



**NONPROFIT SECTOR
LEADERSHIP
REPORT**

— 2016 —



CONCORD
Leadership Group



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FOREWORD

The nonprofit sector is on the brink of tremendous change. Competition for donors and resources continues to increase. Nonprofit CEOs are struggling to unify boards and staffs. Confused about what their role is, nonprofit boards create strife within organizations.

Moreover, the nonprofit sector is experiencing a seismic demographic shift as Baby Boomers reach retirement age. This shift already is creating a vacuum in leadership that will continue for the next two decades.

Despite knowing about these challenges, nonprofits appear to be operating as usual — as if not addressing the issues will make them go away. Signs of this poor leadership include:

- **Insecure CEOs.** Nonprofit CEOs often are surprised by the competing pressures on their time and abilities. Many know that their nonprofit's existing systems are not working, but they are afraid that if new approaches fail the nonprofit will have to close, the work it already is doing will be harmed, or they will be fired by their board. So they vacillate in implementing solutions. This leads to management driven by fear, resulting in the inability to seize opportunities, inconsistent supervision that harms employee morale, and the very board mistrust they are trying to avoid.
- **Confused Boards.** In the face of this vacillation, boards are not clear on their role. Because nonprofit leaders are not setting clear expectations, boards shift from the harmful extremes of rubber-stamping aloofness, approving decisions that have little to do with the governance, to overbearing micromanagement that in its most extreme form is actually bullying the nonprofit CEO.
- **Decreased Donor Trust.** Nonprofit leaders are not sharing their impact with donors and the broader community. This lack of public leadership is creating the impression that the work of nonprofits is an expendable part of day-to-day life, or at worst, implies a lack of transparency that is leading donors to grow skeptical of how nonprofits use their donations.
- **Regulatory Threats.** By not effectively telling its story, the nonprofit sector has encouraged increasing government encroachment. Cash-strapped

local and state governments are exploring taxing nonprofits for municipal services. And Congress and the IRS continually threaten burdensome regulations on charities that would never be endured by the corporate sector.

The costs of poor nonprofit leadership run deep. Instead of focusing on long-term stability, nonprofits are reacting to short-term crises. Rather than prepare for inevitable economic downturns, nonprofits continue to be caught off guard. Rather than developing relationships with supporters, they struggle with donor retention. And rather than confidently sharing reports on their effectiveness and impact, nonprofit experience continually weakening relationships with community members, media, and government officials.

The nonprofit sector is an essential part of the fabric of North American communities. Accordingly, if weak nonprofit leadership is not addressed, more and more nonprofits are likely to fail. And the results could be catastrophic, sending shockwaves through communities that depend on nonprofit support to meet basic needs.

The stakes are high. Nonprofits manage the third largest workforce in the United States. Nonprofits control more than \$3 trillion in assets. They conserve land, protect oceans, and care for animals. They provide healthcare, mental counseling, and drug rehabilitation. They are a safety net to millions, providing food, housing, and career counseling.

Entire books have been written on effective leadership, but it is commonly agreed that good leaders:

- Build consensus about the nonprofit's strategic vision;
- Create a plan around that vision and ensure the plan is implemented;
- Protect the financial health of the organization;
- Serve as ambassadors for the organization;
- Help in recruiting and retaining donors and staff; and
- Inspire the nonprofit and its community to action.

This study was inspired by my observations coaching CEOs and board members and training nonprofit organizations around the world. It provides a snapshot of how the nonprofit sector is addressing top leadership issues and points to many tough choices leaders must take to strengthen leadership in their organizations.

In the end, meeting most nonprofit challenges centers on effective leadership. Our goal in conducting this study is to help both large and small nonprofits understand how to assess and address their own leadership challenges. Our hope is that it will help nonprofits everywhere. We don't have to "settle for" dysfunctional leadership in nonprofits. Together, we can lead our communities and our world into a brighter future.



Marc A. Pitman
The Concord Leadership Group

EXECUTIVE SUMMARY

The Concord Leadership Group LLC collaborated with nonprofit industry leaders on a study to take a snapshot of the state of leadership across the nonprofit sector. The study sought to measure how nonprofits were embracing core leadership concepts and practices. And how they were being perceived at various leadership levels in the organization. From mid-November 2015 to early January 2016, the survey was distributed to nonprofit leaders, staff members, board members, and volunteers in emails, on nonprofit industry blogs, and across social media platforms. One thousand six people took the survey.

The majority of the survey sample came from North America but included responses from Australia, New Zealand, the United Kingdom, France, the Netherlands, Serbia, Israel, Lebanon, Russia, Mexico, Colombia, India, South Africa, Nigeria, Kenya, Zambia, Ethiopia, Cote D'Ivoire, Uganda, Madagascar, Taiwan, the Philippines, Bermuda, and the Cayman Islands. The majority of survey respondents (71%) have worked in the nonprofit sector for seven or more years. One-third were CEOs or executive directors; one-third were middle managers; and the rest were a mix of board members, senior leaders, staff members, and volunteers.

KEY FINDINGS

A LACK OF BASIC ORGANIZATIONAL LEADERSHIP SYSTEMS

Twenty-nine percent (29%) of nonprofits reported not having a strategic plan, with an additional 4% not knowing if one existed or not. But 19% of those saying they did have a plan said the plan is not written down. Combining them with those saying no strategic plan exists, the study suggests that 49% of nonprofits are operating without any knowledge of or access to a strategic plan.

Strategic plans are significant because nonprofits with a written strategic plan were:

- More likely to collaborate with other nonprofits (83% vs. 76%);
- More likely to have boards open to taking calculated risks (65% vs. 51%);
- More likely to have their CEOs undergo an annual performance review (36% vs. 21%); and
- More likely to have a formal process for measuring leadership effectiveness across the organization (75% vs. 50%).

A LACK OF COMPELLING VISION

One in four nonprofits say they don't have a vision compelling enough to unify the board, staff, and donors and facilitate decision-making. And despite pressures from government regulators and the media, 27% of nonprofits report budgeting less than \$1,000 a year to marketing or community relations.

INSUFFICIENT SUCCESSION PLANNING

Seventy-seven percent (77%) of nonprofits reported not having a leadership transition plan or a leadership-training program. Sixty-five percent (65%) are not intentionally using multi-generational teams to ensure leadership continuity on their staff or on their boards.

A LACK OF PERFORMANCE EVALUATION

Ninety-five percent (95%) of survey respondents were confident in their personal leadership abilities, and 91% were confident in their ability to help the nonprofit accomplish its goals. But 61% of CEOs do not get annual performance reviews from their board. And 42% of nonprofits do not have any formal mechanisms in place to measure performance.

Strategic planning, creating a compelling vision, recruiting new volunteer and employee leaders, and evaluating their performance are all hallmarks of strong leadership. Yet in this study, leaders reported significant challenges in finding and retaining donors, personal and organizational time management, vision casting, and keeping the vision alive. The high confidence leaders express doesn't seem to be based on any observable facts. Nonprofit leaders seem to even be confused about what "leadership" is.

