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CENTERPIECE

FOCUS ON: DEVELOPMENT

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INTERNAL GIVING: STAFFING STRATEGIES FOR THE DEVELOPMENT OFFICE

BY DAWN RAINS

When “Staffing the Development Shop” turned up as one of the hot topics selected by 19 development directors participating in a recent TCG teleconference series, I knew what the topic of the next *Centerpiece* needed to be. In the flush times of the 1990s, jobs were plentiful and experienced development professionals tended to change jobs an average of every 18-20 months for the opportunity to upgrade titles, responsibilities and pay. Theatres were challenged to attract and retain experienced development staff at all levels with competitive wages and benefits packages.

Now, many nonprofit theatres around the country are struggling; the Johns Hopkins University Listening Post Project recently reported that 63 percent of theatres reported experiencing severe or very severe fiscal stress in 2003. Another 27 percent reported moderate fiscal stress. Earned revenues are down, expenses are up. Many development directors I talked with are in organizations that have experienced layoffs, hiring freezes, wage freezes or positions reduced to either part-time, seasonal or both. Almost all reported having to do more with less. This, of course, leads to some interesting challenges: How do we structure (or restructure) our development staffs, given cutbacks? How do we motivate and reward staff when there is little money for raises, benefits or staff development? Where should development directors be focusing their precious time and energy? What can we drop from our plates, if anything? How can we encourage everyone on staff to become a fundraiser?

I want to extend my sincere thanks to the following development professionals who took time out of their clearly crazy schedules to offer their experience and ideas to the field: Roslyn Black, McCarter Theatre Center; Melodee DuBois, Court Theatre; Jill Garland, Playwrights Horizons; Nan Hildebrandt, Geva Theatre Center; Christen McDonough, Actors Theatre of Louisville; Christine O’Connor, fundraising consultant; Mallory Pierce, Oregon Shakespeare Festival; Matthew Shakespeare, American Repertory Theatre; Heather Sherwin, Great Lakes Theater Festival; Steve Sorin, Trinity Repertory Company; and Jon Wagner, Laguna Playhouse.

Development *Centerpiece* Curator: Dawn Rains, director of development, Seattle Repertory Theatre. Copyright © 2004 by Theatre Communications Group, Inc. All articles reproduced by permission of the authors. No portion of this publication may be reproduced in any form, or by any means, including photocopying, without written permission from the publisher or author. Theatre Communications Group, Inc., 520 Eighth Ave., 24th Fl., New York, NY 10018-4156, telephone (212) 609-5900, fax (212) 609-5901, website: www.tcg.org. Ben Cameron, executive director; Joan Channick, deputy director; Christopher Shuff, director of management programs; and Rachel Ford, management programs publications associate.

2003 TRENDS IN HIRING DEVELOPMENT PROFESSIONALS

BY DEVELOPMENT RESEARCH GROUP (DRG)

During the spring of 2003, DRG, a national executive search company that serves only nonprofit clients, surveyed approximately 3,000 nonprofit executives in the Boston to Washington, DC, corridor on their experiences in hiring staff for their development departments during the past 24 months. Below are the key findings from the 164 respondents:

