

Part I:
**Organizational Assessment and Development Guide for Regional
Associations**

by Judith K. Healey and Barrie M. Pribyl

FORUM
OF REGIONAL
ASSOCIATIONS OF
GRANTMAKERS



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THE REGIONAL INITIATIVE

This publication was originally a product of The Regional Initiative, a 1992-1995 special project cosponsored by the Council on Foundations and twenty-four of the nation's regional associations of grantmakers (RAGs). The purpose of the Initiative was to enhance the capacity of regional associations to meet their members' needs, by building both management and program effectiveness. The Initiative's long-term goal was to strengthen regional associations as agents of organized philanthropy in American life.

That goal is now being advanced by the project's successor - The Forum of Regional Associations of Grantmakers, a national membership organization of 28 regional associations of grantmakers representing almost 5,000 grantmakers and other philanthropic organizations and individuals. The Forum's mission is to promote philanthropy by inspiring and enhancing the leadership and capacity of regional associations and their members in promoting the public good.

A total of 45 RAG directors and staff, foundation professionals and Council staff served as volunteers in 1992 and 1993 to bring this publication to fruition. Funding for the project came from the supporters below. An update of and reprint of this publication is being contemplated. Meanwhile it continues to be relevant.

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This handbook was developed by the Initiative's Strengthening Organizational Capacity Working Group. Its members included:

Caroline Tower (Chair), former President, Northern California Grantmakers
Marilynn Gladstone, former Executive Director, Donors Forum of Miami
Hope Gleicher, former Executive Director, Washington Regional Association of Grantmakers
Melinda Marble, consultant, The Philanthropic Initiative
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Preface

The original assignment was to produce a "competency" guide for regional associations of grantmakers (RAGs) that would satisfy the needs of new and established RAGs, and be equally relevant to staff and trustees. It didn't take long to realize that a framework was needed, a context in which to discuss the organizational needs of these membership associations.

That context became the life cycles, the identifiable phases of organizational development -- from the idea phase to the established stage. Decline and renewal are conditions that can occur during any of the developmental stages. And if decline is not superseded by renewal, termination is always possible.

This guide goes a step further: it breaks out the functional areas of the RAG -- governance, staff, program and services, membership, marketing and communications, finances and resources, and administrative systems. Thus it is intended to help the staff and board assess where it is in its development of the seven identified areas and to plan the organization's next steps. By charting the assessments on the diagnostic worksheets in this guide, an executive director, board or committee chair, or staff member can understand where the organization is by function at a particular point in time. Should change or improvement be desired, the Strategies for Development pages contained in each life cycle section are useful. In addition, the "Quick Resources" included in this guide, and the examples contained in the companion "Resource Directory", should assist the staff, board or planning committee in moving forward.

As organizations are created by people, it is not surprising that they too grow and change according to predictable stages; but again as with people, organizations don't always grow in the same ways and some aspects of their development get ahead or behind the others.

In the start-up stage, for example, it is perfectly natural to concentrate on certain aspects of the organization, such as its program or finances, and devote less attention to governance and administrative systems -- it works and feels okay for awhile. But there will come a time when founding Board members rotate off the Board and new members could be puzzled at best, disillusioned at worst, to find the governing structures inadequate for the current level of development.

Development is inevitable, and successful growth and development should not be confused with size of budget or membership or number of programs and products offered. Knowing where you want the organization to go or what it should look like -- and being able to articulate this, is far more important than just being big.

One might ask: "Are these stages time sensitive?" No, each organization will grow and develop at its own pace. An organization like the New York Regional Association of Grantmakers may move quickly through the idea stage and practically skip start-up, to remain in the growth stage for some period of time. Other regional associations with less of a critical mass of members may stay in start-up for longer period of time and move more quickly into the established stage, short circuiting a lengthy growth phase.

Decline is mentioned, but we believe that most regional associations sense when they are declining, and reassess and start over again. Although not appearing to decline, the Minnesota Council on Foundations reexamined its mission and purpose with its members as part of a recent strategic planning exercise. As a result, this RAG determined that if it was going to be a vital organization in the future and meet its member expectations, it needed to reorganize its governing structure and take a harder look at diversity issues. They choose renewal rather than risk decline.

How is this guide organized? It begins with a piece on how to make the guide work for you. This is followed by a generic essay on "What Is A RAG?" It is included to give everyone the same jumping off spot and is intended to help explain this wonderful phenomenon to a broad readership.

Behind the poster-sized Life Cycle of RAG Development chart, we've included a worksheet entitled the "Quick Diagnosis Chart" that -- when filled in -- should provide you with a clearer understanding of your organization's development. To help you capture the action steps you'll then develop, we also provide you with a summary workchart. Further, we've pulled out all the worksheets and have provided an extra set in the back of the book. Should you need more, please contact The Regional Initiative at the Council on Foundations.

In the text, we have described each developmental stage -- from the idea stage, through start-up, growth and established stages to decline and renewal. To enliven these assessments and strategies, we've gathered first-hand anecdotes and organizational histories from RAG directors.

It may seem that we suggest "established" should be the ideal goal. Actually that is not so. If we have a bias, it is for the "edge", which we believe lies somewhere between the growth and established stages. In our opinion, the vitality of an organization is captured and sustained by those that can successfully cycle back and forth between the headiness of growth and the stability of established.

Our goal was to create a publication that is a living document, helpful to those dreaming of starting a regional association, through those staff and Board members of a

established RAG. If you find this document and its companion "*Resource Guide*" of use in promoting, sustaining and growing the RAG movement, we will have succeeded.

Judith K. Healey and Barrie M. Pribyl

Acknowledgments

We want to thank members of The Regional Initiative for giving us the opportunity to work on this project. As former executive directors of regional associations, we were eager to create this handbook that we wish had been available a dozen or so years ago.

Sue Stevens of the Stevens Group in St. Paul suggested this particular growth model. It was from Sue that we finally understood why other models of this type were never totally satisfactory -- they refer to the whole, while her model breaks down the various aspects of the whole so one can truly diagnose the particular stage the organization is in by function. We thank her for her intelligence and willingness to share.

Our heartfelt appreciation for all their help and patience goes to Alison Halperin, director of The Regional Initiative; the Initiative's Strengthening Organizational Capacity Working Group, especially Caroline Tower, the chair; and Maureen McGowan Esposito, who compiled the companion *Resource Guide*.

And last but not least, our thanks to all RAG staff and members who "field tested" the final draft of these documents. Their time and thoughtful suggestions have helped ensure the effectiveness of this handbook. These volunteers include:

Rochester Grantmakers Forum

Mary Ellen Burris

Director of Consumer Affairs
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How To Make This Guide Work For You

This *Organizational Assessment Guide* was written with a variety of audiences in mind: new and seasoned staff and board members, as well as newcomers to the world of regional associations of grantmakers. For the newcomer, the Guide can be read as an orientation document focusing on the essay "What Is a RAG?"; the histories of Regional Associations of Grantmakers; and At A Glance: the Life Cycle of RAG Development chart. Combined with its companion volume, the *Resource Guide for Regional Associations of Grantmakers*, those sections offer a comprehensive introduction to the purpose and development of these unique membership organizations.

For those of you interested in starting a regional association, the essay, the histories, and the Idea and Start-Up stages, coupled with the *Resource Guide* and one-to-one assistance from the Council on Foundations and RAG officials, should get you well on your organizational way.

New staff people hired to organize programs or further develop the communications function may want only to skim the essay and read quickly across the Life Cycle chart to glean characteristics of the areas of their immediate responsibility. Then, together with the committee(s) involved, they might discuss the issues the assessment questions raise and explore the strategies for development. New executive directors and board chairs will want to delve into all the sections.

The seasoned staff or board member might skip the essay altogether, skimming instead the Preface; proceeding to the Life Cycle fold-out and the Quick Diagnosis Chart (filling out the latter), and then testing his/her assumptions against the assessment questions in the text. That kind of exercise provides one with a useful reality check and can be done in less than a half hour. Next, one could refer to appropriate sections in the *Resource Guide* for examples and consult the COF or other regional associations for specific advice.

Regional associations of grantmakers that find themselves in an evolving and/or renewal phase of development can make more comprehensive use of this *Assessment and Development Guide*. We suggest that a committee of staff and board members study the Life Cycle Chart, fill out the Quick Diagnosis Chart (comparing results in a group session) and test their assumptions by reading the appropriate sections in the text.

We then suggest that the group turn to the Strategies for Development worksheets (see appendix). It asks you to consider the barriers and the ways to overcome them, and then invites you to complete a timetable. By proceeding through this volume in that manner, and referring to the *Resource Guide*, you will have gone from assessment and diagnosis to policy and procedure to action plan. The process can be done for the whole organization or a part of it.

We designed this *Assessment and Development Guide* to be used on its own, by individuals or committees, without a facilitator. When it was tested, however, two of the four groups had the benefit of facilitation and they considered it helpful. A third group suggested that a facilitator might have enhanced the experience.

A Word On Strategic Planning

This Volume is not intended to provide a complete strategic planning process. It may be used alone, as well, to take your organization's "temperature," without completing a full strategic plan.

Most strategic planning processes include some combination of the following exercises:

- Looking Backward (to the organization's history and traditions)
- Looking Inward (to its current infrastructure and practices)
- Looking Outward (to the milieu in which the organization operates)
- Looking Forward (to imagine its place and prospects in the future)

If properly used with your organization's board, staff and members, the *Assessment and Development Guide* takes you well through those first two activities listed, and will identify some of the issues important to the other two activities.

Additional steps can be added to formulate a complete strategic plan: community or member focus groups, a full board retreat, re-examination of your mission, imaginative visions of the future, and a strategic planning committee. But they are not necessary to use this Guide.

Its primary use is for your internal organizational assessment. It may lead to a long-term plan or a shorter "tune-up."

To your organizational health!

FACTS AND FIGURES

What is a regional association of grantmakers?