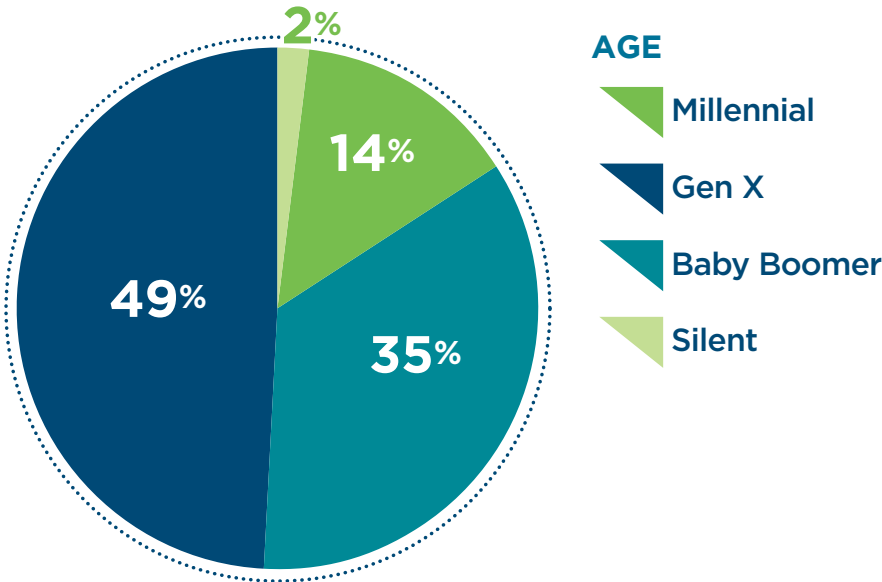
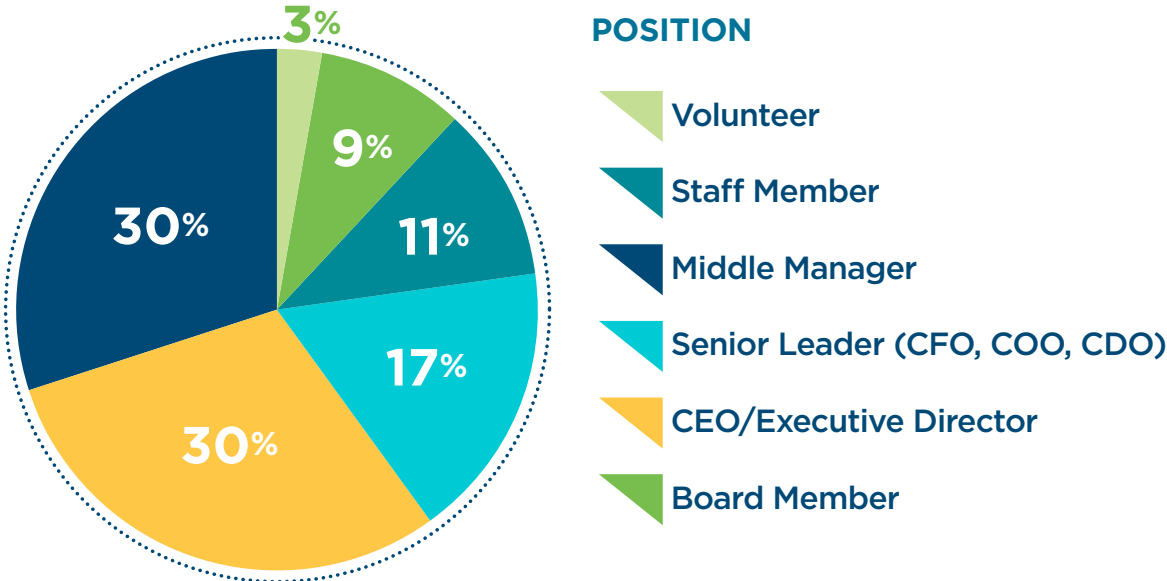
The rest of this report digs deeper into the survey's findings. It looks at how nonprofits with written strategic plans are far more likely to report having a unifying vision. It examines the lack of succession planning and looks at how systems like retirement planning may be affecting it. It also examines how different levels of leadership view their own nonprofit's leadership strength.

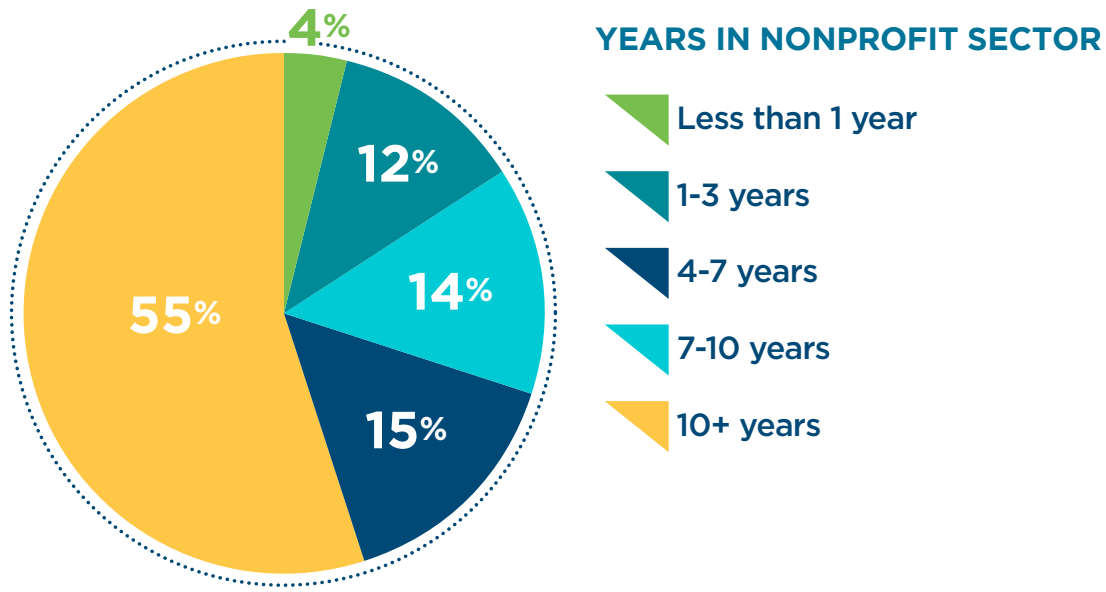
The picture isn't pretty. And solutions will not be easy. But the report ends with seven suggestions on how to create stronger leadership cultures based on these findings.

DIGGING DEEPER INTO THE FINDINGS

THE SAMPLE

Of the 1,006 respondents to the survey, 72% were women, 87% of the sample holds a bachelor’s or graduate degree, and 51% were Gen X (ages 34 to 54). The entire breakdown on the sample of 1,006 respondents is on page 25.

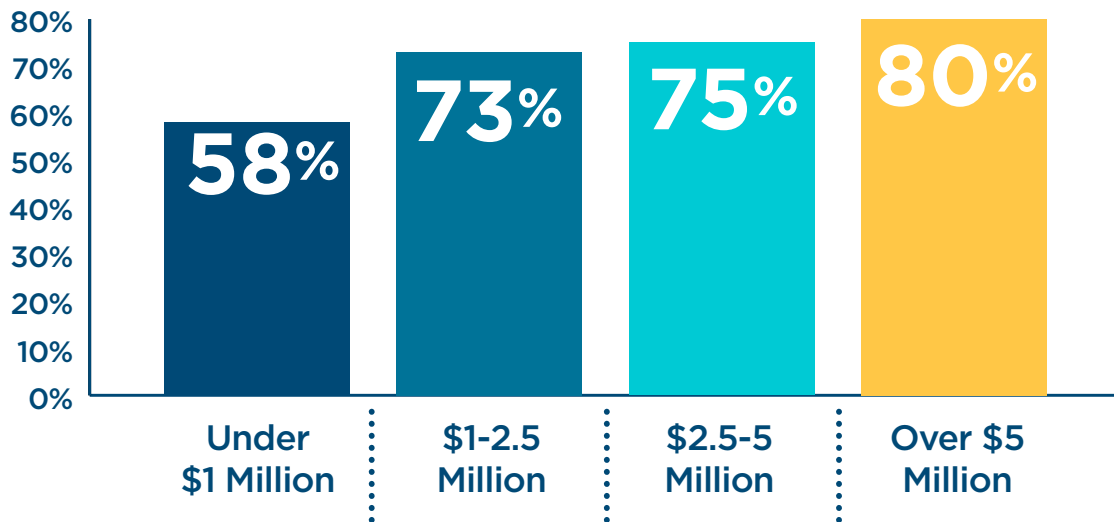




STRATEGIC PLANNING SYSTEMS

Two out of three nonprofits said they have a strategic plan. Only 58% of nonprofits with an annual budget of under \$1 million reported having one. This grew to 80% for organizations over \$5 million. But that still means one in five of the largest nonprofits are running without a plan.

