



Why Organizations Go Off Course – Lesson 2: Don't Chase Money and Other Shiny Objects
Updated September 2017
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I'm in the process of writing an E-Book entitled: *Why Organizations Go Off Course*. The article details a series of lessons I have learned as a consultant and Executive Director, buttressed by my observations of dozens of other groups both in Oregon and across the country.

This series offers a counterpoint to the lessons in my other series: *Why Organizations Thrive*.

Why Organizations Go Off Course Lesson Two is: Don't chase money or other shiny objects.

Particularly for small groups trying to get to the next level, the allure of money or other opportunities is extreme. Anything that can generate more activity is arguably a step towards growing the organization. And when you're struggling to pay staff, any money seems like it's worth chasing.

Nonetheless, in my experience groups that chase off-topic or off-plan money or other opportunities almost always come out behind in the end, compared to groups that stay focused on their own plan and relentlessly work to fund it.

Let me start by giving you an example from the real world.

A few years ago, I spoke with an Executive Director who was having their organization round up its grassroots supporters to generate online votes. If they got enough votes, their organization would win a small grant. (Small in this context was \$2,000, about 1% of the organization's budget if they were to receive it).

Here's what was odd to me. The \$2,000 grant would be to do work that wasn't part of their strategic plan. Indeed, it wasn't even something that fit within the group's core niche/role!

It wasn't just low priority and therefore not in the plan — it was off their radar screen entirely until the opportunity emerged to win the grant.

When I asked the Executive Director why they were nonetheless pursuing it, their response was: it would only cost \$1,000 to actually implement the grant and the work would get the group on the radar screen of a foundation, opening the door to larger future grants.

I pondered this for a few minutes and my reaction was — that's not right.

Chasing money off-plan fails to account for at least three things.

First, chasing money can take as much staff time as the money is really worth, if you count the staff time necessary to chase it, then implement the grant, and then report back on it. Based on the work I personally was observing being done to chase the \$2,000 in the first place, close to \$1,000 in staff time was being spent in the “chasing” process up-front.

Setting this aside, what about the opportunity cost? In the financial world, you measure investments not just by what you gain, but by looking at what you might otherwise have done with the same time/dollars.

In nonprofit terms, you need to ask: what could the staffers involved in drumming up “votes” for the grant have raised if they had been spending their time in another way? Even if it was half of the \$2,000 – far better to have \$1,000 from donors who are excited about your actual mission/plan than twice that for something off-topic.

You also need to factor in the dilution of the organizational brand. A strong organizational brand is one in which donors/supporters know and like what you do and think you do it effectively.

Asking your grassroots supporters to rally behind your organization doing an activity that’s **not** part of what you have identified as your role in the community distorts your brand. It will make it harder to raise money in the future both from those who respond to your online appeals and those who read them and are confused.

Is all of the above irrelevant based on the Executive Director’s assertion that landing the grant would get the organization on the radar screen of a foundation that might give far more? Of course, it’s impossible to predict the future in this way. My strong instinct is that giving a foundation a mistaken impression about what you work on will almost always come back to bite you in the long run.

Of course, some shiny objects aren’t about money. There are other opportunities.

I encountered another organization whose Executive Director was telling me about the press they’re getting for a new to them activity. Other organizations did the activity, but their organization had previously decided it was beyond their mission.

When asked why they were nonetheless doing it, their response was: “We got asked to do it by an ally and we’re too small to pass up any opportunity to get press, especially since a board member would do most of the work.”

Yet, as with chasing money, getting press coverage for something outside your role dilutes your brand, it doesn’t build it. By creating confusion among your supporters about what you do, it most likely makes it harder to generate enthusiasm around your core mission.

And just because it was mostly board member time, doesn't mean there isn't an opportunity cost. What is the board member not doing because they're focused on this "shiny" activity?

Being a small organization is no excuse to pursue shiny objects. Contrary to what the Executive Director of the first group mentioned suggested, when you're small it's even **more** important to be hyper-focused on your plan. You have so little resources to waste.

Sure, occasionally an organization will seize an opportunity that somehow creates relationships or otherwise sets it on a new trajectory. But my money will always bet on those who have the discipline to create a plan and stick to it. They almost always are more likely to take their organization to the next level than those who're opportunistically chasing money or the next shiny object.

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