As the name implies, regional associations of grantmakers are membership associations that serve grantmakers in a defined geographic region. Most regional associations see their mission as advancing the field of organized philanthropy through some combination of improving philanthropy's effectiveness, representing its interests to outside audiences, and promoting its growth.

Regional associations range in size from the Arizona Grantmakers Forum, with one part-time staff person and a budget of approximately \$75,000, to the Council of Michigan Foundations, with a 20-person staff and a \$12 million budget.

How many regional associations are there?

There are 28 full-fledged regional associations in the United States. Together they cover all but four states and represent more than 4,000 grantmakers and other members. More than 200 informal funder networks also exist across the country, often within the larger region of a staffed regional association.

About a quarter of all regional associations are metropolitan or "city" regional associations. Examples include the Association of Baltimore Area Grantmakers, Donors Forum of Chicago, and the Metropolitan Association for Philanthropy in St. Louis. A third are statewide, including the Indiana Grantmakers Alliance, Council of Michigan Foundations, and Donors Forum of Wisconsin.

Some regional associations serve only part of a state, like Grantmakers of Western Pennsylvania or the Southern California Association for Philanthropy.

A few, such as the Southeastern Council of Foundations and Philanthropy Northwest, cover multiple states.¹

Whom do regional associations serve?

Each association has different membership eligibility criteria, but categories basic to all regional associations are independent, family, community, and company-sponsored foundations, and corporate giving programs. Examples of other types of members allowed by some regional associations, include United Ways, public foundations, and individual philanthropists. A few regional associations even have an associate membership category for nonprofits.²

¹ For information on regional associations and the regions they serve, scroll beneath map

<http://www.givingforum.org/ralocator.html>

² For general membership table by regional association, see <http://www.givingforum.org/aboutrags/facts.html>.

What do regional associations do?

Most regional associations start out primarily as service providers and move into more active leadership roles as they mature. Programs and services vary widely, but all regional associations offer networking opportunities; educational programs on grantmaking, management, and field-of-interest topics; news and information resources like newsletters, websites, and listservs; and information and referral services provided by staff. Many regional associations engage in legislative advocacy and public education, print membership directories, conduct surveys, publish reports, develop common application forms, provide services to grantseekers such as grants research libraries and training, and actively work to grow new philanthropy. Some regional associations manage pooled (or collaborative) funds or house special initiatives on behalf of their members.³

Are regional associations chapters of a national organization?

Every regional association of grantmakers is an independent organization. Though regional associations work together through the Forum of Regional Associations of Grantmakers, they are not chapters or affiliates of either the Forum or the Council on Foundations, their primary national counterpart.

Are all regional associations pretty much alike?

Regional associations of grantmakers vary in size, services, policies, and structure. These distinctions reflect the cultures, histories, and needs of different regions. For example, regional associations in regions dominated by family foundations often evolve differently than regional associations with large corporate constituencies. Regional associations serving regions with strong nonprofit support organizations may not need to offer as many grantseeker services as do regional associations in areas lacking such resources. And of course, regions with lots of large grantmaking organizations are going to produce bigger, more financially endowed regional associations than regions with smaller grantmaking communities.

How long have regional associations been around?

The very first regional association was the Conference of Southwest Foundations. It was founded in Houston, Texas in 1949, when a small handful of foundations decided to put on a meeting and invite their peers. The person who staffed that meeting went on to become the world's first regional association CEO and served in the role for 48 years!

But the real impetus behind the regional association movement is usually attributed to the passage of the Tax Act of 1969, the bill that first imposed heavy regulations on private foundations. The legislation was a wake-up call to foundations that realized they had not been well enough organized to respond to the attack by Congress. As a result of this realization, 15 regional associations were created between 1969 and 1979.

³ To read the regional associations of grantmakers mission statements, see http://www.givingforum.org/cgi-bin/doc_rep/public/file.pl/708/G:/Membership/missions.doc

Initially, most were informal and member managed, but the field has continued to grow and develop professionally ever since.

What role do regional associations play in the “infrastructure” of philanthropy?

Because of their proximity to their target “markets,” regional associations are able to reach and serve a wide and diverse pool of grantmakers. They can provide less expensive services, offer greater convenience, respond to local interests, and tap into peer networks as few national organizations can. This makes regional associations both a desirable nationwide delivery system for disseminating information and a key source of intelligence on local trends and practices in philanthropy. Regional associations are also uniquely positioned to establish relationships with local media outlets, members of Congress, and other state and local policy makers.

WORKING IN A REGIONAL ASSOCIATION OF GRANTMAKERS

What special challenges are associated with working for a regional association?

Working for any membership association poses certain challenges (see the *Associations* section of the *101 series*), but regional associations offer some dilemmas all their own. For example, as we’ve mentioned, it’s hard to explain what it is a regional association does. For another, even though you’re not a grantmaker, people will sometimes treat you as if you were.

The field of philanthropy is poorly understood and has a reputation for arrogance and elitism. Your behavior, not just what you formally communicate, reflects directly on your members. It’s vital that you put philanthropy’s best foot forward to the public and to avoid unintentionally reinforcing negative perceptions of the field.

So I need to be mindful of the traditional perception of philanthropy and how I can change it more than other associations?

As long as you work for a regional association, you’re going to have to be helpful, responsive, and polite to everyone at all times – no matter what kind of day you’re having and no matter how tired you get of explaining what a regional association of grantmakers is. It’s also important to remember that your knowledge and connections are valuable assets, and people will want access to them. Be careful how you share them.

Playing the power games.

You will find gray areas and fuzzy lines all over the place in this business. For example, a grantseeker calls looking for help in identifying funding sources for a specific project, and you usually just refer such people to the Foundation Center or Guidestar. But what if this particular grantseeker happens to be a friend of yours? Or someone referred to you by a member? Or a member herself wearing another hat? Do you give the person inside tips about grantmakers likely to be interested in her project?

If not, how do you extricate yourself gracefully without harming the relationship? A good topic for your organizational staff meetings!

You will also find you are sometimes viewed as a gatekeeper to be circumvented. Make sure you know your regional association's policies regarding who may attend programs, when-or if-you will consider presentations from outside groups, and with whom your organization shares its mailing list. Then be as even-handed as possible in enforcing these policies. And when you need to say "no," do so tactfully.

What if the media is calling?

Your regional association should have a designated spokesperson to whom all media inquiries are directed. Every effort should be made to answer the reporter's questions promptly and thoroughly, even if doing so means someone has to drop what he or she is doing to find the requested information. Every regional association should also have a crisis communication plan and conduct periodic media training for all staff.

Any other communications advice

When in public, be prudent in how you express your opinions. You do not want to be seen as speaking for your members when you are not. This is especially true around grantseekers who might be looking for insights into what funders are thinking. You would be amazed at how ready people are to seize upon an off-hand comment and how quickly it can speed through the nonprofit grapevine in your region.

Finally, one advantage your members see in belonging to a regional association is having a place to talk freely and candidly with other grantmakers. Discretion and respect for your members' privacy is of paramount importance.

WORKING WITH OTHER REGIONAL ASSOCIATIONS OF GRANTMAKERS

How would you describe the culture of the regional association community?

One of the best parts of working for a regional association is being part of a dynamic and extraordinarily supportive network of colleagues nationwide. The culture of this community is characterized by collegiality, self help, and shared learning. Regional associations of grantmakers frequently borrow one another's ideas and products, exchange information on policies and practices, mentor less-experienced colleagues, and commit time and energy to the development of the profession. Sometimes this occurs via the Forum and sometimes through direct one-on-one exchanges between regional associations.

Why are regional associations so supportive of one another?

Historically, their field was so unique that they had only their counterparts in other regions to rely on for support and learnings. And since regional associations are small

organizations with limited resources, combining efforts just makes sense. Regional associations usually do not compete for the same members, so they also have no disincentives to *being* collegial!

How do I tap into this great resource?

When you have a question, the general rule of thumb is to start with the information at <http://www.givingforum.org>, the Forum's website. If you can't find the information there, try calling the Forum staff. If they cannot help you, *then* go to other regional associations. Sometimes you can skip the first two steps, like when you are trying to help connect a member with grantmakers elsewhere who have tried a certain grantmaking approach. Although your colleagues are usually happy to help, they are as overworked and understaffed as you are. They will appreciate your first checking to make sure the information you're asking for is not already available on your national website or elsewhere.

Is there a proper protocol for collecting information?

If you need information from several regional associations and you are sure it has not been collected before, the easiest thing to do is broadcast your question by email. The Forum maintains an overall listserv as well as several email lists targeted to staff in specific roles. You should avoid using the full listserv unless your question is really directed to all regional association staff, however.

If the list you need does not exist, you may have to create one. The Regional Association of Grantmakers Staff Directory lists job titles, position descriptions, and email addresses for all regional association staff. That directory is accessible on the GivingForum website, Members section, Yellow Pages. Keep in mind that not every regional association has the same staffing pattern as yours, though. A programming question might go to the CEO in one regional association and to the Program Director in another, for instance.

In addition to emailing the right person, it's also worth taking the time to make sure you are targeting only those regional associations to whom your question directly applies. For instance, say your question is about funding collaboratives. Since not all regional associations host funding collaboratives, check the Regional Associations of Grantmakers Characteristics Chart to limit your search to those who do. You will earn the undying gratitude of everyone else.³

How do I prioritize the many surveys I receive on daily basis?

³ For a list of listserv addresses, go to http://www.givingforum.org/cgi-bin/doc_rep/user/file.pl/518/C:/Documents%20and%20Settings/ifanous/Desktop/Member%20RAG%20email%20formulas.doc (Regional Association of Grantmakers staff directory); http://www.givingforum.org/cgi-bin/doc_rep/user/file.pl/613/ragstaff.directory.doc; http://www.givingforum.org/cgi-bin/doc_rep/user/file.pl/778/report.02.xls (Regional association of grantmakers services charts, tables 3a-4e).

If you want people to answer your questions some other time, then you should do your best to answer theirs. No one expects you to respond to *everything*.

