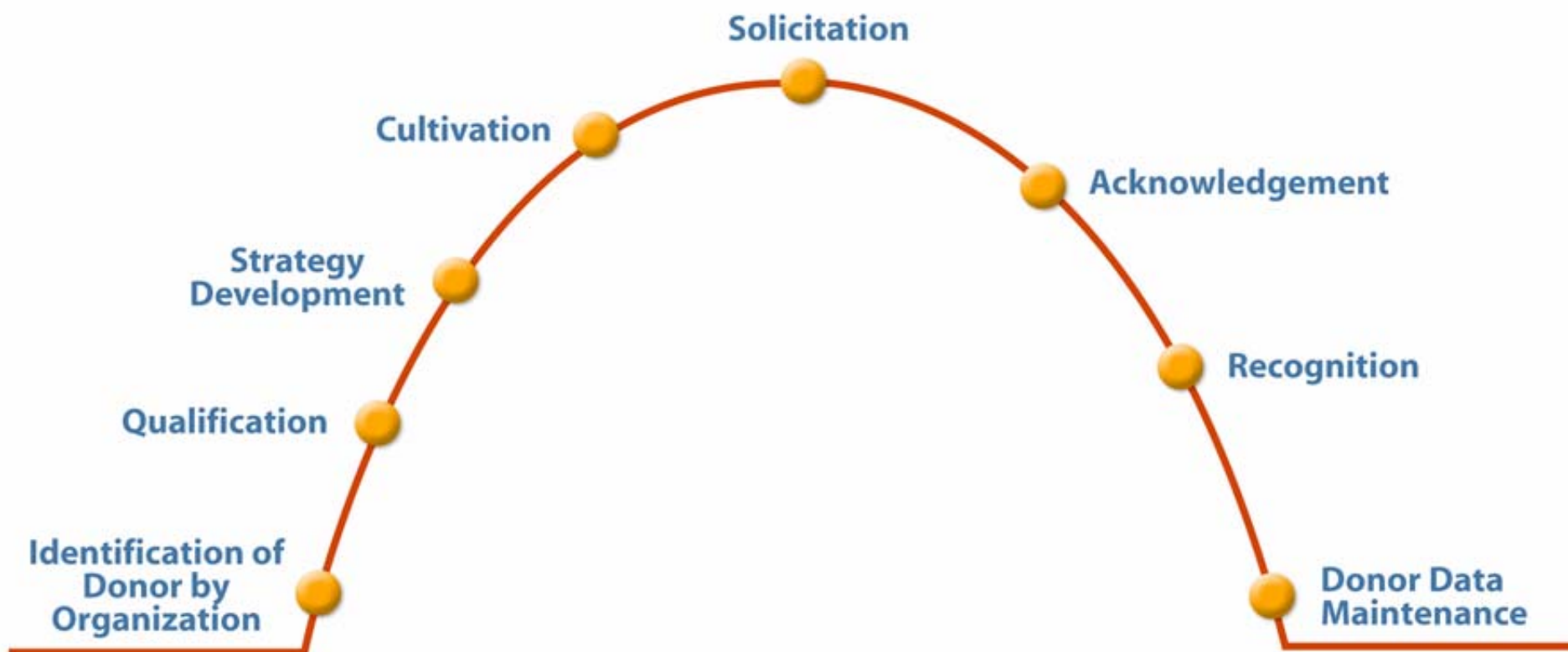
– High Impact Philanthropy, Kay Sprinkel Grace and Alan Wendroff, John Wiley & Sons, 2000



