

# THE CHRONICLE OF PHILANTHROPY

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March 18, 2012

### **Failure of Chief Fundraisers Puts Charities at Risk**

*By Holly Hall*

The fundraiser who got the chief development job at a large charity looked good on paper. And she had a lot more than just an impressive résumé. Her poise and personality wowed executive leaders and trustees in interviews, as did her track record of landing big gifts.

But less than two years after taking the position, she was asked to leave.

“She didn’t adapt well to working with senior staff and understanding their issues,” says the chief executive who hired the woman, speaking on the condition that he, the fundraiser, and the nonprofit would not be named.

The problem, he says, “wasn’t day-to-day fundraising. We were meeting our goals.” The issue was that the fundraiser was unable to join her colleagues on the executive team in mapping out strategies for the growth of the entire organization.

As the top fundraising job at big nonprofits grows more complex and demanding, too few people in that position possess the skills they need and risk putting their institutions in potential financial jeopardy, according to headhunters, chief executives, and other nonprofit experts.

“The nature of the job has really changed in the last 10 or 15 years,” says Susan Paresky, senior vice president for development at the Dana-Farber Cancer Institute. “All of us are being asked to raise more money, so there’s more need for strategy and managing growth. Today’s chief development officer needs to be comfortable taking risks, being accountable to numerous constituents, and being in the spotlight.”

And those are not the only challenges. The top fundraiser needs diplomatic skills, political savvy, and the ability to play an active role in shaping organizational policies that promote growth and advance the mission, says those who have succeeded in the role. Those skills are especially important in dealing with colleagues and trustees.

“You cannot fire someone who is your peer—the other executives on

the senior team or board members,” says Darrow Zeidenstein, vice president for resource development at Rice University. “You have to persuade and cajole and sometimes take some grief.”

#### Unprepared for the Job

The fundraising profession, however, has not caught up to this reality, experts say. It needs to do a better job of preparing people to be chief development officers, says Jon Derek Croteau, an executive recruiter who, along with Zachary Smith, wrote *Making the Case for Leadership*, a new book that profiles top fundraisers in higher education. That problem, he says, along with a shortage of talented development officers and a lack of succession planning for the top fundraising job, is a recipe for trouble.

James Thompson, chief advancement officer at the University of Rochester, agrees that more work needs to be done to help chief fundraisers succeed. “We are nowhere near where we should be on this,” he says.

It’s not just the fault of fundraisers that so many people stumble in the top job.

Many leaders of nonprofit institutions don’t understand what skills top fundraisers need to succeed, so they often put the wrong person in the job, says Bill McGinly, president of the Association for Healthcare Philanthropy, a group for fundraisers in hospitals and medical centers.

He worries about cases like a big hospital system with religious ties that recently put a minister in charge of fundraising for 18 of its institutions.

The minister “has no sense of the health-care side, but he’s connected to the church so he was put in the top fundraising job,” says Mr. McGinly. “He has a lot of contacts, but is that enough? I have my doubts.”

#### Using Other Skills

Chief fundraisers with long tenures often rely on leadership skills gleaned from other disciplines. Ms. Paresky at Dana-Farber, for example, says she has benefited greatly from earning a master’s degree in business administration. “Having an MBA is not a requirement,” she says, “but I use the skills I got from it all the time.”

Ms. Paresky says the first thing she did after getting her job was to create a five-year business plan for how Dana-Farber could double its annual fundraising returns from \$30-million to \$60-million. She achieved that goal in her fourth year.

Timothy Higdon, chief fundraiser at Girl Scouts of the USA, reached back to his 18-year career in the Army, which he calls “one of the

best management and leadership programs there is.”

Mr. Higdon says the army taught him that to move up, he needed to shift from being a specialist to a generalist.

Holding on too tightly to former fundraising responsibilities, Mr. Higdon says, leads many newly appointed chief fundraisers to micromanage.

But in the chief development job, “you are a macromanager,” he says. “If I have to be the smartest person in the room and involved in every decision, the organization can never grow beyond me. If you are micromanaging, it shuts down innovation and doesn’t allow people to reach their full potential.”

#### **Not for Everyone**

The stress of the top job and the day-to-day work it entails don’t appeal to everyone.

People who ascend to the chief development job often find that “suddenly they’re involved in a lot of issues they weren’t before,” says Bruce Flessner, a Minneapolis fundraising consultant. “It can be like having three or four full-time jobs,” he says. “The fun jobs are not the top jobs.”

That’s why Rebecca Tseng Smith, a Stanford University fundraiser with nearly 30 years of experience, has avoided seeking the top development position in her career, even though she has the skills that prompted her boss to ask her to manage seven other colleagues.

“Whereas I get to talk to deans and donors, the chief development officer has to answer to all of the deans and donors and the president,” she says. “I am more interested in what a donor wants than which dean has more power this week.”