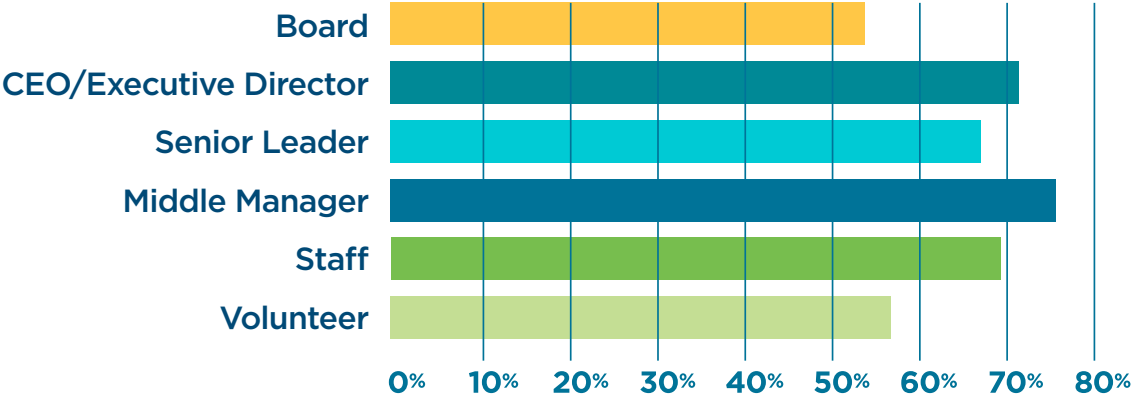
HAVE A STRATEGIC PLAN? (BY ORGANIZATION SIZE)



Of organizations with a strategic plan, 19% reported the plan wasn't written down. One out of five reported their plans were not voted on and approved by the board.

The study indicates that the lower down the nonprofit’s formal leadership structure an employee is, the more likely they are to believe a strategic plan exists. While only 52% of board members said that a strategic plan exists, a higher percentage of executive directors (69%) and senior leaders (65%) said the same. But the highest percentage was the middle managers: 73% of middle managers said their nonprofit has a strategic plan.

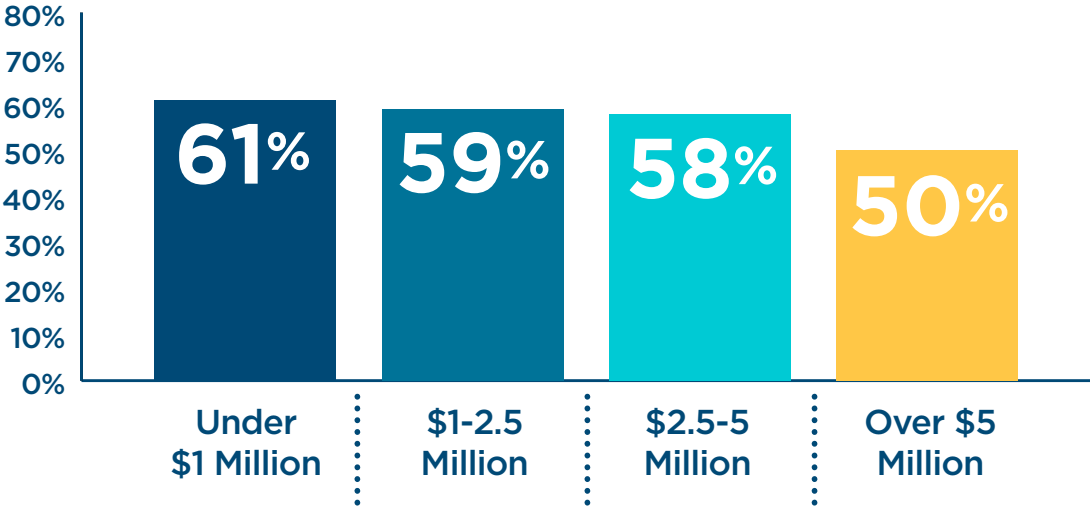
HAVE A STRATEGIC PLAN?



USING THE PLAN

Fifty-eight percent of respondents (58%) said their plans aren’t reviewed or checked at least quarterly. This was consistent across organizations.

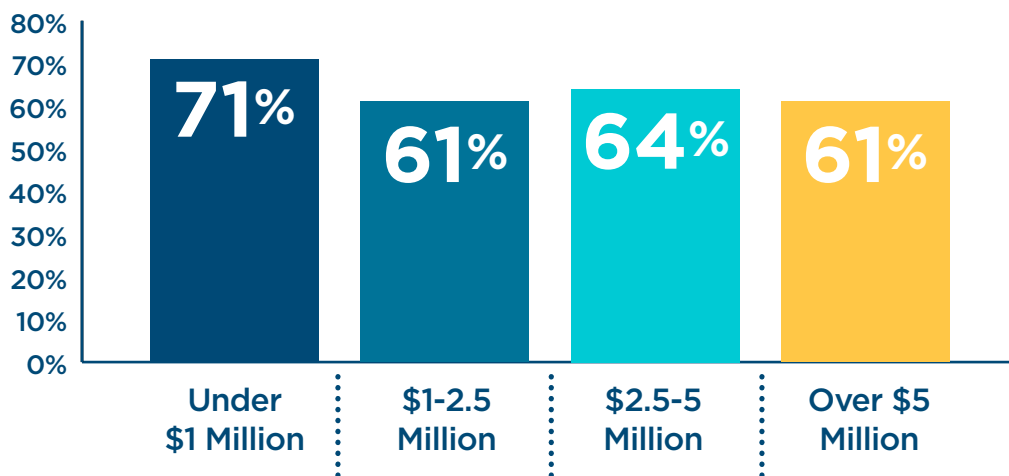
NOT REVIEWING OR CHECKING A STRATEGIC PLAN AT LEAST QUARTERLY



Twenty-six percent (26%) said the plan was not currently being implemented. And 67% said it is not a factor in employee performance reviews. This too was fairly consistent across nonprofits.

“Our impulsive executive director, who says yes to almost everything without thinking it through, prefers a weak board that doesn’t question her decisions.”

STRATEGIC PLAN DOESN'T FACTOR IN ANNUAL PERFORMANCE EVALUATION OF EMPLOYEES



FUNDING THE PLAN

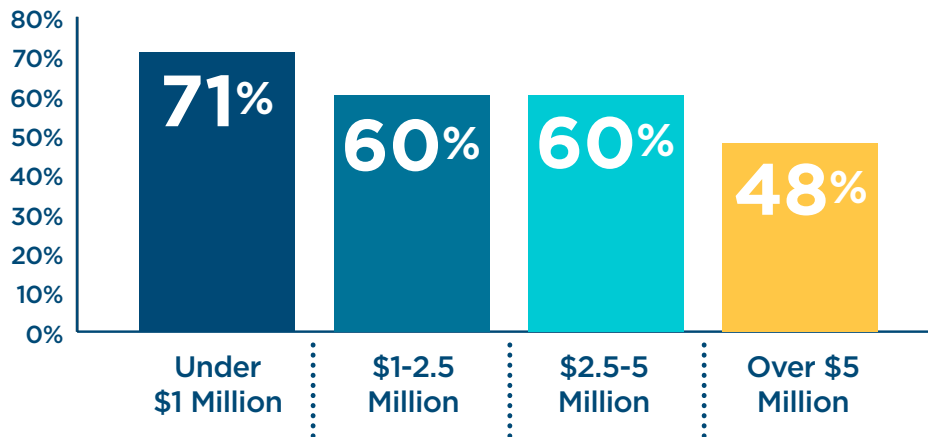
Sixty-two percent (62%) of nonprofits said their strategic plans didn’t have a sustainable fundraising plan. This is more true for nonprofits with budgets under \$1 million, but even about half of nonprofits with budgets over \$5 million say their strategic plans lack a fundraising element.

“Our leader doesn’t collaborate with anyone.”

Fundraising is not the only way to generate resources for accomplishing a strategic plan. Nonprofits could find resources by collaborating with other organizations. Yet 70% of nonprofits reported not benchmarking against

any other nonprofits in creating a strategic plan. And only 38% said they collaborate with businesses on anything beyond sponsorships or volunteer days. One respondent said, “Our leader doesn’t collaborate with anyone.”