- ❖ Of those surveyed, 67 percent hired new development professionals in the past 24 months. (In our 1997 survey, 86 percent reported recent hires in 1996 and 1997.)
- ❖ Hiring of development professionals occurred even though 57 percent of the respondents reported that their organizations experienced hiring or wage freezes, staff reductions and/or merging of positions.
- ❖ Of those hired, 41 percent filled new development positions. Other hires were to fill openings for existing positions created by resignations (39 percent) and termination (14 percent). By comparison, in our 1997 survey, 56 percent filled new development positions.
- ❖ The fundraising experience that was sought most in these new hires was **major gifts (35 percent)** followed by **events/annual fund (20 percent)** and **corporate/foundations relations (16 percent)**.
- ❖ Most of the **new hires were junior-level professionals**, 41 percent (3-5 years experience) and entry level, 30 percent (under 3 years experience).
- ❖ When considering education backgrounds of candidates for senior and junior development positions, executives expressed strong preference for candidates with a bachelor's and master's degrees in liberal arts or humanities. For senior positions, there was some interest (12 percent) in candidates with MBAs, CFRE/ACFRE credentials (12 percent) or a Master in Nonprofit Management (10 percent).
- ❖ Development professionals **are staying at their organizations longer**. It was reported that development staff typically stays with their organization 3-4 years (52 percent), the remainder broke down as: 5-6 years (19 percent), 1-2 years (16 percent). That is considerably longer than the average 18-20 months reported in earlier surveys.
- ❖ Nearly half (46 percent) of the professionals **who left development positions did so for quality of life reasons** such as seeking part-time work options, family relocation, leaving the work force or continuing education/graduate school.
- ❖ An **increase in pay or responsibility has not been the primary motivator in professionals' decisions** to leave their position. Only 28 percent reported that professionals left their development departments for new positions with increased pay. 17 percent left for positions with increased responsibilities.
- ❖ There has been a six percent decline in hiring professionals from the corporate sector for fundraising positions since DRG's 1997 survey. In our current survey, 24 percent of the respondents reported hiring a professional from the corporate sector.
- ❖ Corporate backgrounds in marketing (31 percent) and sales (24 percent) were most successful in transitioning into development positions. Public relations skills were also noted in 18 percent of these hires.

About the Survey

There were 164 respondents. Of those responding, 48 percent served as their organization's chief development officer or director of development; 23 percent of the respondents were the executive director.

Of the responding organizations, 20 percent were organizations dedicated to social services, 12 percent to the arts, 10 percent to hospital/healthcare and 9 percent to higher education. Of these organizations, 36 percent had budgets between \$1 and 5 million, while 18 percent had budgets in excess of \$50 million and 14 percent had budgets from \$6 to 10 million.

Development Research Group is an executive search consultant group for the nonprofit sector. To read a copy of this survey online, visit their website at www.drgnyc.com.

STAFFING THE DEVELOPMENT OFFICE IN THE CURRENT ENVIRONMENT: THEATRE DEVELOPMENT OFFICERS REFLECT

BY DAWN RAINS

I asked the following questions regarding staffing the development office in the current economic climate to many theatre development directors around the country. These selected answers came back from 10 different theatres, all in TCG Budget Groups 4, 5 or 6 (theatres with budgets of \$3 million or more). Some of these theatres have been more severely impacted by the current economic environment than others, but most have experienced some combination of hiring freezes, wage freezes and layoffs, with varying levels of impact on development. In addition, several reported added programming and increased demands despite reduced staffs.

Despite the challenges, throughout these conversations and emails there ran a thread of optimism—a conviction that this kind of crisis always presents opportunity. Many of us are grateful to have been forced to re-think the way we do things, and have become more successful in asking for and accepting help from our colleagues and trustees. Most organizations expect to be stronger as we come out of this economic crisis.

How do we structure (or restructure) our development staffs given cutbacks?

Note from curator: An overall theme here was that development directors are taking on more themselves and there is increased reliance on part-time staff or interns. Some have invested more in one or two-key people while downgrading or eliminating support positions. Others have opted to retain or hire less experienced people in favor of saving money or just having enough bodies to meet the many competing demands.

- ❖ “I have chosen to upgrade the position of our director of major gifts/grantwriting specialist and our director of corporate relations (investing more money in highly-skilled, very professional individuals). In both cases the return has been very strong! It has proven to be a ‘you get what you pay for’ success story.”
- ❖ “Redistributing the work is inevitable to some extent; however, it seems unrealistic to expect fewer staff members to accomplish a greater number of tasks efficiently and effectively. While that must be examined judiciously, it also seems important to re-examine and perhaps revise priorities. When everything *can't* be done as well as before, what are the candid realities about where development staff's time is best spent in order to yield the biggest dollars? Is this the time to let go of an in-kind gifts initiative, because the time spent securing these items can be better spent on training and supporting trustees' efforts to bring in new individual and corporate gifts?”