Chief executives who hire top development officers say that Ms. Smith is precisely right about what the job involves. Not only must top fundraisers navigate internal politicking, but they must also be able to speak knowledgably with donors and other constituents as members of the executive suite about issues affecting the entire organization. That’s especially true when a crisis or other problem comes up, such as a crime wave on campus or bedbugs in dorm rooms, says Daniel Porterfield, president of Franklin & Marshall College.

Donors and parents of students, Mr. Porterfield says, “want to know what you are doing right now about the bedbugs. It is helpful to have an informed voice coming from the chief advancement officer.”

The chief fundraiser, he adds, helps shape the response from the president’s office and makes sure that solutions don’t alienate donors.

Deborah Rutter, president of the Chicago Symphony Orchestra, agrees. “The vice president for development needs to be my partner in communicating about strategy on top of being a crack fundraising professional,” she says. “Just being an expert on major gifts doesn’t mean you have the muscles to run the marathon that is this job.”

#### **‘Background Drama’**

Another challenging part of the job for many new chief development officers is the amount of energy spent handling board members.

“It was a real surprise to me how much time board management takes,” says Patricia Jackson, vice president for advancement at Smith College, where she is the main fundraising contact for 38 trustees. Ms. Jackson says she’s been struck by “the amount of background drama before, during, and after board meetings. It takes constant vigilance.”

#### **Help From Headhunters**

For nonprofits with a chief fundraiser who doesn’t work out, the costs of finding a replacement can be significant.

“It will cost \$50,000 at the low end and \$70,000 at the high end if you use a search firm,” says Marian DeBerry, a recruiter at Campbell & Company, a fundraising consulting company.

Headhunters typically earn 33 percent of the annual salary of any fundraiser they place, so it can cost even more to find a new leader for the top development job at a large institution.

And that’s not counting time spent on interviewing candidates and lost productivity during the four to six months it usually takes to find a new fundraising leader, Ms. DeBerry says. The total cost, she says, “is probably closer to \$100,000.”

The cost of hiring the wrong lead fundraiser can be a tarnished reputation for the entire institution if things go wrong.

As a result, some people are trying to groom fundraisers to ascend to the top role. One of them is Ronald Schiller, the former chief fundraiser at NPR who is now an executive recruiter at Lois L. Lindauer Searches. Last year, Mr. Schiller left NPR after activists who falsely portrayed themselves as would-be donors released a videotape that showed him making disparaging comments about the Tea Party.

While the videotape was taken without his knowledge, and even his detractors say it was unfairly edited to make Mr. Schiller look bad, the controversy underscores how visible chief fundraisers have become and the kinds of skills they need to navigate the nation’s increasingly divided political culture.

Mr. Schiller is now talking to senior fundraisers and other experts about the best way to provide workshops, and other resources that

would improve the skills and credentials of new and aspiring chief development officers. Already his company has held several gatherings for about 30 chief fundraisers in Boston to give them the support they need to succeed.

Such resources, Mr. Schiller says, can give newly appointed chief fundraisers “a chance to step back with a president and some other really experienced chief development officers and say, 'Here are the kind of issues you will be grappling with.' This is about creating an environment for success.”

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3/26/12 1:19 PM

**brigittesavage** 4 days ago

There is another issue to consider. You would not hire a minister or a failed politician to steer a battleship, but many (large) organizations (and their boards) don't hesitate to hire ex-coaches, former political appointees, even failed congresspersons to head their fund raising efforts. Most seasoned fund raisers know how to be strategic and how to develop five-year plans. You need boards and CEOs who will trust you to do your job and back you up, instead of telling you how you should do it.

Like

Reply

**osusanna** 4 days ago *in reply to brigittesavage*

I agree with you both, brigitte and atldev. What I was saying - it's about respect and trust. And in a macro sense, it's also about fighting for an understanding of fundraising as a profession.

Like

Reply

**easternshore** 3 days ago *in reply to osusanna*

Osusanna: Brava on both posts!  
Fundraising is not static and I have yet to meet a talented fundraiser who is not a stellar multi-tasker. The best fundraisers are also the ones willing to check thier ego at the door. I say that to express the point that all the best fundraisers have the capacity to accomplish everything described in the article. But how many Executive Directors and Boards of mid-size nonprofits will invest that much time and money into the fundraising staff. Not many is my guess. Investment in program staff, yes; fundraising, no. Which is why I suggest a shift in CFRE to address these issues. While CFRE ensures you have the skills and knowledge to do the job, it is not currently preparing fundraisers for their next leadership position.

Like

Reply

**Jennifer Ott** 2 days ago *in reply to easternshore*

The title grabbed me, causing me to read it right away—and it also was a little irksome.

Per brigittesavage, my skin crawls when I see job postings saying sales or other experience will be considered for a senior fundraising position. Really??

As for securing situations where my opinion and experience are respected—whether as a consultant or a staffer—I've gotten "braver" (smarter, really) about talking frankly with a prospective boss about their leadership style, what happened with those in the position previously, etc. Of course I defer to the CEO, but it's only rewarding when doing so in the context of mutual trust, where we each "get" our roles and in fact enjoy learning from each other along the way.

