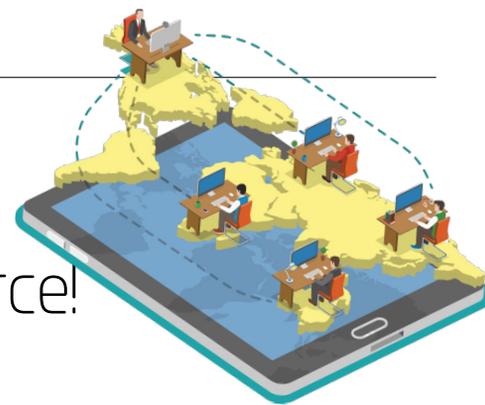


Need to Amp Up Your Creativity, Efficiency and Productivity Fast? Outsource!

It can be a surprisingly budget-wise decision

by Richard Tollefson and Michal Tyra



CULTURAL ALIGNMENT

According to the Nonprofit Committee of New York, hiring the right outsourcing firm is critical for success. To ensure the potential vendor fits an organization's needs and culture, it should make sure to: "Conduct an in-person interview; check three references; review their website to better understand their services and client service model; and search resources such as the NOC database, the Better Business Bureau or perform a simple Google search for additional information."



Richard Tollefson is founder and president, and Michal Tyra is director of client and community engagement at The Phoenix Philanthropy Group, an Arizona-based international consulting firm serving nonprofit organizations as well as institutional and individual philanthropists. phoenixphilanthropy.com

▶ It takes a lot to keep a nonprofit organization at the top of its game. Just like for-profit companies, not-for-profits are concerned with the financial bottom line, operational efficiencies, human resource regulations — and more. Not-for-profits have an extra layer of scrutiny many for-profits don't. They report to more than just their shareholders; their performance is evaluated by multiple stakeholders — governing boards of directors, clients, constituents and the public at large — all of whom expect efficiency, productivity and accountability while ensuring the nonprofit is serving the public good.

With the dual complexity of managing effective organizations and achieving meaningful community impact, nonprofits need skilled personnel to lead critical functions. Employees at the top of their games, armed with best practice knowledge, in-depth experience, creative talent and entrepreneurial drive may be hard to find and too expensive for a not-for-profit's limited budget. For many nonprofits, outsourcing is the answer.

Although some perceive outsourcing as too expensive or a way to avoid investment in the existing human capital of an organization, that's often a short-sighted opinion. Outsourcing can allow an organization to enhance its efficiency and productivity, increase creativity and entrepreneurial drive, manage costs and accelerate outcomes and impact in the most expeditious and cost-effective way.

Too often, nonprofit staffers are forced to wear multiple hats and perform activities outside their expertise. Budgets are tight; organizations are hesitant to increase their operational or "overhead" expenses — including personnel. This often results in piecemeal strategies, uncoordinated and inconsistent implementation and short-changed solutions that inhibit the outcomes and impact of the organization in the near and long terms.

Depending on the organization's long-term goals, outsourced experts may take on the entirety of the day-to-day tasks and requirements of a function, or they may partner with management to build the internal capacity of existing staff to eventually take on the responsibilities themselves.

With marketing and communications, there is often the impression that structured assistance beyond the occasional graphic design is an unaffordable luxury. Strategic marketing and communications go far beyond brochure and website design, or social media management. Sara Stern, EVP of Philanthropic Marketing at Lipman Hearne, believes that "effective marketing and communications help to build trust, demonstrate impact, activate engagement and build support. Bringing in outside help can be of great aid when you need a varied skill set; when you

don't have the time to train and manage an internal team; when you need an infusion of new, creative thinking; or when you want to ramp up your marketing efforts quickly."

Many nonprofits outsource their direct response (direct mail, email, social media) fundraising, but don't consider other key functions such as prospect research, case statement development or fundraising planning. Outsourcing these functions can bring a new level of expertise and more creative strategies needed to increase fundraising performance.

Leadership development — critical to many organizations — is often viewed as an extravagance for "good years" and to fill time during board retreats. For Allyson Mallah, CEO of Everest Edge Enterprises, it's about keeping one's edge in an increasingly competitive marketplace. "In the for-profit space, innovation results in market share and profits. While that may be a bit different in the not-for-profit world, every organization needs training and support to reach their objectives and optimize their impact. By employing an outside voice — helping to inspire leadership to think boldly — cutting-edge and unvarnished perspectives prevail."

THINGS TO CONSIDER

Ensure internal buy-in. Just because the executive director or board chair is sold on the benefits of outsourcing, the rest of the organization may not feel the same. Board members may fear the loss of internal control and potential costs, while staff may misinterpret the change as a reflection on their performance or ability. Taking time to ensure that outsourcing is an organization-wide priority will go a long way toward ensuring the new paradigm is both efficient and effective.

Nonprofit expertise is key. Engaging a firm with flashy corporate experience may be tempting; however, lack of nonprofit experience can result in inappropriate approaches or a mismatch in goals or values. Conversely, Sara Stern says that "an agency that understands the nuances of nonprofit audiences and decision-making can help you build confidence and success among all of your audiences, including your board, donors and prospects, as well as the customers you serve."

Develop clear expectations and goals. Maintaining effective oversight and value for cost requires a clearly articulated vision for the outsourced function, what is expected from the vendor and required deliverables. While it may be an unknown at the outset, it's wise to consider whether outsourcing is likely to be a short- or long-term solution. If the goal is for the outside vendor to work him/herself out of a job in one year by delivering operational infrastructure and training staff, that expectation should be made clear. ■