STRATEGIC PLAN DOES NOT INCLUDE MULTI-YEAR SUSTAINABLE FUNDRAISING PLAN

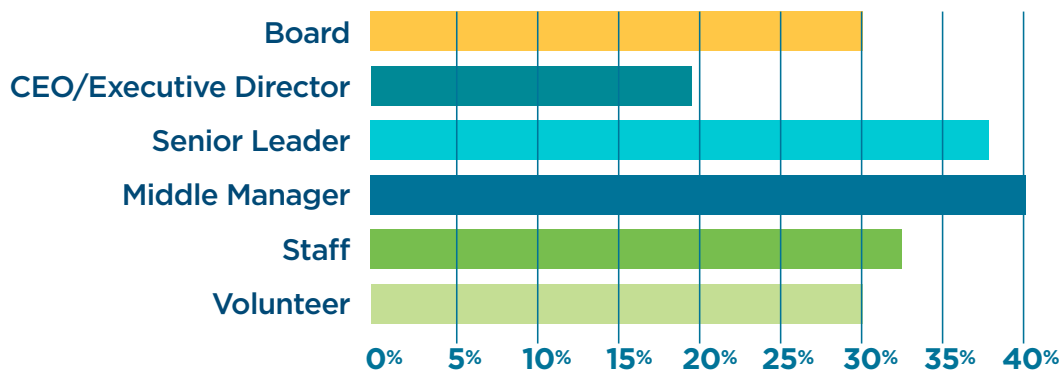


COMMUNICATING A COMPELLING VISION

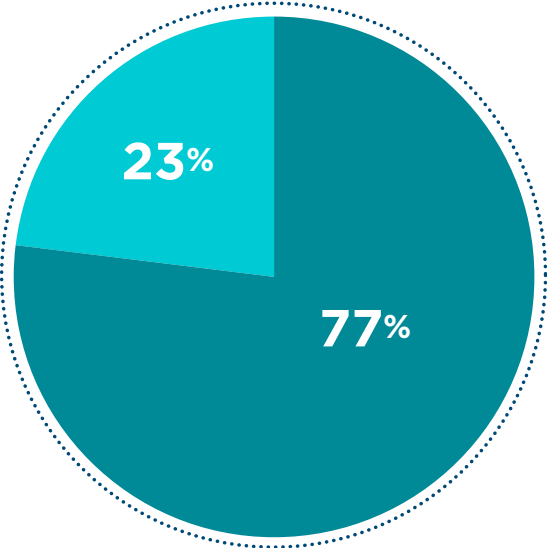
Eighty-five percent (85%) of nonprofit leaders reported communicating a compelling vision as one of their top three priorities. Yet two out of three said that their toughest challenge was communicating their vision. And 62% said they weren't even sure how to create one.

Overall, only 19% of CEOs said their nonprofit does not have a unifying vision that guides decision-making. But 41% of middle managers reported their nonprofit not having such a vision.

DIDN'T AGREE WITH THE FOLLOWING STATEMENT: THERE ARE SYSTEMS IN PLACE TO ENSURE THAT ALL STAKEHOLDERS - BOARD, LEADERS, STAFF, AND DONORS - CLEARLY SHARE THE VISION AND "BRAND" OF OUR NONPROFIT

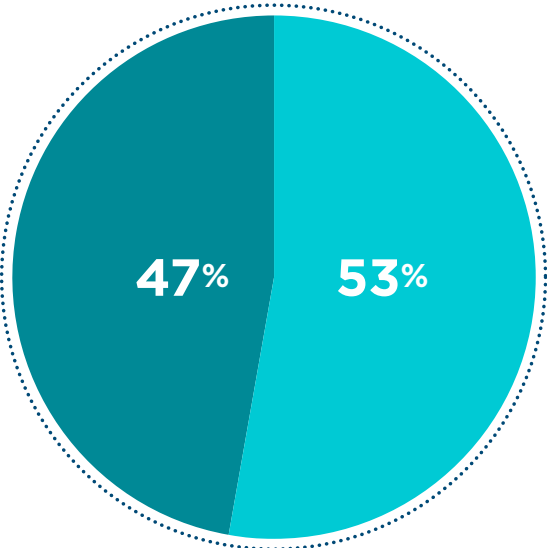


Seventy-seven percent (77%) of nonprofits with a strategic plan agreed that a unifying shared vision existed. But only 47% of those without a plan agreed.



THERE ARE SYSTEMS IN PLACE TO ENSURE ALL STAKEHOLDERS CLEARLY SHARE THE VISION AND “BRAND” OF OUR NONPROFIT WITH STRATEGIC PLAN

- Agree
- Disagree



THERE ARE SYSTEMS IN PLACE TO ENSURE ALL STAKEHOLDERS CLEARLY SHARE THE VISION AND “BRAND” OF OUR NONPROFIT WITHOUT STRATEGIC PLAN

- Agree
- Disagree

RECRUITING AND RETAINING LEADERS

Seventy-seven percent (77%) of nonprofits said they don’t have any formal succession plan or even a leadership-training program. This lack of planning for leadership or succession was consistent across organizations of all sizes.

WITH 10,000 BABY BOOMERS REACHING RETIREMENT AGE EVERY DAY, DOES YOUR ORGANIZATION HAVE A FORMAL SUCCESSION PLAN OR LEADERSHIP TRAINING PROGRAM?

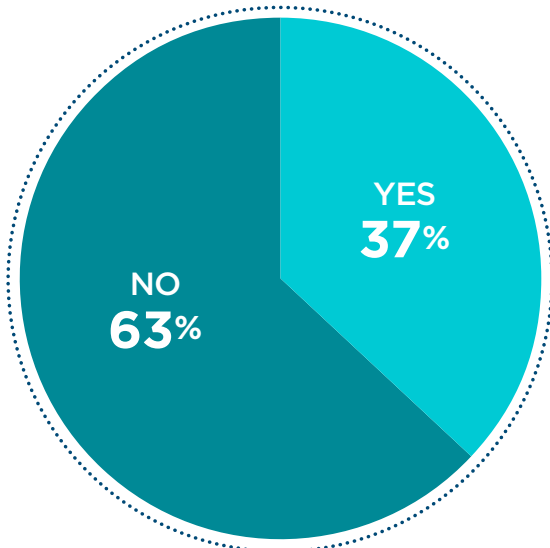


To further understand this, the study went on to measure issues around retirement, staff recruitment, and staff retention.

“Our CEO has been here for 30 years.”

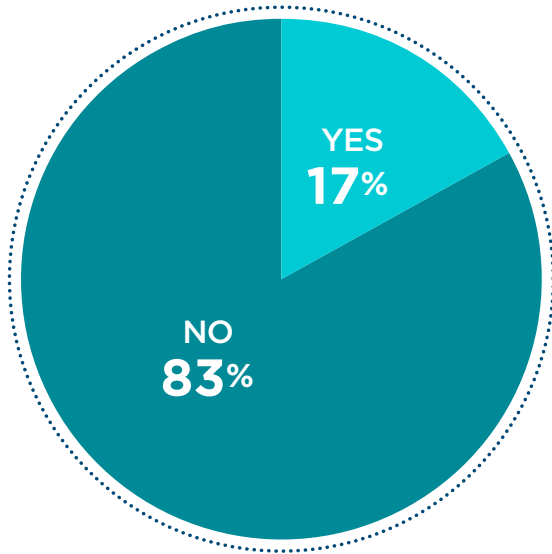
RETIREMENT PLANNING

Sixty-three percent (63%) of nonprofits said “no” when asked “Does your organization have retirement-planning options in place to ensure that leaders can transition out with financial confidence?” When looking at just the CEO answers, 83% of those at retirement age said their nonprofit didn’t have retirement-planning options in place to help them transition out of their position.