My hat is off to Daniel Porterfield, president of Franklin & Marshall College, who says in the article that his top fundraiser "...helps shape the response from the president's office and makes sure that solutions don't alienate donors." He was referring to times of trouble, but my guess is he also feels the same way about relying on that same person to be a part of any significant communications coming out of his office to the board, donors and even the general public. My experience with this kind of arrangement has been nothing but positive (other than, admittedly, it does lead to more work!).

I am a true believer in transparency, in everyone being able to say what they think about what's working, what's not, how we might improve. Some conversations are best had privately in order to be respectful and constructive. But I and my peers have also been incredibly inspired by environments where we regularly can articulate admiration, frustration, confusion—whatever needs saying. Such a workplace goes a long way towards avoiding "failure," and not just in the fundraising department.

Like

**atldev** 4 days ago

I admit, the title drew me in too! In defense of "failed" chief fundraisers, I'd like to quote directly from the article: "If I have to be the smartest person in the room and involved in every decision, the organization can never grow beyond me. If you are micromanaging, it shuts down innovation and doesn't allow people to reach their full potential." I hope that those responsible for hiring chief fundraisers will keep those words in mind as they consider their management style. If you want a successful chief fundraiser, you need to support the person you hire -- give them the authority to make decisions, provide them the tools (staff, travel budget, technology) to accomplish their goals, and listen to them when you ask for their opinion/advice. I have seen chief fundraisers "fail" in their roles because they were micromanaged by someone who appeared to seek their advice, but then second-guessed them into ineffectiveness. The chief fundraiser is then stuck -- do you mollify the CEO by continuing his/her pet projects that don't bring in the dollars (but suck up precious staff time and tight budgets) or do you fight for the authority to make the decisions you need to make? Personally, I chose to walk. As the chief fundraiser, I don't need to be the data management expert, but I do know how to identify and hire one! As the CEO, you don't need to be the fundraising expert, but you do need to know how to identify, hire and empower one.

1 person liked this.

Like

Reply

**osusanna** 4 days ago

Hey, Eastern Shore, I get you. I think the most negative thing about the article is the title, which put the blame on fundraisers with "Top Fundraisers Failure" - on the other hand, the somewhat inflammatory headline did get me to read the article, pronto! It doesn't sound like there was any actual failure in the case of the person who was let go - they raised the money - but more of a culture clash or power struggle that left the occupant of the position without allies and scapegoated and expelled. It sounds like these large fundraising institutions and the expensive recruiters that they are hiring to find their "top fundraisers" are noticing that the complexity of the job for the first time. But it always was a complex, political, people persuading vs ordering function! NPs tend to idealize for profits - our "examples" here are people from the business world and the military - in both of these environments you can ask nicely or ask nastily but you are likely to have more resources and authority from day one, a situation that is seldom available in the world of nonprofits.

It is one thing to say that they need people with a big vision, management tools and the ability to lead - who doesn't? Are they also willing to provide the needed resources, advocate internally for the direction the CDO suggests, and align all segments of the institution behind that strategy?

Your point about the CFRE is also a good one. There are plenty of fundraisers out there who are leaders with vision and the ability to take their institutions to a higher level - and just like CEO's with MBA's, those individuals may not stay at institutions that show they are unable or unwilling to put aside personal egos and fiefdoms that are the real reasons that professional fundraisers usually "fail". This characterizes the problem as that the holder of the office lacks leadership ability, the ability to set goals, and vision. I have met few people in top fundraising positions with those limits. Far more common is a situation where those who have the power, and the "old" way of doing things, want the "old" model of fundraising because they don't want to be pushed to accept a new vision.

Like

Reply

**easternshore** 6 days ago

This article bugs me. And I admit, I'm having trouble putting my finger on what is bothering me. I think it starts with the use of the words "fail" and "failure". Given what fundraisers at all levels have had to endure and deal with in the last four years, to talk to us in our own journal about why the top folks in our field are failing, is a bit like adding insult to injury. I don't fault the Chronicle for raising the issue, and I applaud how Ms. Hall addressed that the various issues and challenges, even pointing out that position of chief is not for everyone.

The options/suggested by Ms. Hall were interesting, and I can see the benefits of a background (or parallel training) in other sectors is helpful, but that is time and money intensive, and if employers are not behind such initiatives, it can be difficult. I find it interesting that there was nothing in the article about CFRE and how it might be adapted to address these issues. It seems like the most logical place to make a significant shift, but that's just my opinion.

There are other models that can be followed as well. In the environmental sector NCLI (National Conservation Leadership Institute) is an intensive, world-class leadership development experience. It is a unique comprehensive learning experience designed to challenge assumptions, teach skills, facilitate

networking and strengthen confidence, preparing extraordinary leaders for the future.

I would be interested to know what is being done by other sectors to address this issue.

7 people liked this.

Like

Reply