# Making the Change

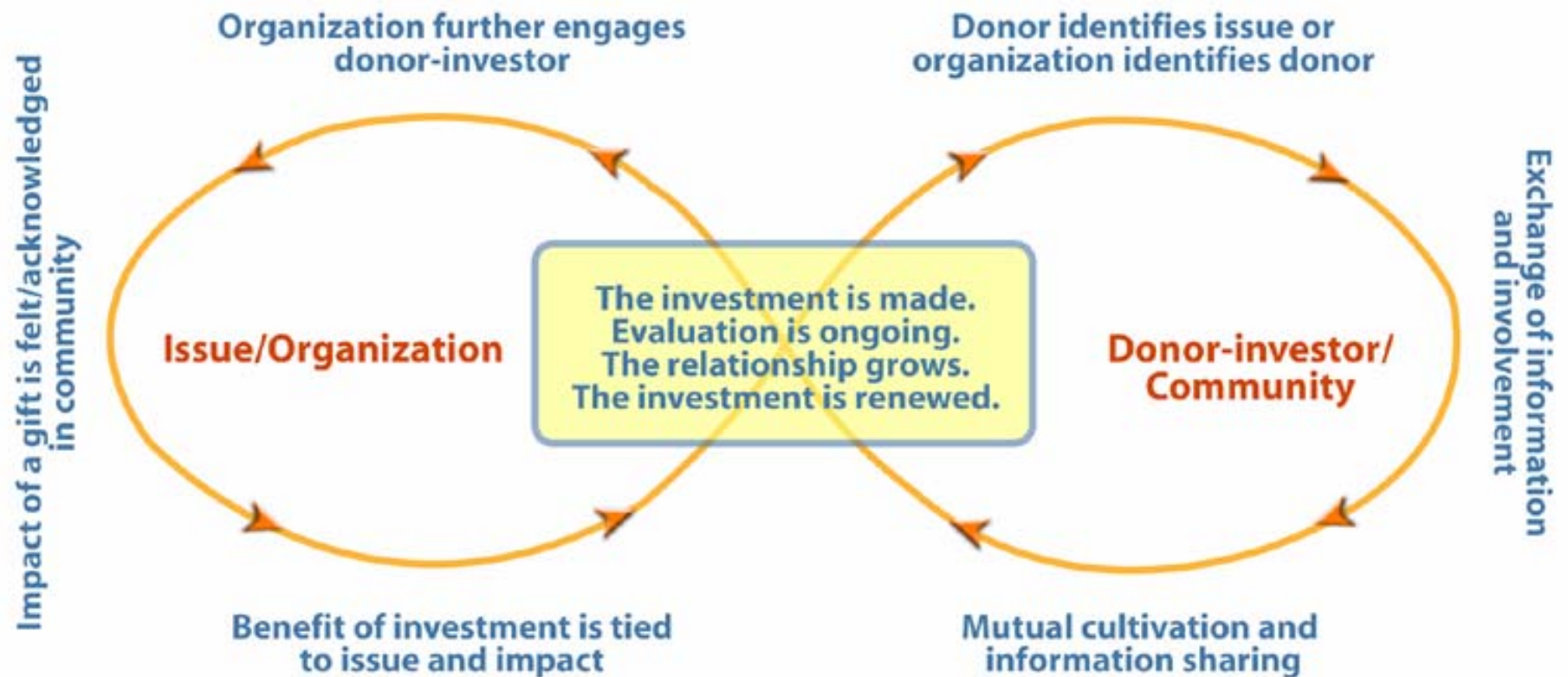
Transaction to Transformation:  
Pathway to Long Term Success

# Transactional Bell Curve: The Way We Have Raised Money



High Impact Philanthropy  
Kay Sprinkel Grace, Alan Wendroff

# Transformational Infinity Loop: The Way We Attain Long Term Success



High Impact Philanthropy  
Kay Sprinkel Grace, Alan Wendroff

# The Final Component of Success

Creating a Culture of Philanthropy

# What is a "Culture of Philanthropy"

- An attitude, more than anything: involves the full development team (Board, staff, non-board volunteers)
- Organization-wide commitment to mission, vision and values and building lasting relationships
- An understanding that each interaction with anyone from the community is part of the development process
- Everyone thinks "development" (of relationships)
- Staff and all board and non-board volunteers understand the importance and purpose of your work
- Visitors, employees, donors and volunteers feel the culture when they are with you

# Are You Ready to Attract Transformational Donors?

- “There are certain attributes which the (nonprofit organization) must possess for the donor to even consider supporting it: integrity, passion for its cause, an intelligent plan for action, the appearance of trustworthy leadership, and a cause which is worth supporting.”
  - “The Mind of the Donor,” 1994, Barna Research Group

# Becoming Transformational

- Not just about your financial goal (sustainability of what?)
- Philanthropic asset building cannot be seen as serving only your organization: investors must see how it may transform the community
- Your vision for the community is the primary goal you work towards: the money just helps you do your work
- To attract transformational gifts, you need to have a bigger goal than a financial goal – you need to have a big vision for your community and you need to enroll others in that vision
- Each of your organizations exists to meet broad community needs: it is those needs, not your need for money, that attracts investors

# Keeping Our Eyes on the Prize: Transformation

- The prize is to see our vision fulfilled in the community: that alone transforms organizations, communities and donors
- That vision inspires us, and it inspires our communities
- We manifest that “prize” when we articulate our mission, vision and values both within our organizations and in the community
- We must remember always that people give to us because we *meet* needs, not because we *have* needs, and that a gift *to* us is really a gift *through* us into the community.

# Staying Strategic: What it Takes

- Mission, vision and values articulation
- Moving from transaction to transformation in giving and asking
- Messages that convey your mission, vision (goals) and values
- Commitment to transformational stewardship
- An understanding of donor motivation
- An engaged board
- Staff and board leadership working together towards a dream

# Creating Philanthropic Assets: An American Heritage

- “These Americans are peculiar people. If, in a local community, a citizen becomes aware of a human need which is not being met, he thereupon discusses the situation with his neighbors. Suddenly, a committee comes into existence. The committee thereupon begins to operate on behalf of the need and a new community function is established. It is like watching a miracle, because these citizens perform this act without a single reference to any bureaucracy, or any official agency.”
  - Alexis de Tocqueville, Democracy in America, 1830

# From Transaction to Transformation: Attaining Success in the Nonprofit Sector

Craig's List Foundation Boot Camp

[kaysprinkelgrace@aol.com](mailto:kaysprinkelgrace@aol.com)

[www.transforming-philanthropy.org](http://www.transforming-philanthropy.org)

Kay Sprinkel Grace, Plenary Session