ANSWERS FROM THE NONPROFITS

DOES YOUR ORGANIZATION HAVE RETIREMENT PLANNING OPTIONS IN PLACE TO ENSURE THAT LEADERS CAN TRANSITION OUT WITH FINANCIAL CONFIDENCE?

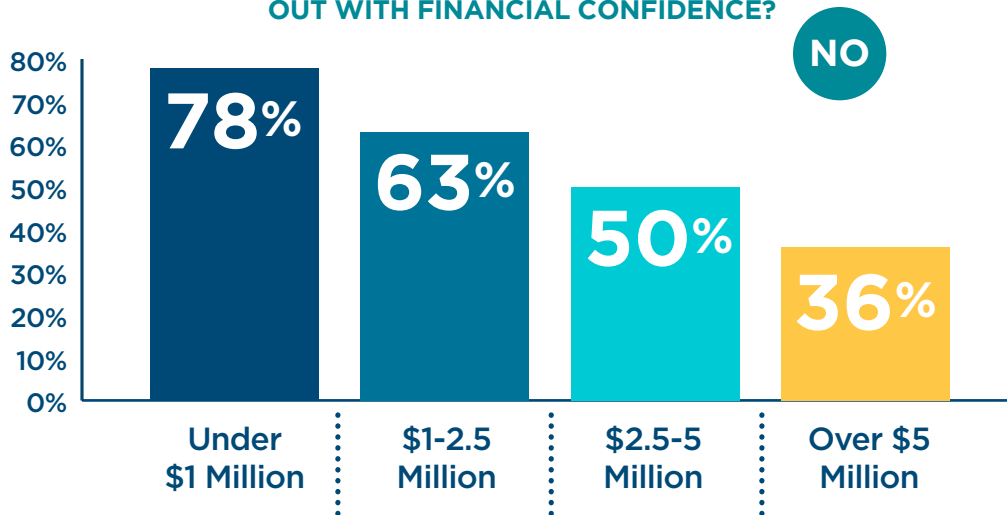


RETIREMENT AGE CEO ANSWERS

DOES YOUR ORGANIZATION HAVE RETIREMENT PLANNING OPTIONS IN PLACE TO ENSURE THAT LEADERS CAN TRANSITION OUT WITH FINANCIAL CONFIDENCE?

This lack of retirement planning is more evident in small nonprofits.

DOES YOUR ORGANIZATION HAVE RETIREMENT PLANNING OPTIONS IN PLACE TO ENSURE THAT LEADERS CAN TRANSITION OUT WITH FINANCIAL CONFIDENCE?



RECRUITING AND RETAINING STAFF

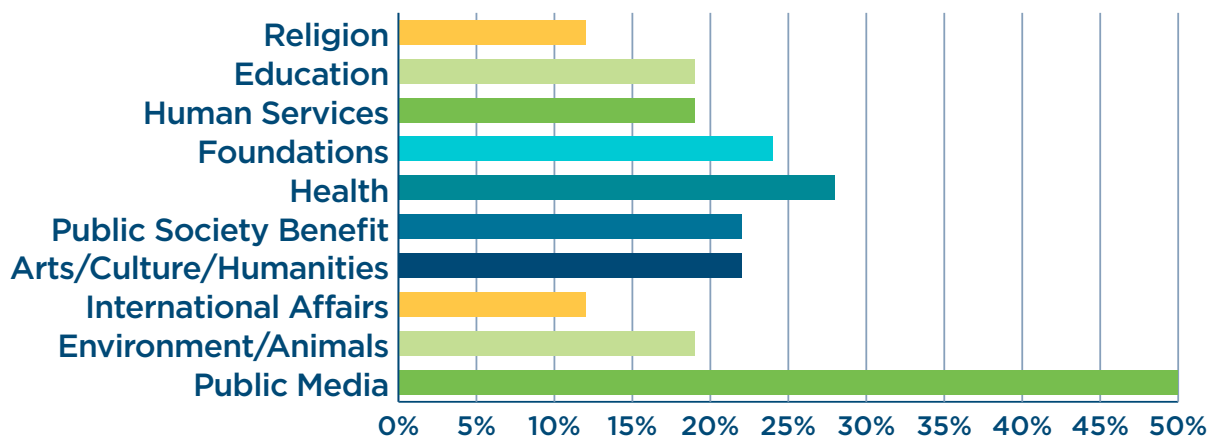
Thirty-six percent (36%) of nonprofit leaders reported their staff turnover as “high.” And leaders reported challenges recruiting new talent. When asked about creative ways nonprofits were finding to compete with higher paying jobs and fairly compensate staff while keeping to a tight budget:

- 21% reported offering some form of performance-based compensation;
- 20% said they offered partial or total education reimbursement;

- 12% said they openly disclose all salary ranges to all staff;
- 11% said they offered a club membership or some other membership in addition to salary; and
- 5% said they offer a totally discretionary sum of money for staff to use as they please.

But 32% of the entire sample reported doing nothing at all to compete effectively for new talent.

OFFER PERFORMANCE-BASED COMPENSATION



More than half of respondents (512) left a comment to this question. Some of the ideas they suggested as “creative strategies” included:

- allowing flexible schedules (13%);
- offering benefits (10%); and
- giving vacation or paid time off (7%).

Some of the additional comments include:

- “We offer a 30% discount to our thrift store.”
- “We offer free lunches.”
- “We get a \$200 medical benefit, on which we have to pay taxes.”
- “We provide Employee of the Month recognition.”
- “We pretend everyone gets the same salary and hold a bonus raffle.”
- “We give hats to volunteers.”
- “We give a free bus pass.”

“We offer a 30% discount to our thrift stores.”

Other comments were:

“We can’t compete. People are here because they want to be.”

“We hire people committed to the mission.”

“We do not compensate fairly.”

“We simply don’t have the money to do more for the employees.”

“[The board and CEO] do not take the process seriously, and it is a low priority.”

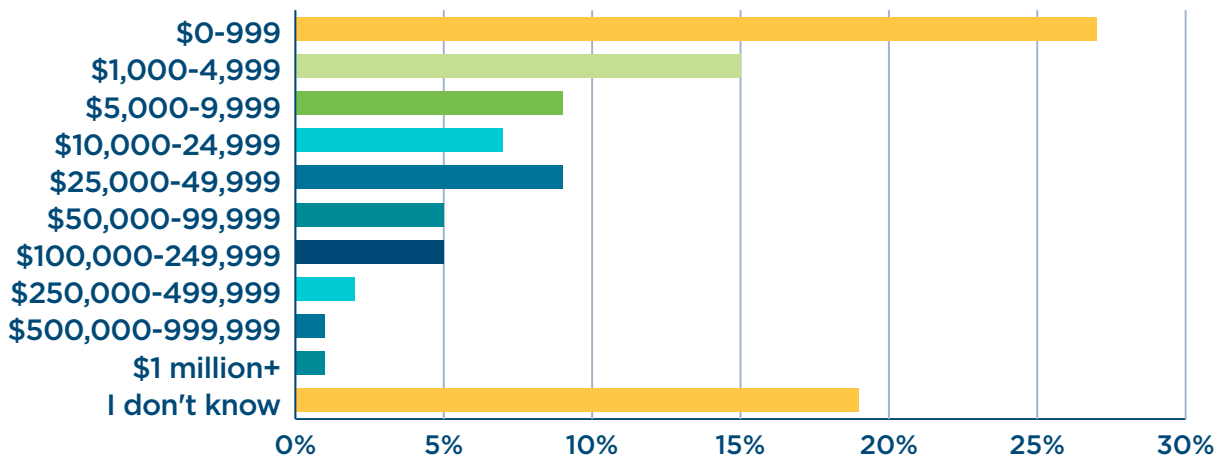
“We’re always looking to cut budgets and get a cheaper employee, rather than paying the market rate for the skills and experience we need.”

“We struggle to hire when someone leaves.”