But that reminds us of another bit of regional association etiquette. Whenever you do a query, be sure to share the results. It helps cut down on email traffic and duplication of effort. Once you have compiled the information, do not forget to post an electronic copy of the document to www.givingforum.org.⁴

To save yourself those two steps, consider using the Discussion Board feature of givingforum.org, rather than the listservs. Info collected there is automatically accessible to everyone. Plus you can see - and thus build on - the comments of your colleagues.

Can I not just pick up the phone?

Sometimes it's preferable, like when your question (or answer) is sensitive and you don't want it going astray in cyberspace. Or when you need a mentor, not just information—like advice on how to handle a sticky situation, perhaps, or the history of an issue you don't understand. Be sure to ask if it's a good time for the person to talk, of course.

Is it okay to “borrow” from another regional association of grantmakers’ materials?

In the regional association world, plagiarism is considered the sincerest form of flattery. Feel free to copy someone else's newsletter format or lift text from their membership brochure. But be sure to give credit where credit is due if you use things like the full text of a newsletter article, workshop handouts, or statistics. If something looks like it might be proprietary, do ask first.

Please note that we are only talking about sharing with other regional associations of grantmakers here. The Council on Foundations has its own policies about the use of their own information, clearly spelled out in the “Guidelines and Recommended Practices” agreement between the Forum of Regional Associations of Grantmakers and COF.⁵

Is there a down side to this community spirit?

We would not call it a down side, exactly, but when you live in such a tight-knit community, it is common to want to maintain the same pace as your colleagues. Almost every regional association staffer comes home from a conference at some time or another feeling overwhelmed by what everyone else is doing.

⁴ Simple instructions on posting documents to the website at located at <http://www.givingforum.org/members/how2dr.html>.

⁵ Review the Regional Associations of Grantmakers-COF policies at http://www.givingforum.org/cgi-bin/doc_rep/user/file.pl/515/RAG&COF_Guidelines.doc.

We tend to forget that our achievements are different because our regions, our members, and their needs are different. Try not to fall into this trap. Eventually, you will find that the very people you admire feel the exact same way about *you*. Trust us.

The Life Cycle Of RAG Development

There are five major stages of development in the life cycle of organizations: idea, start-up, growth, established and decline or termination. Compared with the stages of human development, the idea stage of an organization corresponds with gestation and birth; start-up, with infancy and childhood; growth, with adolescence and early maturity; established, with mature and seasoned; termination, with death. Throughout the cycle, the potential for decline and renewal looms.

On the following pages is an executive summary, in outline form, of the characteristics of each developmental stage, with seven functional organization elements, from governance to administrative systems. Also highlighted are the areas of tension and benchmarks of effectiveness for each stage. Those are assessment tools to help diagnose the development of each organizational element of your regional association.

The concept of analyzing each organizational element within a life-cycle category distinguishes this guide from others. Our premise suggests that the robustness of the organization depends not on which stage the RAG is in, but on how many of the organizational characteristics are at the same stage of development. Discordance and feelings of anxiety flow in direct proportion to the degree to which the organizational elements are out of phase from one another. For example, if governance, staff, and program are in the growth stage while membership, marketing and communications, finance, and systems are in start-up mode, a feeling often develops that everything could collapse at any moment. When systems, marketing, and membership are fully established but program and services have not developed beyond start-up, the organization suffers from a lack of vitality and purpose.

On the page following the Life Cycle chart, there is a Quick Diagnosis Chart, which should provide you with a sense of the whole. Assessment is the first step; then you are ready for the Strategies for Development, included for each stage.

Following this chart is the Workchart: Summary of Planning Stages. This is to be completed *only* after you have worked through all the strategies for development in this book. This last chart allows you to summarize your action plan and timetable, based on what you've learned.

At A Glance

The Life cycle of RAG Development

Idea Stage

Characteristics

Need to share, common interest, energy, synergy, responsiveness, a feeling of "can do."

Context

Perceived demand, interested grantmakers, critical mass, leadership present, catalytic event, community consensus.

Activities

Organizational meetings, testing the waters, assessing competition, identifying resources, conducting feasibility studies.

Areas of Tension

Resources (do they match perceived need?), membership (who should be members?), competition (who else is doing it?), leadership (who is in charge?).

Benchmarks for Effectiveness

A critical mass requires a more formal structure and a willingness to raise the budget for it; identifiable leadership; start-up funding secured; growing commitment to the enterprise by others beyond the core group; general agreement on criteria for membership.

Start-Up Stage**Characteristics**

High energy, responsive mode, user-defined programs and services, diffuse focus, tight budgets.

Organizational Elements

Governance: Board and standing committees formed, mission and purpose defined, legal structure in place.

Staff: Paid or volunteer, full-time or part-time, skills or attributes: creative, constructive, entrepreneurial, "jack of all trades," listener, doer.

Program and Services: Responsive mode, user-defined, occasional, experimental, immediate, reliant on expertise of members and nonprofit community.

Membership: Keen interest in belonging; those who do belong are intensely supportive; attracted by early activities of the RAG, despite skepticism among non-members.

Marketing and Communications: Publication of first brochure, first members' directory and newsletter-- the latter usually confined to news about the organization's programs and services.

Finances and Resources: Lean budget, but relatively easy to raise; dues or membership support schedule in place; strong board involvement in fund development.

Administrative Systems: Simple, informal procedures in place; more formal systems emerging, the regional association often operates out of a loaned office and with loaned equipment.

Areas of Tension

Finding and budgeting resources (paid and multiple staff members, computers, determining appropriate dues and membership support level); tension between dues and grants for financing; risk of program failure; shift in leadership of daily activities from board to staff; development of professional management.

Benchmarks for Effectiveness

Continued demand for programs and services; member growth and renewal; member participation in programs and on committees.

Growth Stage

Characteristics

Many levels of activity but few priorities; staff effort stretched to capacity; organization sometimes leads, sometimes serves; perpetual motion; programs expand to include public education and issues of ethics and diversity.

Organizational Elements

Governance: Board functions by committee, with some committees include non-board members; founding board members rotate off; strategic planning efforts initiated.

Staff: Staff increases, takes on more day-to-day responsibilities; delegation of functions begins; more attention paid to administrative systems, the big picture, thinking beyond the present; staff still requires entrepreneurial skills but also must be comfortable with development of organizational systems.

Program and Services: More complex, begins to reflect organizational culture and diverse interests of members'; services, beyond programs, become an integral part of the organization: professional development as well as networking opportunities for members; beginnings of public interchange as part of regular program.

Membership: Rapid growth, increased attention to member services and dues, and other forms of support; dual objective: increasing and retaining members.

Marketing and Communications: More ambitious brochure and newsletter, introduction of annual report, collection and publication of community data on grants, strategic thinking about public profile and media relations.

Finances and Resources: Budget larger, but grants for operating expenses harder to raise; demand always outstrips resources; development of different sources of support, with earned income playing a greater role; dues and other member support schedules reconsidered.

Administrative Systems: Becoming more formalized; strategic planning efforts initiated; personnel policies fully developed and implemented; outgrowing office systems and space; developing archives.

Areas of Tension

How does the regional association handle the servant/leader dichotomy? Should the organization take on an advocacy role? How can it influence public policy? deal with competition with members? say "no" at the right moment? Activity on all fronts (programs, membership, communications, etc.), but not enough resources to satisfy all emerging needs. Wanting to preserve cutting edge while striving to take on characteristics of an established organization. Tension developing between need to serve members and public needs and demands.

Benchmarks for Effectiveness

Continued growth in membership and high renewal rate, participation by members in programs, interest of members in serving on boards and committees; increasing community awareness of philanthropic activity and opportunities; increasing level of awareness by press and policy makers.

Established Stage

Characteristics

Turning outward; institutional, comfortable, respected by members, recognized by community; varied program, slower membership growth, healthy fund balance; fundraising by plan, systems in place.

Organizational Elements

Governance: Board and staff roles settled; centralized decision making; greater diversity among board members, and greater delegation to executive and staff.

Staff: Hierarchies within staff, discrete responsibilities; CEO focuses primarily on future of the organization; flexibility to renew the organization and courage to shed some activities and traditional ways of doing things.

Program and Services: Complex, relatively stable; meets identified needs, while also leading members, regularly addresses issues of ethics and leadership in the field, offers programs and services for all levels and types of members, provides opportunities for debate; fully engaged in public policy and public education regarding philanthropy.

Membership: Automatic renewals, slow growth; consideration of new types of members undertaken.

Marketing and Communications: More sophisticated activity links the two; increasing attention directed to external audiences, to provide, for instance, information on philanthropy.

Finances and Resources: Large and complex budget, diversified income base with earned and unearned sources well established; fund balance; able to launch new programs and projects, knows where major support can be found.

Administrative Systems: Well established; good enough to share with others while continuing to learn from them.

Areas of Tension

Danger of too much comfort; desire of some to review mission and purpose, as some members question the relevance of multiple programs and projects; bigness and/or systems inhibit moving quickly, communication becomes an issue with so much going on; danger of dulling the cutting edge mentality.

Benchmarks for Effectiveness

Willingness to take risks, openness to renewal and reexamination of mission and purpose; questioning ways of doing things, pursuing accountability, seeking critical comment on programs and services; members continuing active participation on board and committees.

NOTE

Decline and renewal can occur at any stage of an organization's development, and RAGs are no exception. Listed below, organized by category, are characteristics of both dangers.

Decline

Characteristics

Governance: Decreasing member participation on the board and committees, ineffective volunteer leadership; mission no longer drives the organization.

Staff: Bored, ineffective, or inappropriately dominant--and no longer attentive to the needs and wants of members.

Program and Services: Decrease member participation in programs, with little or no feedback on them and on services offered.

Membership: Drop in renewals, flat growth in new memberships, unsatisfactory responses to member surveys.

Marketing and Communications: Lack of vitality in efforts at both.

Finances and Resources: Chronic deficit; difficulty in raising dues and attracting project grants.