- ❖ “Investment of a new staff member in individual major donors...[we have] seen an increase in major giving—more than a 10-percent increase in individual annual giving.”
- ❖ “Wage freezes were in place for 2001–02 and 2002–03. Positions were eliminated by attrition. Basically...the staffing of the organization was brought more in line with the level of revenue (earned and unearned) we were able to produce. The marketing and development departments were impacted the most. No positions were changed in the production or education departments. The impact to development office has been that we focus on what is most important and have delayed or discontinued extraneous programming (translates into MUCH fewer and LESS elaborate events.)”
- ❖ “Basically, we try to stay on top of upcoming deadlines and re-prioritize the necessary tasks as new assignments arise. Also, I am very generous with the staff's use of flex-time. It helps us to work productively, and thus accomplish what we need to without putting in extraordinarily long days. For example, we sometimes arrange to stay home for the morning and early afternoon in order to get a good start on a major proposal or for planning a project that needs quiet uninterrupted time—in doing so, we find that we often accomplish the work in half the time it would take in the office.”

Have you done anything creative to motivate or reward staff when there's little money for raises, benefits or professional development?

- ❖ “Title changes. More and more interesting responsibilities. Tiny bumps in salary. We do simple things like eat lunch together. We do Fundraising 101 workshops—where development staff members pick topics that they would like to learn more about and once a month we focus on these and other big picture topics.”
- ❖ “It is a challenge to keep staff motivated when dollars are short. I pulled \$500 out of my “entertainment” budget and sent all the women on our staff (34 women attended) to a Women's Health Fair that was sponsored by our local NPR affiliate. The staff got: (1) the day off from work and (2) good information on preventing stress and health issues. We also do a “High Fives” list on our intranet (distributed to the entire company) each week. This report comes from our senior staff meeting and will salute any employee or department that really went above and beyond.”

- ❖ “We are applying to a (state) labor department program for funding for continuing education for our staff.”
- ❖ “Sit down with staff members to get a clear sense of what they...want and value. Maybe it is more time off; maybe it’s more mentoring to meet (or determine) their long-term career goals. Although that inevitably places more pressure on the director of development, presumably this is a problem in other departments as well. Perhaps a cross-fertilization effort that allows staff to meet or interact regularly with other department heads (or other theatre staff) in a mentoring structure or team project structure will give the staff more recognition and career building resources, help foster an understanding of the challenges faced by other departments, build a better understanding of the internal talent (on both sides of the lunch table), and build relationships generally. Can key board members become involved in the process, as well? Part of what I’m suggesting is making the best of tough times by providing those stressed staff members with the feeling that the organization cares about them, that it hunkers down together in these challenging times and creates an environment/network that is of value to the staffers in intangible but rewarding ways.”
- ❖ “We are in the early stages of developing an employee recognition program focusing on length of service.”
- ❖ “We are doing what we can to improve morale. If we have an event, we allow people to come in late the next day. Go home early on occasion. Allow people to work from home....In fact, almost all of the development staff are on a four-day-a-week schedule, including myself. We are also trying to provide more opportunities for staff contact with visiting artists, workshops, readings, lunches—to be closer to the art. We need to know what we’re working for.”
- ❖ “After a layoff of 10 percent of our staff last July, including two development positions, we had all-staff events, allowed people to take Friday afternoons off for a month in the summer (when we are not producing), and tried to let people know how much we appreciated that they were sticking with us through these tough times. Everyone (in the entire organization) is still with us.”

Have cutbacks in staff required increased involvement from trustees?

Note from curator: Almost everyone I heard from indicated that trustees had been very involved in and very concerned about, the decision to cut staff positions, decrease benefits or require wage freezes—and that trustees have been willing to become increasingly involved in fundraising.

- ❖ “Trustee involvement is crucial and very valuable for more face-to-face visits, peer solicitations and increased cultivation, but it does increase the amount of staff time needed to support the trustees.”
- ❖ “Our trustees are quite involved in fundraising. Each trustee is required to serve on a development committee...either

corporate, individual giving or foundation/government relations. Trustees have proved to be quite helpful in writing cover letters of support to family foundations. In addition, trustees are encouraged to bring new business contacts and potential corporate sponsors to our monthly ‘Business On Stage’ business cultivation lunches for new prospects.”

- ❖ “We are encouraging greater involvement from our trustees, beyond their personal gifts. We provide complimentary tickets for trustee guests on opening nights and then help with follow-up in asking for a gift. Trustee involvement is always more work.”