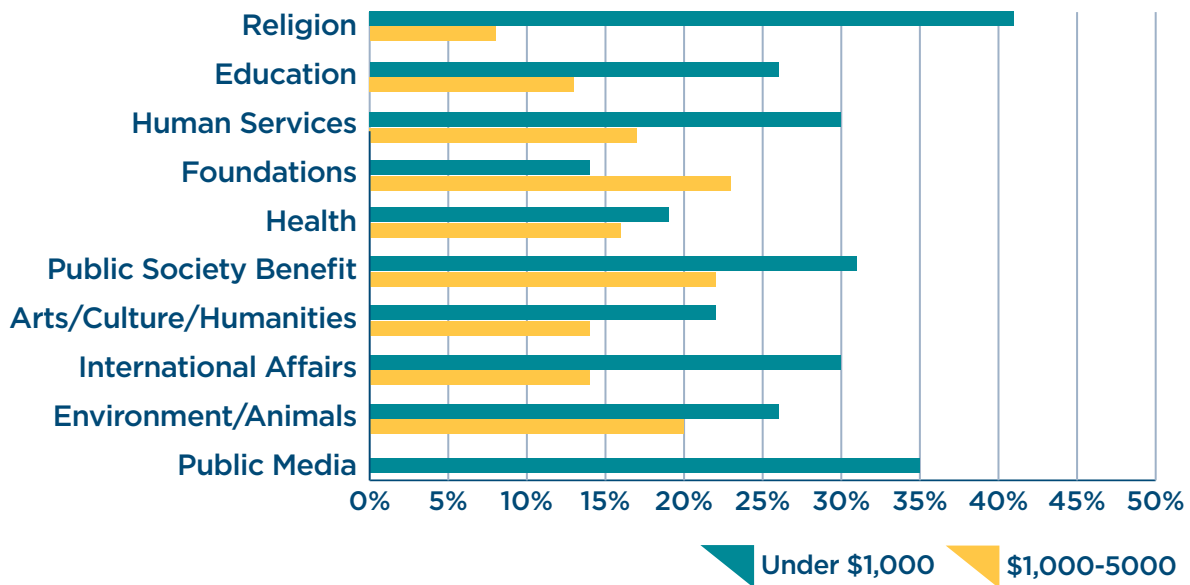
UNDERESTIMATING THE NEED FOR COMMUNICATIONS

Twenty-seven percent (27%) of nonprofits reported budgeting less than \$1,000 a year on marketing or community relations.

NOT INCLUDING FUNDRAISING, HOW MUCH DO YOU BUDGET EACH YEAR FOR MARKETING, PR, AND COMMUNITY VISIBILITY?



This is increasingly true in smaller nonprofits. Forty-three percent (43%) of organizations with annual budgets of less than \$1 million reported budgeting less than \$1,000 on marketing or public relations annually. An additional 15% report budgeting between \$1,000 and \$5,000 a year.



Of the other communication tactics, nonprofits reported:

- 55% — public speaking by key nonprofit personnel
- 49% — professionally designed brand identity
- 47% — regular public relations efforts at least quarterly
- 43% — creating joint programs that support the nonprofit’s mission
- 40% — promoting nonprofit’s CEO to the media as a spokesperson for stories related to the organizational mission
- 33% — CEO- and board-led efforts to maintain a professional online presence
- 20% — a yearly funded marketing and public relations strategy designed and approved by the board

“We don’t have communication tactics exactly — our programs speak for themselves...”

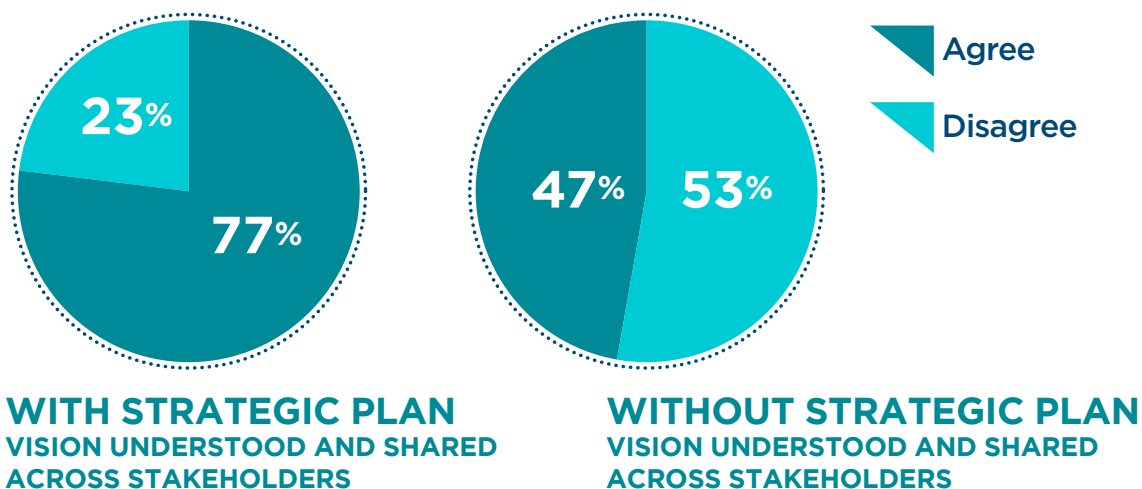
Indeed, one leader said, “We don’t have communication tactics exactly — our programs speak for themselves ...”

STABILIZING THE SECTOR

The study is a troubling snapshot of the state of leadership in the nonprofit sector. The sector seems to stubbornly cling to a “the rules don’t apply to us” stance about basic leadership principles — a stance that is no longer working. In the storm of economic downturns, demographic tidal waves, and a growing leadership vacuum, nonprofits that do not address these issues may find themselves closing their doors. The solutions are not easy. But the study indicates a few key areas to address, including: basic strategic planning, growing leaders, and telling their story.

1. WRITE DOWN THE PLAN

Since almost half of nonprofits do not have a plan in writing, the first and top recommendation is write down the plan. Having a strategic plan written down impacts each of the other areas of nonprofit leadership, including more effectively sharing the story. While 77% of nonprofits with a written strategic plan agreed their nonprofit had a vision understood and shared across stakeholders, only 47% of nonprofits without a plan agreed a unifying vision existed.



In addition, nonprofits with a written strategic plan were more likely to:

- collaborate with other nonprofits (83% vs. 76%);
- have boards open to taking calculated risks (65% vs. 51%);
- have their CEOs undergo an annual performance review (36% vs. 21%); and

- have a formal process for measuring leadership effectiveness (75% vs. 50%).

One reason for this lack of strategic planning could be how confusing it is to create a plan. A quick Google search on how to create a strategic plan brings up millions of results. For the sake of simplicity, we suggest answering four questions:

- 1) What are we doing and why are we doing it?
- 2) How are we going to get it done?
- 3) How will we fund or resource it?
- 4) Who will we tell about it?

“What gets measured gets managed.”

— Peter Drucker

We expand on each of these questions in the “Strategic Planning Simplified” section on page 24. Each step includes something this study shows leaders are struggling with: mission/vision, strategy, staffing, collaborations, fundraising, and marketing.

2. HARDWIRE THE PLAN

Writing down the plan is a starting point — not an end. Strong leaders ensure the strategic plan is being implemented. As renowned consultant and author Peter Drucker said, “What gets measured gets managed.” So a key to implementing the plan involves using it as a management tool for every staff member.

Forty-two percent (42%) of nonprofits reported not having any formal process for evaluating performance. In most nonprofits, the most obvious place to start a formal process would be by implementing regular, at least annual, **employee performance reviews** and incorporating certain parts of the strategic plan’s goals into those reviews. Another way to hardwire the plan into the regular life of the nonprofit is to make time to **review the plan quarterly**. Having the board, the senior team, or even the CEO review the text will help remind the team of the bigger picture. And regular reviews of the strategic plan can allow for necessary midcourse corrections as changes occur.