Administrative Systems: Systems out of date or inadequate for the complexity of the organization.

Other: Community no longer look to RAG for leadership; competition overwhelms rather than stimulates the organization; reluctance to take risks.

Areas of Tension

Continual tension, usually stemming from a lack of appropriate leadership, whether it be at the board, committee chair or staff level.

Renewal

Governance: Members show new interest in organizational matters, undertake self-assessment, begin organizational diagnosis, and initiate strategic planning; regional association responds assertively to expressed members' concerns.

Staff: Re-energized or simply new, takes advantage of professional development opportunities.

Program and Services: Attention paid to members' needs and desires.

Membership: Growth picks up as cancellations taper off.

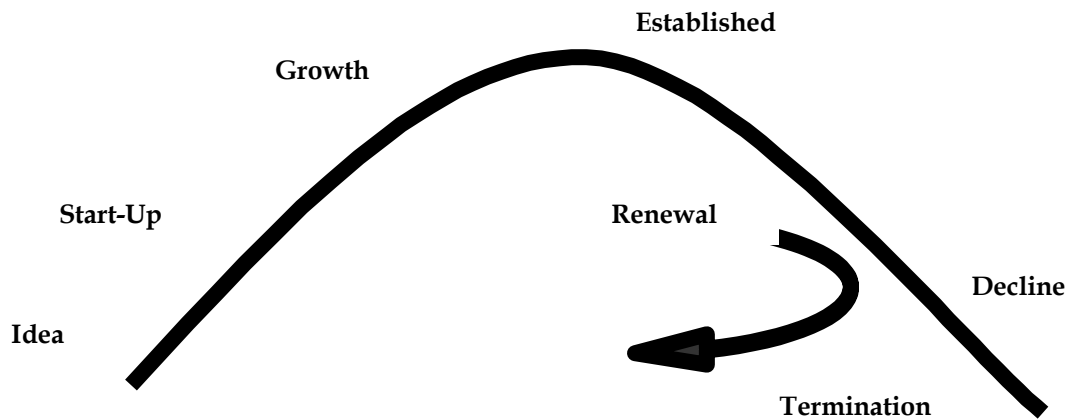
Marketing and Communications: Revamped effort, content, and presentation.

Finances and Resources: Short- and long-range plans emphasize feasibility, including possible cut backs until the situation improves or at least stabilizes.

Administrative Systems: Overhauled to meet current and future needs.

Areas of Tension

Although invigorating, renewal produces its own tensions, most reflecting the "not enough" syndrome: not enough time, money, staff.



Life Cycle of Nonprofits*

QUICK DIAGNOSIS CHART

After reading "How To Make This Guide Work For You" and reviewing the chart entitled "At A Glance Life Cycle of RAG Development," fill in this worksheet by putting the appropriate organizational stage (Idea, Start-Up, etc.) next to the functional elements listed below. Also summarize the major areas of tension for your regional association. To test your assumptions, refer to the "Assessment Questions" section in the Appendix.

Stages from which to choose: Idea, Start-Up, Growth, Established, Decline, Renewal

Governance: _____

Staff: _____

Program: _____

Membership: _____

Marketing/Communications: _____

Finances/Resources: _____

Administrative Systems: _____

Major Areas of
Tension: _____

Now complete the "Strategies for Development" section appropriate to each of the stages identified. Then summarize your planned strategies, barriers, and solutions, and timetable on the accompanying Workplan Chart. (Extra copies of these worksheets are included in the appendix.)

Workchart

Summary of Planning Strategies

Organizational Areas	Strategies	Barriers and Solutions	Timetable (Who and W
Governance			
Staff			
Program and Services			

Idea Stage

Characteristics and Assessment Questions

If you or other grantmakers in your area are thinking or talking about starting a regional association of grantmakers--rather than improving one that is already operating--this section is principally for you. (As we have mentioned, though, the remainder of the guide will show you how to proceed once your regional association of grantmakers has been formed.)

Context

Perceived demand, interested grantmakers, critical mass, leadership in place, catalytic event, community consensus

Every regional association begins with a perceived demand by interested grantmakers. Ideally, an individual or a small group assumes leadership. Sometimes a catalytic event moves the group to action. At other times, a community consensus emerges in a deliberative fashion. A call to mission emerges.

Assessment Questions

- 1) Who feels the need for this organization: grantmakers? Grantseekers? What specific needs might this organization fill? Are the arguments for commitment of time and resources persuasive?
- 2) Is this the right time for a regional association of grantmakers? Does general momentum or a community crisis propels the process?
- 3) What constitutes the critical mass needed for the endeavor to succeed?

Characteristics of the Idea Stage

Need to share, common interest, energy, synergy, responsiveness, a feeling of can-do

A high degree of cooperation unites the interested parties; so does a sense of we can do this. The leadership either assumes financial responsibility for the initial investment or finds the resources to make it happen. That sense of cooperation nourishes the idea and moves the group forward. Synergy is clearly identifiable among the leadership.

Assessment Questions

- 1) Is there synergistic spirit present?
- 2) Is a key group committed to moving forward?
- 3) Has the leadership identified resources for the initial stage?

Activities

Organizational meetings, testing the waters, assessing the competition, identifying resources, conducting feasibility studies

Assessment Questions

- 1) Will an individual or organization take the lead in convening the initial meetings?
- 2) Will an organization or person volunteer to assist administrative development?
- 3) Is there a plan to expand the core group? Can the right leadership be identified to ensure success?
- 4) Can the leader agree on an initial budget, and can resources be identified to meet it?

Tip from Experience

Necessary elements for successful leadership at this point may include locally respected individuals and people with ideas, energy, and access to resources.

Areas of Organizational Tension

Tension in the Idea Stage centers on structure. Points of stress may include decisions about resources (do available resources match the proposed budget?); membership (who should be eligible?), and competition (do other organizations already perform RAG-like functions?). The greatest source of tension, however may be the differences between those who like an informal mode of operation and those who wish to develop a formal structure with bylaws, budgets, and staff. In some instances, a struggle for leadership occurs, and the hidden agendas of some participants may create a problem.

A word of caution: Don't lose heart if your group stays in the Idea Stage for a long period of time. As one RAG director put it, "Many regional associations of grantmakers got started randomly and casually." Groups of grantmakers often meet informally for years before deciding to create a more formal structure. Don't rush that decision; but when a critical mass has formed, seize the opportunity--and read carefully the rest of this section. (To learn how other RAGs developed, refer to the organizational histories included in the Appendix.)

Assessment Questions

- 1) Are funds available to see this initiative through the Idea Stage, before dues or membership support begin to cover the costs of activities?
- 2) Is there agreement concerning the criteria for membership? If not, is there a process for resolving differences?
- 3) Do other organizations with similar activities currently operate in your area? Is cooperation or collaboration with them possible?
- 4) Can competition for leadership roles be resolved?

Benchmarks of Effectiveness in the Idea Stage

- A critical mass articulating a need for a more formal structure.
- The emergence of identifiable leadership ready to move ahead.
- Another identifiable group willing to raise the funds needed to advance to the next stage.
- The securing of start-up funds.
- A growing commitment to the enterprise by others outside the core group, at a level sufficient to ensure sustainability.
- General agreement on membership eligibility.

Idea Stage

Strategies for Development

The regional association of grantmakers launch plan can be carried out by a volunteer organizing committee of grantmakers or can be delegated to a consultant or a potential member with staff capability. The "you" referred to throughout these pages is the organization, the developing regional association, not any single person within it.

We offer this outline of strategies to facilitate your process. It is a point of departure for planning efforts. The back of this guide contains additional copies of these worksheets for you to copy and use as you work through the exercises.

1) The rationale for initiating a regional association of grantmakers in your area is:

2) The members of the core group who have agreed to provide leadership through the start-up phase of your organization are: (These people could convene the organizing meeting.)

3) Try to involve the following groups/individuals in order to complete your leadership list:

4) When you are ready to convene a larger support group, invite the following grantmakers to an organizing meeting: (Set the time, find the place, and send the letters of invitation!)

5) The goals/expectations for the organizing meeting are:

6) Following the meeting, you will need to plan for the first year. Outline your strategies for accomplishing the following organizational tasks:

a) Articulating the mission:

b) Developing the by-laws:

c) Identifying the membership criteria and the potential pool of members:

d) Developing budget categories and fundraising strategies:

e) Listing prospects for fundraising and other resources:

f) Outlining staffing and organizational structure:

Listing any barriers to accomplishing the regionals' goals plus corresponding actions to overcome those barriers:

h) Preparing a timetable to implement the strategies:

When you have completed your work in this section, you may want to transfer the key words to the Workchart. A copy can be found in the appendix.

Idea Stage

Resources

National Reference

The Forum of Regional Associations of Grantmakers

1111 19th Street, Suite 650

Washington, DC 20036

202-467-1120

www.givingforum.org

Peer References

First, be sure to discuss your idea early on with the nearest existing regional association of grantmakers (see www.givingforum.org, any page). They would be eager to explore options with you for more effectively serving grantmakers in your own area.

In addition, the following regional associations are recently developed, and have staff and board members whose lessons learning will be helpful as you think through how to bring your own regional association idea to life. See roster for contact information.

[Arizona Grantmakers Forum](#)

[Grantmakers of Oregon and Southwest Washington](#)

[Maine Philanthropy Center](#)

[San Diego Grantmakers](#)

Training

Annual Conference: Forum of Regional Associations of Grantmakers
First quarter in Washington DC

Start-Up Stage

Characteristics and Assessment Questions

Let's assume your RAG is now operational. You have completed the initial structural tasks (including the development and acceptance of by-laws, mission statement, goals and objectives, membership criteria) and you have gathered membership support for your association. At this stage, most of your developmental efforts will be in the policy area.

Characteristics of the Start-Up Stage

High energy, responsive mode, user-defined services and programs, diffuse focus, tight budgets

The start-up stage often is distinguished by high energy and low budgets. The organization is responsive, with a variety of activities generated by its user-members. The programs and services have breadth but little depth. In many cases, they highlight the skills and knowledge of members of the local grantmaking and nonprofit community.