How have these changes impacted you and your staff? What are you doing to prevent burn-out for both yourself as the head of a development department and for your staff?

- ❖ “I’ve been coming in earlier, staying later, coming in on weekends. There is a lot more crisis management...it’s hard to be proactive. We no longer assume that just because we can dream it up, we can do it. We have to focus a lot more on prioritization.”
- ❖ “We’ve pulled together tremendously. The highly dedicated were the ones that weathered the bad times. We’re tired but really excited about the new direction of the company.”
- ❖ “We must be flexible and willing to multi-task in areas not traditionally development territory. My associate and I host pre-performance receptions for patrons of our affinity nights (wine lovers’ and art lovers’ series). Most of these individuals are not donors and are first-time subscribers. Marketing brought them in the door and we have the opportunity to do some one-on-one cultivating so that we may convert some of them into donors.”
- ❖ “We anticipated the economic challenges and held a company-wide meeting to inform everyone of the possible budget implications. When the effects of the economy became apparent, we held a second company meeting and announced how we planned to meet the challenge. The hope was that these meetings would instill feelings of confidence that management was looking ahead and doing everything possible to preserve jobs and maintain our artistic mission. I think the company pulled together.”
- ❖ “There has been a bit more turn over than I would prefer over the past couple of seasons, and, at least, part of this is due to the perception that the workload has become unreasonable. It has also bonded me with our assistant director of development more, though part of this bonding has to do with sharing our tips for avoiding burn-out! We both feel a bit ‘stuck’ in terms of our professional growth because of the time it takes just to maintain all of our programs and achieve revenue goals. To spend even more time strategizing for new initiatives, attending professional development sessions, etc., is generally at the expense of making a major sacrifice in one’s personal life.”

What have you done to encourage everyone on staff—even outside the development department—to become a fundraiser?

- ❖ “We are going to greater pains in staff meetings and managers’ meetings to explain what we do and why. I am spending more time with other managers throughout the organization so that they will understand why we are asking more of them.”
- ❖ “I find this to be the single most important issue—not just because development needs the help, but also because the process of engaging others may help reduce the ‘Who are those people, what do they do, why do we need to raise money and what kind of person would want to do that?’ attitude that still seems to pervade many organizations. It may be worth reinventing some of the old ideas—brown bag lunch presentations, détente-building lunches with colleagues and other staff members, charts and graphs at company meetings—but I also think it’s worth confronting it

with candor (and a sense of humor). Why not be more direct about communicating, ‘We often feel like we’ve become icons for the dreaded task that no one else understands or wants to do.... Here’s what we see coming from others in the organization, and here are some thoughts to consider as we ask for your help in developing relationships between the theatre and its audience.’ ”

- ❖ “When are most important donors are expected to attend a particular performance, we provide lists of their names to the entire staff, even down to the bartenders and parking lot attendants. It helps the staff identify and give their best service to our top donors. Our top donors have ID cards but our staff takes pride in being able to recognize these people without showing identification.”
- ❖ “Being so small, EVERYONE is a fundraiser and each person is great—I’m blessed!”

SEVEN TIPS FOR RETAINING YOUR TOP DEVELOPMENT PROFESSIONALS

FROM ARTS CONSULTING GROUP, CONTRIBUTED BY REBECCA L. WORTERS, CFRE, CAPABILITY COMPANY

The loss of yet another development professional is an all-too common lament of executive directors and board members in the arts industry. These leaders worry that the continuity, relationships and momentum created by a fundraiser will be lost when that individual decides to pursue other career opportunities or departs for personal reasons.

Senior development positions can be the most difficult to fill. It often takes 8-10 months from the time an incumbent leaves the post until a suitable replacement arrives. Considering the significant contributed income that is at stake, it is important to keep those top fundraisers in their jobs. With that in mind, here are several tips for retaining development professionals that can make a real difference in the financial health and long-term advancement of your organization:

1. WRITE AN ACCURATE JOB DESCRIPTION BEFORE HIRING

Make sure the job is defined accurately so that all parties know what to expect. This ensures that the candidate, board and staff understand the role of the development professional, have realistic expectations about what a fundraiser can achieve and how quickly, and understand what components will be the primary focus of the job.