3. CREATE CASCADING GOALS

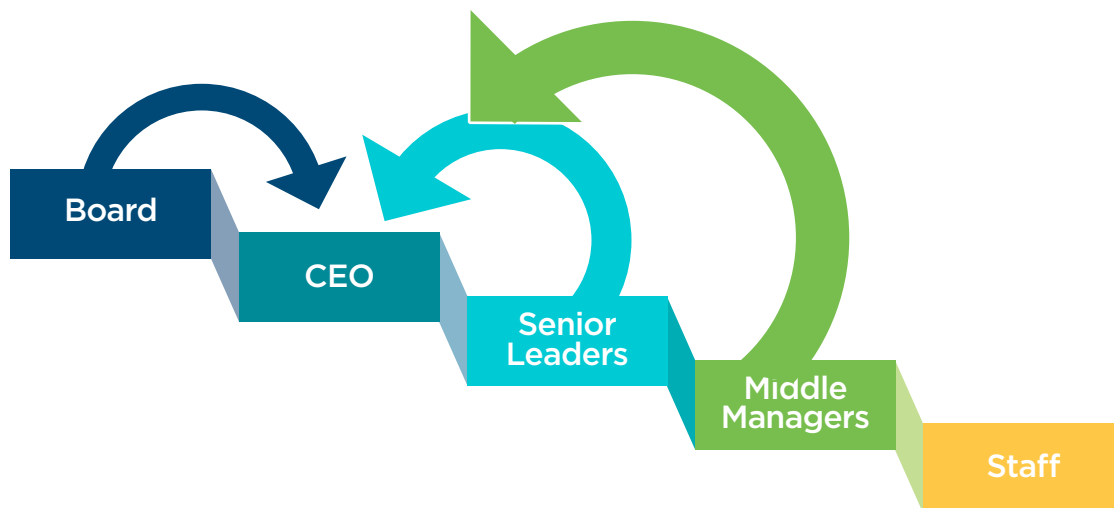
An even more powerful way of hardwiring a strategic plan is to create

cascading goals. Too often, nonprofit goal setting is not much more than the board handing the CEO an almost arbitrary list of objectives like “increase fundraising by XX percent,” “increase employee satisfaction,” “reduce the budget by XX dollars,” etc. The CEO accepts those goals as her personal responsibility.

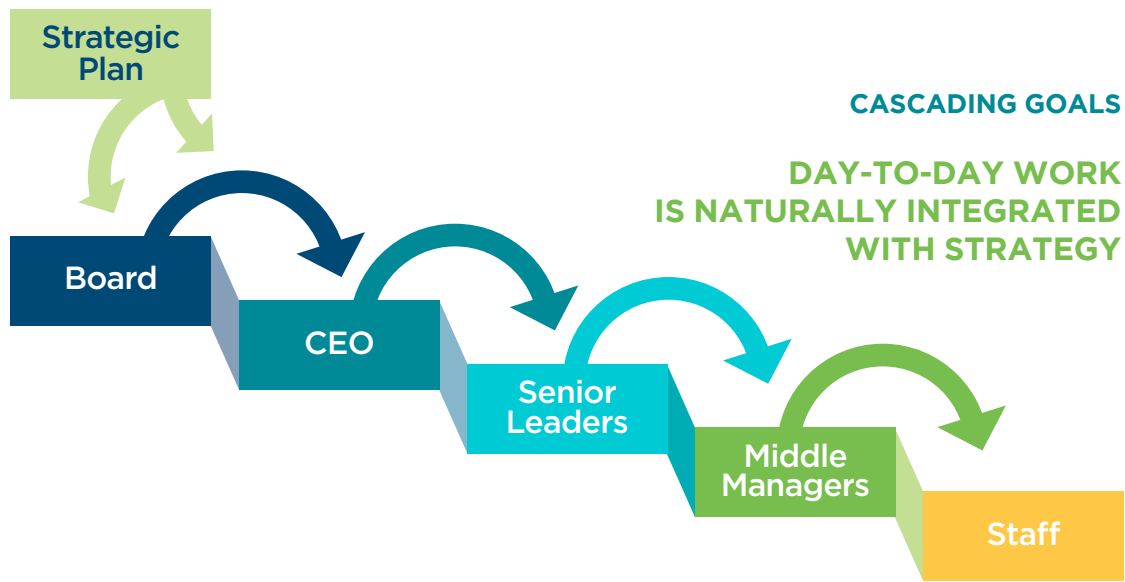
“We get conflicting direction from the executive director and board members.”

Then, the CEO talks with her staff and asks them what their goals are for their areas of responsibility. The rest of the year, she’s squeezed between what she said she’d help her staff accomplish and what the board thinks she should be doing. The CEO’s job becomes a complicated juggling act of keeping all the balls in the air. Worse, as one survey respondent commented, “conflicting direction from the executive director and board members” confuses the staff.

TYPICAL SITUATION



With “cascading goals,” the goals flow from the board to the CEO directly out of the strategic plan. Then, instead of seeing the board’s objectives as her personal goals, the CEO sees them as the organization’s goals. So she shares the goals with her staff, asking them how their areas fit in with those goals. No longer caught between conflicting agendas, the entire organization is united around its strategic vision.



Cascading goals take time and effort but are an effective starting place for the 26% of nonprofits with a plan that reported not currently implementing it.

4. FOSTER A LEADERSHIP CULTURE

More than one in three nonprofits reported a “high” turnover of staff and difficulty attracting new talent. Yet 77% reported not having a leadership program in place. One tool to help retain wanted talent is intentionally creating multi-generational teams — something 65% of nonprofits are not yet doing. In the study, one respondent described the organization’s multi-generational team as “a group of young professionals, ‘Ambassadors,’ who help with pushing out communications.”

This is not what we mean. We mean doing the hard work of increasing diversity in groups that are making real decisions. Groups that help shape the organization’s direction, craft its outreach strategy, or are a committee of the board. As all generations mix in the staff and on the board, institutional knowledge is passed down and new ideas percolate up.

5. FORMALIZE A LEADERSHIP-TRAINING PROGRAM

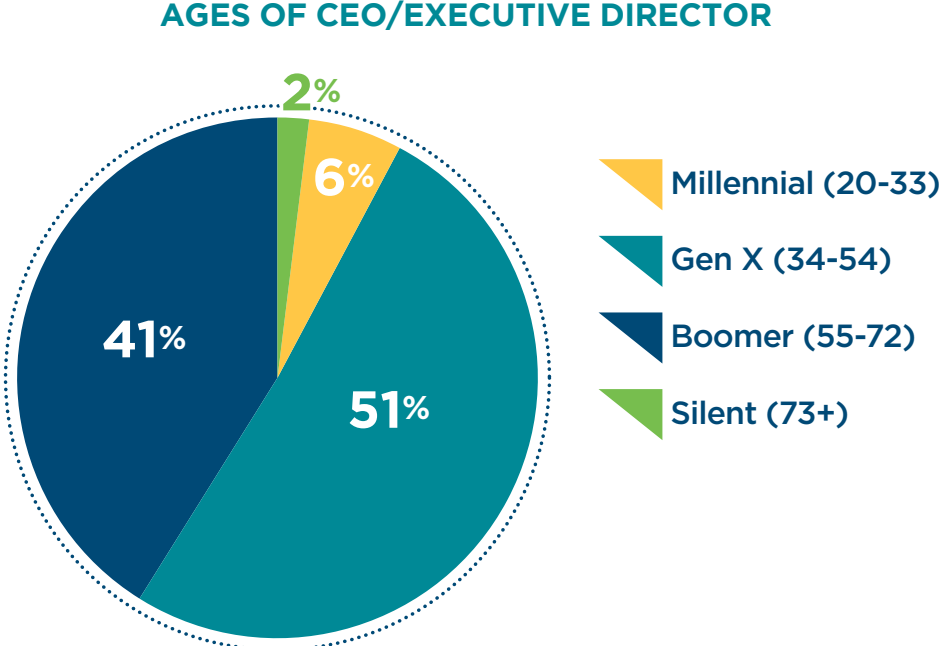
As your organization experiments with multi-generational teams, you’ll start developing a pool of potential leaders. Formalizing a leadership-development program is an effective way to keep grooming these leaders. There are entire

books on ways to do this. The important thing is to set aside regular time for training — whether the trainers are from within the staff or outside speakers. And set aside time for your staff to share what parts of the training they are able to use in their day-to-day work.