Some have called this the "smoke and mirrors" stage, where hardy leadership creates an illusion of wholeness although all the pieces are not yet in place. The leaders' energy helps convince current and prospective members that the regional association is worth having and worth the investment of both time and money.

Organizational Development

Seven elements have been identified in the organization of a RAG: governance, staff, program and services, membership, marketing and communications, finances and resources, and administrative systems. Although the elements are discussed here as if all were in proper alignment, that is the exception rather than the rule. It is more likely that some of them are less developed than others. The point of this guide is to help you determine where you stand organizationally in each area, and then to offer developmental direction through the strategies exercises. Accompanying worksheets contain additional copies of the charts, Assessment Questions, and Strategies for Development.

Governance

Board and standing committees formed, mission and purpose defined, legal structure in place

Assessment Question

- 1) Is there commitment to a common mission?
- 2) Have the by-laws or other governing documents been accepted?
- 3) Have the appropriate standing committees been formed?
- 4) Are board responsibilities defined?

Staff or Secretariat

Paid or volunteer, full-time or part-time, skills or attributes that include creative, builder, entrepreneurial, jack of all trades, listener and doer

Assessment Questions

- 1) Is staff (volunteer or paid) in place, with appropriate job descriptions?
- 2) To what extent do board and staff share leadership and expectations?
- 3) Has an initial work plan been developed?
- 4) Has the board approved measures for staff performance and organizational development?

RAGnote

"At Some Point the Commitment of Staff--Even Part Time--Can Make All the Difference to the Developing RAG."

Patty Hutchison, The Council of New Jersey Grantmakers, Morristown, NJ

New Jersey grantmakers had been meeting for nearly 20 years without a formal organization. The community foundation decided to commit one-fourth of its staff time to help establish a RAG.

As a direct result of this new commitment of modest resources, attention was suddenly paid to the possibilities of networking. The program expanded significantly in a short period of time. However, Patty Hutchison, the community foundation staff who acted as a part-time director, feels the new commitment a mixed blessing: there are not enough resources in budget and time to follow up on all the possibilities.

Hutchison remains excited about the RAG's prospects but wonders what the next steps should and can be.

Tip from Experience

At this stage, two part-time staff may be more effective than one fulltime person.

Program and Services

Responsive mode, user defined, occasional, experimental, immediate, reliant on expertise of members and nonprofit community

Assessment Questions

- 1) Do members attend programs or use other services?
- 2) Are measures in place to evaluate how well programs meet members' needs and expectations?
- 3) Do members share the work of developing and implementing programs and services?

RAGnote

How One RAG Used the Advent of a New Executive Director to Re-Examine Members Interests and to Create a New Relationship With the Community

Joyce O'Connor, Grantmakers of Western Pennsylvania, Pittsburgh, PA

When Joyce O'Connor came to GWP, she and the board's leaders made a special effort to listen to members' needs. They tried to identify members' real concerns and discovered that two of them were the state of education and the economic situation in the area.

Members also indicated a readiness to change their relationship to the community. The results: a series of dialogues or public forums, to discuss important local issues. "The RAG is now looking out, toward the community, capitalizing on collaboration and acting as a resource to nonprofits" says O'Connor. Those are new roles for the RAG, but it is increasingly comfortable with them.

Membership

Keen interest, spurred by early activities of the RAG, although some skepticism by non members; those who belong are intensely supportive

Assessment Questions

- 1) Is there a plan for attracting new members? Is membership increasing at a satisfactory rate? Is the RAG gaining acceptance in the grantmaking community?
- 2) Does the organization provide orientation for new members and leadership opportunities to them?
- 3) Are systems in place to obtain member feedback on overall direction?

RAGnote

An Emerging RAG Deals With Issues of Collaboration

Dorothy Weiss, Grantmakers Forum, Cleveland, OH

The Cleveland RAG has a structure that differs from most of its counterparts: it is situated in the offices of the local community foundation.

Formally organized in 1985, Grantmakers Forum began (as have so many other RAGS) as a network. This one has no actual members but has a mailing list of people who are invited to meetings and given information.

In 1991, the community foundation hired Dorothy Weiss as the network's second executive. A survey of members showed networking and collaboration to be high on the list of favored goals.

As a result of work groups convened by the RAG, the organization submitted to the federal government a proposal for a grant to provide transitional housing for the homeless. Under the aegis of the emerging RAG, local grantmakers and city and county officials discussed the project together. They shared data and developed proposals, although not jointly.

The experience produced a new level of RAG activity. The RAG was willing to act as a facilitator, but specified that members develop proposals independently. The process clarified organizational roles as well, with the steering committee deciding what responsibilities it wanted the staff to have. Based on this collaborative experience, the RAG decided that it wanted to improve its relationship with nonprofits.

Marketing and Communications

First brochure, first "members'" newsletter (usually confined to news of the organization's programs and services), first members' directory

Assessment Questions

- 1) Who is responsible for the marketing and communications function? Should the board have a marketing committee?
- 2) Has the organization considered publication of a brochure, newsletter, or directory to enhance member recruitment? If you published any of those items, how did members react to them?
- 3) Has consideration been given to publishing an annual report?
- 4) Are resources available to support and expand those marketing and communications efforts?

Finances and Resources

Budget lean, but money for it relatively easy to raise; dues or membership support schedule in place; strong board involvement in fund development

Assessment Questions

- 1) To what extent do your board and membership agree on the future sources and uses of funds? Have you begun a development plan for the next three to five years?
- 2) Is your membership willing to underwrite the organization's core budget through a formal schedule of dues or support for the next several years? Are funding commitments in place to ensure operations for the coming year?
- 3) What other resources besides membership dues or support have you identified for the coming year? (Examples of resources: special project grants, and fees for programs, services, and publications, special project grants.)
- 4) What funders and members expect in return for their financial support? Can the organization meet those expectations?

Tip from Experience

In this early stage, board-organized recruitment efforts yield the best results.

Administrative Systems

Simple, informal procedures in place; more formal systems emerging; RAG often operates in loaned office space with loaned equipment

Assessment Questions

- 1) Does the organization have the office and computer resources to meet its present and near-future needs?
- 2) If office space and computers are donated, is there a plan for buying them in the future?
- 3) Are financial systems in place to handle growth?
- 4) Does the organization have adequate internal controls and board oversight?
- 5) Will the personnel policies in place meet the current staffing patterns?

RAGnote

Unexpected Request for RAG to Administer Funding Collaboratives Catapults it Into Growth Stage

Hope Gleicher, The Washington Regional Association of Grantmakers, Washington, D.C.

The Washington association was moving on schedule from Idea to Start-Up stage, reports Executive Director Hope Gleicher. Part-time, temporary staff had been hired, the first board formally elected, and several trial programs held in the first six months. Almost sixty grantmakers had joined at the end of that period.

"Just as WRAG was settling into a comfortable pace and systematically tackling all of the start-up issues, Gleicher told us, we were confronted with the possibility of dramatically expanding, or rocketing into the growth stage. Two funding collaboratives asked WRAG to consider serving as the administrator.

"After a very brief period of panic, WRAG seized the opportunity." It convened a small, diverse group of grantmakers to advise the board that would have to be dealt with.

What are they learning from this experience? To think strategically, Gleicher reports, about the decisions for the future of WRAG. "It is clear," she says, "that we will emerge older, wiser, with a much clearer sense of the purpose of WRAG and its place in the grantmaking and nonprofit communities, and with an administrative structure that can handle growth."

Areas of Organizational Tension

This area is often characterized by tension in shifting day-to-day leadership from board to staff (whether hired or on loan from a member) or from board to consultants. Even the delegation of responsibility can create tensions. Financing issues may lead to tension, as the organization struggles to prove itself while trying to generate additional funds for programs and services.

Creating programs that serve members' immediate needs--while challenging them with new issues and situations--can also create tensions. The RAG's ambitions may exceed its resources, and vigorous leadership may create the illusion of stability while the organization's component parts remain weak.

Assessment Questions

- 1) Are board and staff responsibilities clearly delineated?
- 2) How will you build a budget that allows the organization to expand and deliver programs and services, and also respect members' desires for a lean operation?
- 3) To what extent are you willing to innovate and take risks in developing programs?

Benchmarks of Effectiveness in the Start-Up Stage

- Continued demand for services
- Growth and renewal of membership
- Member participation in programs
- Member participation as volunteers on boards and committees
- Is your telephone ringing?

Start-Up Stage

Strategies for Development

Applying your knowledge of your organization, work through these exercises. In the back of the guide, you'll find additional copies of these worksheets to copy and use.

Governance

Outline your plans for board development and leadership training.

Staff

- 1) Outline your staff's composition. Consider the issues of volunteer vs. professional staff, support staff, next year's workplan, and performance criteria.

- 2) What steps will your organization take to meet its needs in the coming year?

Program and Services

1) Outline your plan to assess members' near-term program needs.

2) Determine the steps by which you will measure the success of various programs and use that information for future planning.

Membership

Prepare your target list of potential members and your plan for how to recruit them.

Marketing and Communications

Assess current communications efforts, and decide the budget and the plan that will build on them in the coming year.

Finances and Resources

Prepare your budget for the next two years.

Administrative Systems

Audit your current systems, and plan for administrative needs for the coming year. Consider space, computer systems, personnel policies, and other elements.

Final Steps

- 1) List any barriers to accomplishing the above objectives--and list appropriate actions for surmounting the barriers.

- 2) Prepare a timetable for implementing your strategies.

When you have completed this section, you may want to transfer the key words to the Workchart. A copy can be found in the Appendix.

Start-Up Stage

Resources

The following list provides peer references, publications, and training opportunities to assist you in the Start-Up stage development. Consult the accompanying *Resource Guide* for a more complete roster of RAG resources and references.

Peer References

You may want to get firsthand advice from someone who has navigated these challenging waters.

