

# 6 Strategies Under \$6 to Exponentially Improve Organizational Performance

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No matter how large and successful an organization may be, almost every nonprofit feels it could use more cash to accomplish its work; in fact, BDO's recent *Nonprofit Benchmarking Survey* found that: "Loss of revenue can be devastating for nonprofits, and 40 percent of organizations list it as a concern for their board.

To supplement a potential loss, organizations should maintain adequate operating reserves (liquid unrestricted net assets). The nonprofits surveyed maintain an average of 8.7 months of operating reserves. However, a plurality (40 percent) maintain between one month and less than six months of reserves."

Here are six strategies that cost little to no money, but can produce an overly abundant return on investment.

## 1. Identify Your Differentiator

- What makes your organization different from any of your competition?
- Why should someone choose your organization over the thousands of other options?

An organization's competitive advantages, such as its distinctive offerings, intellectual property, branding, strategic relationships, pricing, location, customer base, etc., are what will drive revenues and determine the ultimate success or failure of an organization. As a result, organizations should ensure that what sets them apart is clearly identified. Steps to accomplish this include

**These strategies can produce an overly abundant return on investment.**

examining your mission statement to make sure it reflects the organization's differentiator. Also, review your branding and messaging to be certain that your organization's differentiator is clearly stated and easy to understand in one quick read.

## 2. Build a Board Whose Members' Networks are Unique

- Does each one of your board members bring a non-duplicated network that they are also actively willing to draw upon to support the organization?

Diversely networked boards bring a rich perspective to the organization, an objective approach to board governance and accountability, and a healthy mix of earned and contributed revenue from their connections. This strategy is the secret ingredient to transforming the upward trajectory of any nonprofit organization.

## 3. Hire the Best & Fire the Worst

- Have you exhausted every last resource to find and engage the world's greatest staff?
- Does it take you too long to finally cut the emotional cord on that toxic 1% of your employee base that is bringing down the other 99% of your workforce?

The most thoughtful strategic plan, organizational structure, employee handbook or Standard Operating Procedure (SOP) is no match for an ineffective, disruptive workforce. Competence and culture can buoy or bankrupt an organization, no matter how fiscally strong it is initially.

## 4. Know Your Role

- Do you have the correct individuals with the proper amount of responsibility and authority?
- Does each employee, board member and volunteer have clearly defined roles?

Be sure all employees, board members and volunteers know what is expected of them and make sure these expectations are documented. Every person in the organization (staff, board, volunteers) should have a job description that is measurable, expectations that are attainable and consequences that are reasonable. Therefore, a successfully operated nonprofit is reliant on the right people in the right positions with the right approach to their individual and collective roles.

#### **5. Address the Ice Cubes Before They Become Icebergs**

- Does your organization address issues immediately, or does it tend to leave them for later until they become so big that they are almost impossible to fix without a detrimental impact on the organization?
- Do you and your stakeholders fear conflict or embrace it as a healthy part of the organizational culture?

Organizational Behavior 101 teaches us that human beings hate conflict, or even what they *perceive* as conflict — factor in that change is conflict's sidekick, which only adds insult to injury for us humans — so we tend to ignore making a critical decision when it's a simple problem, and then become paralyzed when it's a crisis. Organizations need to have procedures in place to assist leaders in addressing difficult issues when they first appear. This strategic action can reduce the odds of the issue becoming a crisis of staggering proportions.

#### **6. Never Underestimate Your Organization's Place in the Global Economy**

- Who do you identify as your organization's direct and indirect competition?
- What is the choice matrix your customers and stakeholders use to decide to invest in your organization and how can you persuade them?

Organizations can become insular in their decision-making without even realizing it. Driven by mission alone, nonprofits often make the mistake of not considering the local, national or global economy and its impact on their stakeholders' choices. Today's consumer has the internet and all of the world's information just a few clicks away — this can be used to an organization's advantage or be a detriment depending on how the organization positions itself in the global economy of options.

Implementing any of these six strategies can assist a nonprofit in reaching new operational and financial heights. However, incorporating *all six* into your organization's daily focus should exponentially increase its sustainability for years to come.

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