



*Why Organizations Go Off Course – Lesson 2: Don't Chase Money and Other Shiny Objects*  
April 2012

By Jonathan Poisner, [www.poisner.com](http://www.poisner.com)

I'm in the process of writing a long article entitled: *Why Organizations Go Off Course*. The article details a series of lessons I learned while growing the Oregon League of Conservation Voters (OLCV),<sup>1</sup> 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 money or other opportunities that are either off-topic or off-plan 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.

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

What was odd to me is that the grant they were seeking was 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 the 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: the dollars flowing in would be twice what it would actually cost to implement (so they'd net

---

<sup>1</sup> I served as OLCV's Executive Director from 1997-2009. During that time, we grew from a permanent staff of 1.5 to 11, and a budget of around \$200,000 to more than \$1 million.

\$1,000) and it 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 often take up as much staff time as the money is really worth, if you count the staff time necessary to first chase the money, then implement the grant (which is easy to underestimate beforehand), and often to report back on it afterwards. Based on the work I could already see 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, the Executive Director wasn't factoring in the opportunity cost. In the financial world, you measure investments not just by what you gain from them, but by looking at the opportunity cost of what you might otherwise have done with the same 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 the time in another way? Even if it was half of the \$1,000 – far better to have \$500 from donors who you're getting excited about your actual mission/plan than \$1,000 for something off-topic.

And leaving the staff time costs and opportunity costs aside, the Executive Director wasn't factoring in the dilution of the organizational brand. Brand can be difficult to define when it comes to nonprofit organizations, but at least part of it involves the understanding that donors/supporters of an organization have about what the organization does and how effectively they do it.

If you're building a team of supporters/donors around a brand and then ask your grassroots supporters to rally behind doing an activity that's not part of what you believe is your role in the community, you are distorting and diluting your own brand. This 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.

But what about the Executive Directors argument about getting on the radar screen of the foundation? I'd argue that almost always being misidentified by a foundation as an organization that works on X when you don't actually want to work on X strikes me as a long run negative – not a positive -- when it comes to building a relationship with that foundation and their peer foundations.

What about chasing opportunities beyond money?

Often, this can create the same dynamic. I encountered another organization whose Executive Director was telling me about the press they're getting for a new activity for them which I'll call “shiny.” Again, shiny is something that some organizations do, but it wasn't part of this organization's plan or even mission.

When asked why, 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.” They said the time involved by staff was very limited and a board member would do the actual, substantive work.

Chasing press (or whatever outcome is sought by the next shiny object) is in my mind no different than chasing money. Press coverage for doing something outside your role dilutes your brand, it doesn’t build it. Creating confusion among your supporters about why you do makes it harder to generate enthusiasm for them around your core mission.

It might not cost them much in staff time dollars if the board member was doing most of the work, but what about the opportunity cost for the board members time – what are they not going to do for you since they’re doing Shiny.

Contrary to what the Executive Director suggested, in my experience when you’re small it’s even **more** important to be hyper-focused on your plan, rather than opportunistically chasing money or press.

Sure, occasionally an organization will seize an opportunity that somehow creates relationships or otherwise sets it on a 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.

*Jonathan Poisner is an independent management consultant who helps organizations thrive through coaching, consulting, and training. His services include strategic planning, evaluation, coalition building, fundraising, and communications. He can be reached at [jonathan@poisner.com](mailto:jonathan@poisner.com).*