Delaware Valley Grantmakers
Alexandra (Sani) Fogel
205/977-7404

Metropolitan Association for Philanthropy
Claudia Dougherty
314/361-3900

Rochester Grantmakers Forum
Jane Taylor
716/232-2380

Council on Foundations
Wendy Grishman, RAG Liaison
202/466-6512

Publications

Six Keys to Recruiting, Orienting, and Involving Board Members National Center for Nonprofit Boards,
2000 L Street N.W., Washington, D.C. 20036: 202/452-6262.

Nonprofit Management and Leadership Journal
Mandel Center, Case Western Reserve, Jossey-Bass Publishers, 350 Sansome Street, San Francisco, CA 84104: 415/433-1740.

Giving in America

American Association for Fund-Raising Counsel, 25 West 43rd Street, New York, NY 10036: 212/354-5799.

Foundation Center

(various publications and directories),
79 Fifth Avenue, New York, NY 10003: 212/620-4230.

Training

Various programs, workshops, seminars, and conferences:

Council on Foundations

Wendy Grishman, RAG Liaison
1828 L Street N.W.
Washington, D.C. 20036
202/466-6512

Independent Sector

1828 L Street N.W.
Washington, D.C. 20036
202/223-8100

National Center for Nonprofit Boards

2000 L Street N.W.
Washington, D.C. 20036
202/452-6262

Growth Stage

Characteristics and Assessment Questions

When you no longer think of your association as a new organization, you will probably be in the growth and transition stage. In this phase, demand for service begins to outweigh capacity. The organization is both stretching and stretched. The following section may be helpful as you expand your programs, further define the concept of service, add staff and grapple with the twin challenges of leading and serving members.

Characteristics of the Growth Stage

Many levels of activities but few priorities; staff stretched to capacity; organization sometimes leads, sometimes serves/responds; perpetual motion, as programs expand to include public education and ethics and diversity issues

This stage is characterized by many levels of activity but few priorities. Your service areas are becoming more defined and complex. The organization seems always to be in motion, playing catch-up with financial and staff resources. The financial situation may become unsettled as the first rush of membership expansion slows and start-up grants end. For perhaps the first time, the organization takes up not only philanthropy's subtle issues--such as ethics and advocacy--but also the hard-hitting issues of diversity and race.

Organizational Development

The same seven elements discussed earlier form the basis for an organizational analysis of this stage. Again, the important points are knowing where you stand in each area and creating strategies for development in each. The diagnosis chart at the beginning of the guide will assist you. The following assessment questions will help conduct the organizational self-diagnosis.

Governance

The board functions by committee; in some cases, committees include outsiders; founding board members begin to rotate off; strategic planning efforts initiated

Assessment Questions

- 1) Are members interested in serving on the board or on committees and task forces?
- 2) Has a second generation of board leadership begun to emerge? Are you able to keep the first generation involved and engaged?
- 3) Is regular board development and training in place?
- 4) Does the board do strategic planning with the staff?

RAGnote

How One RAG's Early Strategic Planning Efforts Lead to Unexpected--And Beneficial--Results

Betsy Nelson, Association of Baltimore Grantmakers, Baltimore, MD

The Baltimore association began as a formal group in 1983, after meeting informally for some time. The association was housed at the local community foundation, which agreed to provide services for it. Both organizations considered that arrangement beneficial.

In 1986, a grant from a local member long active in supporting the association funded a consultant to work with the group to plan for the future; the consultant, Betsy Nelson, has become the current executive director. The board agreed to a one-day retreat to work on development of the strategic plan. A major issue was the current relationship with the community foundation, particularly the proposed independence of the growing RAG.

Some of the board members believed that keeping a low profile for area funders was important. They did not want a flood of inappropriate proposals.

As the board worked through the five goals for the strategic plan, an interesting shift began to occur. The importance of community became a topic for discussion, and board members began to discuss the significant role philanthropy plays in the Baltimore area. Those who favored a stronger public role for the association gradually persuaded other board members of the virtue of that course.

The retreat produced not only a strategic plan (and an agreement to make the association independent) but also these important results: a surprising groundswell for a more public role in the community; and a proactive stance that committed the emerging RAG to seeking dialogue with community organizations on public issues.

Strategic planning at a timely juncture in the organization's development, this RAG believes, can promote leadership on the board and place the RAG firmly on the road to leadership in the community.

RAGnote

One RAG Discovers that Key Board and Member Leadership--Committed and Experienced--Can Make the Difference at a Crucial Stage in RAG Development

Lynn Helbling Sirinek, Donors Forum of Ohio, Columbus, OH

The challenge the Donors Forum faced at a key point was to identify the unique services grantmakers could provide. Leadership by members, executive director Lynn Helbling Sirinek believes, helped her group to find that niche in two instances.

First, one member who had contacts in state government encouraged the RAG to take an interest in public policy issues. He helped arrange a seminar for area grantmakers and executives from state government, including the governor of the state and cabinet members. The seminar was so successful that the member chaired a committee to focus on follow-up issues.

In another instance, the choice of a farsighted leader to chair the board of directors of the RAG was critical to its development. "He had a vision of what the organization could be and how to get there," she said. "That's leadership."

Tip from Experience

Two ways to bring founders back into action: offer trustees-only sessions and establish a past-presidents' advisory cabinet, and encourage both to develop RAG programs. That is the advice of Julia Kittross of the Pacific Northwest Grantmakers Forum. She calls the first meeting of that group's cabinet "wildly successful."

Staff

Staff increases and takes on more day-to-day responsibilities; delegation of functions begins; more attention paid to administrative systems, big picture, thinking beyond the present; RAG still requires entrepreneurial talent but also skills in the development of organizational systems

Assessment Questions

- 1) Are staff and consultants sufficient to accomplish the priorities set by the board? Do staff skills match appropriate staff activities?
- 2) What is the staff development plan? Does the budget provide for development?
- 3) Can staff say "no" when requests overburden their capacity? Does the board back them up?
- 4) Are pay and benefits adequate to attract appropriately skilled staff?
- 5) Are staff evaluation policies in place? Are evaluations done on an annual basis?

Program and Services

More complex, begin to reflect both the organizational culture and the diverse interests of members; services other than programs become an integral part of the organization; professional development as well as networking opportunities included in the offerings to members. For the first time, perhaps, beginnings of public interchange as part of regular program

Assessment Questions

- 1) Has attention been paid to balance in programs and services that serve varying levels of membership needs?
- 2) Are members attending the programs in numbers that indicate continuing support? Are they using the services offered? Are they generating ideas for programs and services?
- 3) How are requests for new programs handled? Is there a process for weeding out inappropriate ideas and suggestions?
- 4) Are evaluation measures keeping pace with the growing sophistication of the programs and services offered?

RAGnote

Decision to House Special Project Leads Board to Grapple With Sophisticated Legal Issues as RAG Moves From Start-Up to Growth Nancy DiLaura, Indiana Donors Alliance, Indianapolis, IN

The Indiana Donors Alliance has its feet planted squarely in two of the development stages, says Nancy DiLaura, the RAG's former executive director. In terms of governance, membership, development, and programming, IDA is in the growth stage. "But as we exercise our independence [from their host to date, the Indiana Humanities Council] in staffing and setting up office procedures, we're more in the start-up mode," DiLaura says.

To complicate matters, the organization has been asked to assist in housing the Community Foundation GIFT program, a start-up program for community foundations, 84 per cent funded by the Lilly Endowment, a member foundation. To protect the public charity status of the alliance, the board decided to establish a 509(a)(4) organization to hold the contributions to the GIFT program, so they would not affect the public support test for the RAG.

Note: A RAG would ordinarily not face such complex issues until later in its development.

Membership

Rapid increase, with particular attention to members services; dues or membership support increase and have a dual objective: adding and retaining members

Assessment Questions

- 1) How do you assess which programs and services attract/retain members?
- 2) How are new members made to feel welcome? How do you get and keep them involved?

RAGnote

Additional Staffing at a Crucial Time Brings New and Old Members of This RAG Together

Julia Kittross, Executive Director, Pacific Northwest Grantmakers Forum, Seattle, WA

The Pacific Northwest group had been in existence since 1973. Many of its most supportive members had been involved for a long time. Although some staffing was brought on board in the mid-80s, the organization had not had an executive director until 1989.

The challenge to the new executive was to blend the old and new parts of the group. Many of the longtime members worried that they would no longer be in charge of the organization; new and prospective members were afraid they would not be welcome in an established network.

Kittross saw her role as a balancing act: encouraging longtime members to maintain an active leadership role in the organization, while developing programs that met the needs of newer members, some new to grantmaking itself. One benefit of that approach was the recruitment of new corporate members, who previously had shared their expertise on a case basis. "It's not done with mirrors", says Kittross "all members, new and old, need to feel they own the Forum."

Marketing and Communications

More ambitious brochure and newsletter; introduction of annual report; collection and publication of grant data for the community; strategic thinking about public profile and the press

Assessment Questions

- 1) Does your marketing and communications committee set a clear and correct direction in those areas?
- 2) Is the staff able to oversee the marketing and communications function effectively?
- 3) Has the organization considered its communications role vis-à-vis the community?
- 4) Who speaks for the organization? Under what circumstances? What policy governs the release of public statements? Are you prepared to reconsider that policy as the RAG develops?

Finances and Resources

Budget larger--but raising grants for operating expenses more difficult, too; demand always outstrips resources; support base broadened, with earned income playing a greater role; dues and membership support schedule reconsidered

Assessment Questions

- 1) How well is the organization working toward financial security? Do you have a plan to increase your fund balance?
- 2) Are you developing sources of income other than grants and dues?
- 3) Can you "sell" a structured dues or membership support increase to your members?

Administrative Systems

Becoming more sophisticated; strategic planning efforts initiated; personnel policies fully developed and implemented; outgrowing office systems and space, developing archives

Assessment Questions

- 1) Are the systems needed to run the organization underdeveloped and out of sync with other key elements?
- 2) Have you reviewed the following: space, computer, personnel policies, budget and financial accountability systems?

