Big Thoughts in Small Talk: Context Matters

By By Erin Gloeckner

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When NRMC moved into a historic house at 204 South King Street in Leesburg, VA in 2014 we threw a party for clients, Affiliate Members, and friends from the Metro DC area to show off our new space and our incredible team of dedicated professionals. Before the party began, I had a bout of social anxiety which, though I hate to admit it, plagues me from time to time. I was sweating bullets in my sleeveless dress as clients and members began to filter in. My head was filled with nervous thoughts like, “Should I stick to small talk? Do people talk about work at these events?” After mitigating my risk of nervous perspiration with Melanie’s reminder to “be yourself and enjoy!” I entered the conversation.

My confidence rose as I chatted up our wonderful guests; the small talk at our party turned out to be fun and informative. A few of us migrated outside to enjoy food, drinks, and live music. During this time, Joe Budzynski from Volunteers of America arrived. He entered the discussion effortlessly before sending a serious question my way. “So what do YOU think is the greatest risk or challenge facing nonprofits today?” After hearing the question, I glanced around to be sure that it was directed toward me… the young project manager surrounded by far more experienced clients. This was the moment I had been worrying about—when small talk becomes big talk.

The first answer that popped into my head was “board development—engaging your board members to provide appropriate strategic and fiscal oversight without getting too involved in operations.” The clients around me seemed pleased with this answer and several admitted to facing similar challenges in their own organizations.

As additional key challenges popped into my head, it was time to greet new guests, proudly invite visitors to tour the building and introduce my colleagues. These thoughts have had time to jell since the party ended. With nearly a week to reflect, I feel more confident sharing one overarching idea and a few examples. In my mind, the biggest challenge faced by today’s nonprofits is to operate and evolve in the complex, always changing environment that surrounds us on all sides. Here are a few key examples of contextual challenges facing nonprofits across the mission, size, and services spectrum.

1. **Nonprofit service delivery is a team sport**. Like any industry, the nonprofit sector has its bright lights and superstars. But at the end of the line, even the most talented leader or successful organization can’t change the world alone. Great nonprofits need internal teams as well as external, team-driven partnerships. From service delivery partners to sponsors, members, and affiliates, the nonprofit sector is

a dynamic, vast web of interconnected organizations. Does your nonprofit spend enough time nurturing the teams that matter to your mission? Are the expectations of service delivery partners clear or sometimes a bit fuzzy? Do you hold teammates, both internal and external, accountable for their commitments? From conversations with the nonprofits we advise, I have a hunch that we spend too little time nurturing what often holds our precious missions together: teamwork.

2. **Boards and CEOs should embody the spirit of partnership**. At NRMC we often hear from board members who are in a tug of war with their CEOs, and also from CEOs who are frustrated with the lack of participation or excessive involvement of their boards. What's missing in each relationship is the recognition that this essential relationship must be nurtured over time, with plenty of commitment to make things work on both sides. According to our CEO, Melanie Herman, lack of clarity regarding authority and miscommunication about vision are frequent culprits in executive team battles. The solution? Candor, frequent communication, and the resolve to put the mission first and egos second. When a crisis hits, a cohesive leadership team is your best bet to staying cool in the spotlight and protecting your mission from permanent damage.
3. **Risk is the fuel that advances your mission, not the cold water on your flame**. Thriving nonprofits take risks each and every day. Organizations running on fumes are, in all likelihood, those that don't take enough risk. Or those that take risks willy-nilly, without a care or back-up plan in sight. Instead of doubling down on "avoiding risk," we encourage leaders who come to the Center for help forming diverse teams that will work out how best to evaluate and act on risk-taking opportunities. If you think a Risk Management Committee is the committee that nixes great ideas, think again. At the upcoming Risk Summit in Chicago we're hosting a brand new session to dispel the myths and provide practical advice: "How to Form a Best in Class Risk Management Committee."
4. **Starvation, like extravagance, is unbecoming**. Nearly five years ago the *Stanford Social Innovation Review* published a provocative article on "The Nonprofit Starvation Cycle." The article chronicles that poorly understood practice of starving the infrastructure of an organization in order to boast that the vast majority of incoming financial support goes to "programs." How could something positive—dedicating financial resources to mission—actually your mission in danger? The fact is that every nonprofit needs solid infrastructure, from the smallest-all volunteer program to a large international NGO with offices around the world. Employees aren't paid fairly without someone paying attention to wage and hour laws and payroll details. Bright minds can't focus on an ambitious mission if they're worried the roof of the building is about to collapse. Talented board members won't be the best advocates of the mission if they are grumbling about something the CEO said or did at the last board meeting. Although the concept of investing in infrastructure to survive and thrive has been discussed by some of the brightest minds in the sector, too many potentially great organizations continue to think that faulty wiring, shabby offices, and underpaid staff are hallmarks of true commitment.

A few years ago the Nonprofit Finance Fund and others began campaigning for 'philanthropic equity.' This term refers to investing capital into nonprofits in order to build capacity and promote organizational growth. I love the term because it explains the rationale behind donations and grants used for nonprofit infrastructure, governance, risk management, human resources, financial management, and technology—those vital systems connected to and supporting your high-profile programs. It's a galvanizing concept that could and should lead to an entirely new sense of pride about the potential of the nonprofit sector to change the world.

Erin Gloeckner is the former Director of Consulting Services at the Nonprofit Risk Management Center.