If you are still wondering where to start, look in your strategic plan for areas your nonprofit needs to focus on to accomplish its goals. Additionally, this study suggests every leader would benefit from more training in both organizational and personal time management.

6. PLAN FOR SUCCESSION

Each day 10,000 Baby Boomers are reaching retirement age. In the study, 41% of those identifying as “CEO/Executive Director” were Baby Boomers. Thirteen percent (13%) of all CEOs were retirement age or older.



While reaching retirement age and actually retiring are two separate things, it was surprising that “Hiring a new CEO/executive director” was the lowest ranked of the 12 possible “top priorities” for nonprofit leaders in this study.

Change is coming, yet this demographic shift is one that can be prepared for. A typical succession plan explains who becomes responsible for what when the leader leaves. And it can spell out whether an interim leader will be

sought or appointed, or if there is a person who will simply become the next leader. Boards often do this by having the vice-chair assume the chair when the chairperson's term ends. Creating a succession plan can lead to important conversations about retirement plans and what the organization needs to put in place now to competitively recruit a successor.

7. LEARN STORYTELLING

Communicating a compelling vision, being an ambassador for the organization, and inspiring action are all traits of strong leaders. But 62% of those in the survey reported not knowing how to create a compelling vision. Even when just looking at the CEO responses, it is still 55% who say they don't know how to create one.

Stories no longer are merely the stuff of fairy tales and children's books. Studies across sociology, psychology, and neurology show that people are hardwired to remember and respond to stories. Learning storytelling strategies helps leaders effectively share their vision both within the nonprofit and to the wider community. Fortunately, the benefits can be seen fairly quickly. For example, even though only making incremental changes to their storytelling, attendees of the annual Nonprofit Storytelling Conference are reporting 200% and 300% growth in their fundraising revenue and donor retention — two of the key areas leaders in this study report struggling with.


ONE FINAL RECOMMENDATION — DON'T LEAD ALONE

By its very nature, leadership is lonely. Most first-time board chairs and CEOs are caught off guard by how isolated their position makes them. So the final step we'd recommend is: Don't lead alone.

Leading is hard work. But given the findings in this study, the bar for effective leadership is so low in the nonprofit sector that even imperfect attempts at these suggestions should yield notable results.

Being a strong leader doesn't mean you have to settle for isolation. Many professional associations have specific opportunities for CEOs and executive directors. Even informal groups of fellow CEOs in the community or region can be helpful.

Executive coaching is another way to not be isolated in leading. CEOs say that being coached helps them grow in confidence by giving them the informed sounding board they need to talk through situations and create strategies. More importantly, staff in organizations with CEOs getting executive coaching share how much calmer, more confident, and more effective their leader is. In fact, studies show the ROI on executive coaching is more than 300%.



“We are just building the bridge while we’re crossing it.”

NAVIGATING THE FUTURE WILL BE CHALLENGING

In the study, 78% of leaders said leadership has become more difficult in the past two years. As governments cut budgets, nonprofits are expected to increase work with less funding. And the financial, governmental, and demographic pressures on nonprofits only promise to intensify. Talk to many nonprofit leaders and you’ll hear them say they feel like they are “building the bridge while crossing it.”

But with hard work, nonprofits can navigate the future and excel at fulfilling their mission. This study suggests that by utilizing commonly agreed upon leadership principles, especially around creating and implementing a strategic plan, nonprofit leaders at all levels will be able to lead their organizations boldly into — and through — the coming storm.

STRATEGIC PLANNING SIMPLIFIED

A quick search on “strategic planning template” or “nonprofit strategic plans” generates millions of results. Here are four questions to simplify your approach:

(1) WHAT ARE WE DOING AND WHY ARE WE DOING IT?

This section commonly involves a **mission statement** expressing what the nonprofit does and why, and an inspiring **vision statement** about what the future can hold. It often includes **guiding values** or **principles** to help the organization handle new challenges and seize new opportunities as they arise.

(2) HOW ARE WE GOING TO GET IT DONE?

This outlines the **goals** or measurable **objectives** for the nonprofit. Sometimes this includes the activities to accomplish those goals. Many organizations find a **SWOT analysis** or **situational assessment** helps them take stock of the current climate and anticipate challenges and opportunities ahead.

(3) HOW WILL WE FUND IT?

An important step in the process is determining what **resources** the organization needs to accomplish its goals and how those resources will be engaged. Nonprofits that only follow a business strategic-planning template usually will focus exclusively on **money** — fees, reimbursements, grants, sponsorships, and fundraising. But resources uncovered in a SWOT analysis can lead nonprofits to **collaborative partnerships** or other creative, non-monetary ways of resourcing their vision.

(4) WHO WILL WE TELL ABOUT IT?

The fourth category of steps includes **assessments, advocacy, staff relations, and external relations**. Creating a strategic plan is only the start. The purpose of a plan is to live it out. This often-neglected step includes periodic reviewing of the plan, incorporating its goals into everyone’s performance reviews, and communicating the outcomes with people close to the nonprofit (board, staff, funders), as well as those on the periphery (community members, media, and government officials).

THE SAMPLE

The following chart includes demographic information about the sample of the 1,006 nonprofit leaders who took the survey and organizational information about the nonprofits they serve.

POSITION	
Board Member	9%
CEO/Executive Director	30%
Senior Leader (CFO, COO, CDO)	17%
Middle Manager	30%
Staff Member	11%
Volunteer	3%
AGE	
19 and under	0%
20-33	14%
34-44	21%
45-54	28%
55-64	24%
65-72	11%
73+	2%
ETHNICITY	
White	85%
Black or African-American	4%
Hispanic or Latino	2%
Asian or Pacific Islander	2%
Native American, First Nation, American Indian, Alaskan Native	1%
Prefer not to answer	3%
Other	3%
GENDER	
Female	72%
Male	28%
Other	0%

HIGHEST LEVEL OF EDUCATION	
Less than high school	0%
High school diploma or equivalent (GED)	1%
Some university or college but no degree	9%
Associate's degree	3%
Bachelor's degree	41%
Graduate degree	46%
YEARS IN NONPROFIT SECTOR	
Less than 1 year	4%
1-3 years	12%
4-7 years	15%
7-10 years	14%
more than 10 years	55%
SECTOR	
Human service	27%
Education	21%
Arts, culture, and humanities	13%
Health	13%
Religion	7%
Public or Society Benefit	5%
Environment/Animals	5%
Foundations	4%
International Affairs	3%
Public Media	2%
PAID STAFF (FTES)	
0	6%
1-2	14%
3-5	14%
6-25	30%
26-50	11%
51-100	9%
101+	16%

ANNUAL OPERATING BUDGET	
\$0-99,999	12%
\$100,000-499,999	20%
\$500,000-999,999	13%
\$1 million - \$1.49 million	10%
\$1.5 million - \$2.49 million	9%
\$2.5 million - \$4.99 million	10%
\$5 million+	22%
Other or Not sure	4%
ANNUAL AMOUNT RAISED THROUGH DONATIONS, CONTRIBUTIONS & GRANTS	
\$0-99,999	18%
\$100,000-499,999	28%
\$500,000-999,999	15%
\$1 million - \$1.49 million	8%
\$1.5 million - \$2.49 million	9%
\$2.5 million - \$4.99 million	8%
\$5 million+	12%
Other or Not sure	2%

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ORGANIZATIONAL PARTNERS



ABOUT THE CONCORD LEADERSHIP GROUP

The Concord Leadership Group LLC helps nonprofit leaders navigate the challenges of leading in the 21st century. We've helped CEOs increase employee satisfaction by double digits, nonprofits grow revenue by an average of 40%, and boards fully engage with their nonprofit in ways that streamline unproductive busy work while increasing organizational effectiveness.

To learn more about how our services can help you, go to:
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Is your nonprofit excelling in one of the problem areas looked at in this report? Please tell us. We are actively collecting stories of nonprofits that are experiencing success.

Email your story to: excelling@concordleadershipgroup.com.



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