RAGnote

For Some Organizations, Necessity Truly Mothers Invention Dorothy Johnson, Michigan Council of Foundations, Grand Haven, MI

When membership in the Council of Michigan Foundations membership reached 175, four staff members were in a room that measured 20 by 20. The computer capacity was completely inadequate.

Says Dorothy Johnson, founding director and current president: "The Board knew increased resources were necessary but not how to convince the membership that higher dues contributions were also necessary. The solution was to ask the members about their needs and to make an overall strategic plan."

"From that many useful ideas for new services, reinforced member interest, and increased resources for the organization," reports Johnson. "Three birds with one stone--not a bad outcome from a crisis and one that catapulted this organization into the growth stage of development."

Areas of Organizational Tension

How does the organization handle the serving-leading dichotomy? Challenges may include taking stands on issues, influencing public policy, and mediating differences between the old guard and newer members. Tension may develop between the organization and some of its members, notably community foundations that provide similar services.

Rejecting efforts outside of the regional association's mission becomes important and helps bring focus. As the organization grows, earlier activities sometimes no longer serve its interests or those of its members; but, reluctance to change can create problems.

The danger with so much activity is that resources--both staff and financial--are overtaxed. Bureaucracy begins to dull the cutting edge. Organizational tension expands to include public needs and demands, and they can compete with members needs.

Assessment Questions

- 1) Is continued growth compatible with the mission of the organization?
- 2) How does the organization address emerging issues of competition, especially within the membership?
- 3) Is there a mechanism for keeping longtime members involved?
- 4) Can the Board or program committee review and terminate programs and services begun in an earlier period?

Benchmarks of Effectiveness at the Growth Stage

- High degree of member retention
- Strong member participation in programs and services
- Sustained member interest in serving on boards and committees
- An increasing community appreciation of philanthropy
- Heightened awareness among press and policy makers
- Developing expertise in resource building directed toward long-term stability

Growth Stage

Strategies for Development

Using the knowledge you already have about your organization, work through these exercises. The last part of the guide contains additional copies of the worksheets.

Governance

What is the basic mission? Has it changed?

Staff

What are the current staffing needs? Does current staff have the skills to meet those needs? What types of staff--and staff development--are required?

Program and Services

What plans will you make in the coming year to meet the burgeoning needs of an increasingly diverse membership? What specific actions will you take to initiate that process? What specific board and program Committee responsibilities does it entail?

Membership

Outline your membership recruitment and retention plans for the coming year. Revisit the eligibility criteria for membership.

Marketing and Communications

How can your communications become more formal and professional? Consider the following: the public presence you seek for your RAG; adding staff or consulting capacity; the evolving role of your marketing and communications committee.

Finances and Resources

- 1) Construct a budget that addresses the issue of increasing member demands for programs and services and also recognizes the limitations on staff time and member resources.

2) Articulate a strategy to sell that budget to your members.

3) List four ways--other than member support and dues--in which your organization can generate income: e.g., selling publications, marketing programs, fees for service. Create a plan to implement at least two of those as experiments in the coming year.

Administrative Systems

Continue to audit your current systems and plan for administrative needs for the next three years. Such elements as space, computer systems, and financial reporting policies.

Final Steps

1) List any barriers to accomplishing the above strategies and appropriate actions for surmounting them.

Prepare a timetable for implementing your strategies.

When you have completed this section, you may want to transfer the key words to the Workchart. A copy can be found in the appendix.

Growth Stage

Resources

If you are facing tensions or challenges outlined in the previous section, you may be ready for outside assistance. The following lists offer a sample of peer groups, publications and training opportunities that will help you in the Growth stage. Consult the accompanying *Resource Guide* for a fuller complement of RAG resource references.

Peer Resources

Conference of Southwest Foundations
Maud Keeling
512/994-7778

Delaware Valley Grantmakers
Alexandra (Sani) Fogel
215/977-7404

Associated Grantmakers of Massachusetts
Sally Peabody
617/426-2606

Metropolitan Association for Philanthropy
Claudia Daugherty
314/361-3900

Council of Michigan Foundations
Dorothy Johnson
616/842-7080

Minnesota Council on Foundations
Jacqueline Reis
612/338-1989

New York Regional Association of Grantmakers
Barbara Bryan
212/714-0699

Pacific Northwest Grantmakers Forum
Julia Kittross
206/624-9899

Rochester Grantmakers Forum
Jane Taylor
716/232-2380

Council on Foundations
Wendy Grishman, RAG Liaison
202/466-6512

Publications

Chronicle of Philanthropy
1255 23rd Street N.W.
Washington, D.C. 20037
800/347-6969

Foundation News
Council on Foundations
1828 L Street N.W.
Washington, D.C. 20036
202/466-6512

Getting Commitment at Work
Michael C. Thomas and Tempe S. Thomas, Commitment Press, Chapel Hill, North Carolina: 1990

Various publications from the Foundation Center, Jossey-Bass publishers, and university research centers on philanthropy

Conference Board publications, available through corporations that are members of The Conference Board

Training

Organizational Management
American Society of Association Executives
1575 Eye Street N.W.
Washington, D.C. 20005-1168

Board Development

National Center for Nonprofit Boards
2000 L Street N.W.
Washington, D.C. 20036

Marketing and Communications
Public Relations Society of America
33 Irving Place
New York, NY 10003

Established Stage

Characteristics and Assessment Questions

After it reaches a certain point, your organization will become an institution, respected by members and recognized by the community. At that stage, the regional association has a clear internal and external identity. It is perceived to be serving the public as well as its members.

This stage is primarily defined by the leadership question: what kind of leadership will your RAG provide to members and community? Planning may seem not to be a priority at this point. After all, you are at the peak of the organization chart. But don't take that as your cue to rest: the challenge now is to plan for renewal, to continue to bring fresh vision to the future.

Characteristics of the Established Stage

Outward looking, institutional, comfortable, respected by members, recognized by community; varied program, slower membership growth, healthy fund balance; fundraising by plan, systems in place

This is the mature stage. Finance, membership, and governance issues, so prominent in the early days, have been settled. The RAG's identity is firm, its mission well known. The principle task is to balance the ongoing demands of members with responsibilities to the broader community. Membership has leveled off, and earned income and project grants supplement the core budget. This period holds the greatest opportunity for leadership on all fronts, but members' needs must constantly be considered. Warning: staff may now feel overworked.

Organizational Development

The same seven elements discussed earlier form the basis for an organizational analysis in this stage. Again, the important thing to know is where you stand in each area and to create strategies for development there. The diagnosis chart at the beginning of the guide will assist you. The following assessment questions will prompt self-diagnosis.

Governance

Board and staff roles settled, decision making centralized; greater diversity among board members in culture, position, race, gender, and age; greater delegation of responsibilities to executive director and staff

Assessment Questions

- 1) Does the board or its committees and staff regularly re-examine both mission and planning?
- 2) Is the board active and energetic?
- 3) Is there a plan for board and board leadership succession?

RAGnote

Nonprofits' Perception of Competition Led One RAG to Create Closer Ties and Brought Community Representation onto the Board *Claudia Daugherty, Metropolitan Association for Philanthropy, St. Louis, MO*

Two years ago, MAP faced an important challenge: encouraging more responsible and informed grantseeking. It discovered an insatiable interest in information about the process of grantseeking and about how to determine donor interests and priorities. The RAG therefore developed a basic course in fundraising and development, and that eventually grew into a major community seminar for the discussion of common issues.

Some community organizations offering similar courses to nonprofits became concerned about potential competition. In addition, some RAG members raised the issue of shifting the organization's resources away from services to meet member needs.

Acting to allay these concerns, MAP made a concerted effort to be inclusive in its program planning. It met with representatives of nonprofits to discuss common issues and increased efforts to keep them informed. The RAG also added two community members to the board of directors, which previously had been closed to outsiders.

The result: much closer relations with the nonprofit service community and increased opportunities for joint projects. Development of broad-ranging products and services has contributed to member satisfaction and a more closely knit philanthropic community.

RAGnote

A Strategic Planning Process May Invigorate a More Mature RAG, and It Need Not Be Initiated in Response to a Crisis

Valerie Lies, Donors Forum of Chicago, Chicago, IL

"When things seem to be going well, there is always a temptation to become complacent, self satisfied, and perhaps even less creative," says Valerie Lies, president of the Donors Forum. Several years ago, the organization faced a seemingly comfortable future: no major crisis loomed save the chronic issue of matching financial resources with growing demands and expectations. Rather than merely glide along, the

directors and staff decided to embark on a strategic planning process to assure that the organization remained relevant, effective, and responsive to members.

The process the Donors Forum adopted built in a high level of member input, reaction, and participation, through focus groups, telephone interviews, and a survey. Although member satisfaction and respect for the organization were high, the research also indicated members felt the organization could better represent them and serve their needs.

The result was a strategic plan, called Leadership for the 90's, that has renewed staff and board commitment to an 18-year-old organization and generated excitement both within and without it. It put the board and staff in closer touch with member interests and needs and systematically incorporated ways to maintain that communication.

The lesson learned is obvious. Any membership organization must remain regularly in touch with what its members want and what they anticipate their needs to be. A strategic planning process can provide that knowledge and framework; better yet is an annual review to check the pulse of members and make the necessary course corrections. Donors Forum of Chicago now has such a process.

Staff

Staff encompasses hierarchies, has discrete responsibilities and more duties formerly handled by board; CEO focuses primarily on the future; top leadership has the flexibility to renew the organization and the courage to shed some activities and traditional ways of doing things

Assessment Questions

- 1) What is the plan for staff development?
- 2) Are personnel policies reviewed annually?
- 3) How are standards set to ensure that compensation is competitive?
- 4) What is the plan for staff leadership succession?