2. TALK HONESTLY ABOUT YOUR ORGANIZATION’S CULTURE

You may have a detailed job description, but you need to define what sort of person does best in your organization’s culture. A person who is qualified “technically” or “on paper” may not always be the best fit. It is important to understand the “soft skills” that will make a person successful in an organization, such as persuasion, customer service or presentation ability. Do you need someone with futuristic thinking ability or are there other positions in the organization that fill this role? If you are a new arts organization where everyone pitches in to complete many projects, hiring someone who thrives in a large bureaucratic institution with plentiful human and technical resources may not be a good match. Think about the personal fit within the organization’s existing culture to build the most effective team.

3. DECIDE TO INVEST WISELY

A good development professional is worth a stretch in salary for the organization. As the old saying goes, “It takes money to make money,” so if you expect significant funding for your organization, you’ll have to provide a competitive compensation package. Don’t forget that the fundraiser will need a solid budget to use when raising funds and that to perform at his or her top level, the person may require clerical help. A mistake many arts organizations make is to pay a relatively high salary for the development professional, but not

to provide support staff. Having your top development pros spend time filling out forms and typing thank you letters is not an efficient use of your valuable human resources.

4. ACTIVELY RECRUIT CANDIDATES

It's fine to advertise and flip through stacks of résumés looking for a golden nugget. However, it's more effective to actively recruit the talent you seek. Target organizations like yours that are successfully fundraising and ask the person in the comparable position to help you by giving their insights and thoughts on what qualifications are needed for the position. You will give yourself a chance to get to know this person and see if he or she might be right for your organization. Additionally, you will create interest in a potential candidate or find a referral of another candidate. Recruiting can be time-consuming, but a good recruiter can assist tremendously in this process, often making hundreds of phone calls on behalf of your organization. Make sure the person leading your search understands the nonprofit world and its conventions.

5. TREAT DEVELOPMENT PROFESSIONALS WELL

This may sound basic, but many fundraisers leave because they feel that their contributions to the organization aren't appreciated and that bosses, colleagues and board members aren't supportive of the development department's efforts. Showing respect for professional knowledge in the field will go a long way toward supporting a long tenure, a prosperous organization and a happy development staff. Fundraising is a whole-organization effort.

6. OFFER NEW CHALLENGES

Once a development professional has learned his or her job, and has gotten to know the people who are key to the organization's success, boredom can set in. Most fundraisers are goal oriented and like to learn new things.

Offer your development professional the chance to attend conferences and workshops related to the profession. Ask them to re-design their jobs, if necessary, and to evaluate the roles and responsibilities of their team members for maximum efficiency. Tell them about a new project or program far enough in advance, so that they can seek appropriate funding for new initiatives. Invite the fundraiser to design the ideal budget for his or her department, along with a way to fund any additional costs.

7. MOVE YOUR ORGANIZATION FORWARD—TOGETHER

If you are striving constantly to make your organization the best it can be, your enthusiasm and drive will be contagious. Employees in every department of your organization will want to stay and help you achieve the results that make a difference to your constituents and to the community. This can only come from a team effort, however.

Board members must comprehend and embrace their role in fundraising and as community ambassadors. The development office needs to understand artistic goals and programs that effectively communicate these ideals to prospective funders. They should work closely with marketing to establish close relationships with patrons, as a substantial number of individual donors come from your audience-base. Educational programs must also be clearly articulated, so having interdepartmental discussions of what projects funders will support and an understanding of how many students are served are critical.

Ultimately, everyone works together to increase levels of contributed income, typically under the stewardship of the development professionals. While attrition in any position in arts management is inevitable and there are no guarantees about how long any employee will remain in a position, following the basic tips above may increase the tenure of key development professionals whose efforts can help keep the funds flowing and the organization thriving.

The Arts Consulting Group is a national firm with offices in Los Angeles, San Diego, Denver, Dallas, New York and Boston that has consultants located across the country. The firm provides hands-on interim management, project consulting, executive search and organizational development services for arts and cultural organizations of all sizes. For more information, please call them toll free at (888) 234-4236 or visit their website at www.artsconsulting.com.

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