RAGnote

How One RAG Got to the Table in a Civic Discussion, And Had a Long-Term Community Impact

Sani Fogel, Delaware Valley Grantmakers, Philadelphia, PA

The Ben Franklin legacy, says Sani Fogel, executive director of the DVG, demonstrates that even a relatively new RAG can have a significant impact on the community.

To celebrate the anniversary of a legacy left by Franklin, the community of Philadelphia was planning a major celebration. They intended to use the small legacy to pay for a parade and a social celebration to mark the event.

The new executive director of the small regional association heard of the plans. She called one of her members, a private foundation executive, and voiced her concern that the funds from the legacy were about to be spent on inappropriate uses.

The executive agreed with her. He hung up the telephone and called the mayor to express concern. Soon the new RAG executive was invited to meetings of the committee to determine uses of the legacy. She was the only non-Franklin scholar on the committee. Eventually she was successful in persuading the committee to use the legacy to establish a fund at the local community foundation, to provide for ongoing philanthropy.

Program and Services

Complex, relatively stable, meets identified needs, confident in leading members, regularly addresses issues of ethics and leadership in the field, offers programs and services for all levels and types of members, provides opportunities for debate; fully engaged in public policy and education regarding philanthropy

Assessment Questions

- 1) Is the appropriate committee open to taking risks and experimenting with programs and services? Do systems exist for assessing member response to programs?
- 2) Does a portion of the program respond to articulated public needs? If so, how does the organization identify them?
- 3) How does the organization interact with the public and the community?

RAGnote

Committee on Public Policy Established in the Nick of Time

Sally Peabody, Associated Grantmakers of Massachusetts, Boston, MA

In 1986, in response to members' requests that it become more formally involved in the traditional relationship between private philanthropy and public policy issues, AGM established a public policy committee. After extended research and discussion, four initial steps were recommended:

- Inform members about their individual and collective roles in public policy formation
- Highlight member activities that affect public policy areas
- Identify public policy issues deserving AGM focus and develop initiatives as warranted
- Help improve the regulatory climate for philanthropy

At almost the same time, the IRS proposed regulations governing allowable nonprofit lobbying activities. The majority of the philanthropic community feared that the proposals would have a chilling effect on nonprofit activity and foundation support of the public policy debate. AGM's Public Policy Committee met the challenge squarely. It informed the Massachusetts nonprofits and grantmakers communities of the proposed rules; met with the Massachusetts Representative on the House Ways and Means Committee; and, in collaboration with the Council on Foundations and Independent Sector, organized a consortium of nonprofit umbrella groups to generate a direct response to the IRS.

RAGnote

How One RAG Was Able to Build on Past Efforts and Develop New Forms of Collaborative Funding When a Crisis Struck the Community

Caroline Tower, Northern California Grantmakers, San Francisco, CA

When the 1989 Earthquake struck northern California, the local RAG was no stranger to collaborative funding. Sixteen years earlier, Northern California Grantmakers had begun organizing collaborative funds, to combat the threatened withdrawal of government support for child care, and to respond to the disastrous effects of Proposition 13. The number of funds eventually grew to six altogether.

The earthquake and its consequences brought a new wave of turmoil to the West Coast, says NCG Executive Director Caroline Tower. Seeking a way to help its members help the community to recover, her group created three opportunities.

First, the RAG became an information clearinghouse for news on the effects of the earthquake. NCG assembled funding to hire a journalist who produced news bulletins on the impact of the earthquake and on efforts of recovery.

Second, the RAG used three existing collaborative funding programs to assist people in the arts, human services, and housing. For example, the Arts Recovery Fund raised \$1.5 million to aid individual artists or arts organizations whose workplaces had been destroyed or damaged. That effort was particularly important because none of the standard assistance programs were providing help to artists.

Third, NCG assisted nonprofits dealing with the Federal Emergency Management Administration. That program helped the nonprofits obtain federal funds to repair buildings.

In every case, the RAG was able to use relationships and skills built over the years to generate collaborative results--none of which could have been accomplished by individual funders. Thus the nonprofit sector, often left behind in the mobilization for emergency assistance, are developed, was well served by a RAG generating assistance from its grantmaker members.

RAGnote

Responding to Crisis Creates Opportunity for RAG Leadership

Lon Burns, Southern California Association for Philanthropy, Los Angeles, CA

The Southern California association had been meeting for some time as a network of grantmakers. The Los Angeles riots propelled the association into a new role.

Those riots, ugly and divisive, caused L.A. grantmakers to consider how to make their grantmaking more strategic and creative. That, in turn, became a leadership opportunity for SCAP. President Lon Burns began writing about ways that funders could respond more effectively--not only to the crisis but also to the poverty and racism that underlay it.

"An established RAG is able to make a thoughtful and reflective response to crisis" says Lon Burns. "But this crisis also caused its members to wrestle with the question: What is the role of the RAG?"

All that led the RAG into new territory. Staff developed public statements on policy issues related to the riots. The board developed heightened and more sophisticated expectations of its organization. Board members now want more visibility. They also want more information to stimulate their own thinking on their role in the community.

RAGnote

Tenth Year Celebration Leads RAG to Next Phase of Community Leadership

Barbara Bryan, New York Regional Association of Grantmakers, NY, NY

How to celebrate 10 years of energetic activity? That puzzle that led NYRAG into its next phase of leadership.

Yes, the members wanted a party to commemorate their long connection and service to grantmakers of the New York area. But they wanted it to be not just a party but also a contribution to the community.

That led NYRAG to involve nonprofits in the planning process and in history of philanthropy in the region over the last decade. Responses from reviewers of that paper became central to the planning of the 10th-year anniversary celebration. The same review process also spawned a body of opinion that the RAG should become more involved in public policy.

One direct result was City Connect, an effort to establish an ongoing connection between New York City grantmakers and city officials. The goal was not to encourage government to seek foundation grants but to provide models that would help city officials and foundation executives develop a mutual understanding of community problems. A series of meetings led to the creation of a network and a climate of cooperation. All that was remained was to find a testing ground.

That emerged from the Washington Heights unrest of 1992. The City Connect Management Committee, consisting of NYRAG members and city officials, met during the crisis--with a history of trust and a working relationship. "Because of a year of network building, when the crisis came, the City Connect group was able to respond" says executive director Barbara Bryan. "They didn't plan an immediate response to the crisis, but they made a response possible."

The lesson is clear: seize the opportunities to get to know your community. Build trust. It will yield results.

Membership

Automatic renewals, slow growth, consideration of new types of members

Assessment Questions

- 1) Is the organization making systematic efforts to attract new members? Has its planning taken into account the limited potential of membership?
- 2) Can new members participate once they join? What is the member retention strategy? How does the organization plan to stay in touch with members' needs?
- 3) Does the organization reassess membership criteria?
- 4) How does it respond to the changing dynamics among its members?

Marketing and Communications

More sophisticated activity where communications and marketing are closely linked; increasing attention directed to external audiences, providing information to the community on philanthropy

Assessment Questions

- 1) Do RAG publications include news of member organizations?
- 2) How does the marketing and communications function serve the public?
- 3) Is the budget and staff allocation adequate to the perceived needs in that area?

Finances and Resources

Large and complex budget, diversified income base; earned and unearned sources well established; fund balance; able to launch new programs and projects; knows where potential funding is

Assessment Questions

- 1) Could the fund balance support the organization for six months? How is the balance managed?
- 2) Are there plans to revisit the dues and membership support structure regularly?
- 3) How will the budget grow in the future in light of the fact membership is stabilized?

Administrative Systems

Well established; share with others ways of doing things, while also continuing to learn from them

Assessment Questions

- 1) Does the organization engage in regular planning for upgraded administrative systems?

- 2) Has the organization outgrown its current computer system? Are there plans and resources to upgrade software and hardware?
- 3) Is the staffing pattern adequate for the continued management and development of the administrative function?

Areas of Organizational Tension

Complacency is the clear and present danger at this stage because it could dull the cutting edge early vision, leading to decline rather than renewal. Some members may question the relevance of multiple programs and projects that stretch the resources of the organization. Some of those members may decide to initiate activities on their own, creating competition for the regional association.

Systems may become cumbersome and inhibit quick reactions. Expensive and aging infrastructure may collide with stagnant income from dues, creating a budget and resource crisis.

As the RAG has gained maturity, services have been developed for a broader membership base. This diffusion, plus accompanying turnover in CEO positions at local grantmakers, may erode member support as those new to the community question the utility of the RAG. With so much going on, internal staff communication--or the lack of it--may become an issue.

Assessment Questions

- 1) Does the organization have the self-knowledge and skill to assess internal tensions, and does it have the internal leadership to resolve them?
- 2) Can the organization find a way to manage tensions and use them to spur renewal?

Benchmarks of Effectiveness at the Established Stage

- Continued willingness to take risks
- Openness to renewal and reexamination of mission and purpose
- Pursuit of accountability in all management areas
- Solicitation of feedback on programs and services
- Members' continued active participation on board and committees

Established Stage

Strategies for Development

This may be the stage of your greatest productivity. But it also holds the greatest danger for the future. Self-satisfaction may lull the organization into avoiding the hard work of renewal. When things appear to be going well, that does not seem to be a priority.

The strategic questions outlined below will help you ask some hard questions. In the back of the guide, are additional copies of these worksheets. Copy and use them as you make your way through these exercises.

Governance

- 1) What are your plans for board renewal in the coming three years? Address issues of representation and diversity.

- 2) Outline your intentions to reexamine your mission and begin your next round of planning.

Staff

- 1) Describe the professional staff renewal and development plans for the next year.

- 2) Develop, with your staff, plans for senior staff succession.

Program and Services

- 1) Outline your plan for program and services for the next year. Consider the following elements: diverse membership, need for some focus, balance between members and the public, and creative leadership roles.

- 2) Develop a plan to evaluate programs and services in light of governance renewal described above.

Membership

Develop a plan to assess member interest and support for current and future programs and services.

Marketing and Communications

Outline your marketing and communications plan for the next year. Be specific on budgets, staffing, and target audiences.

Finances and Resources

Develop your budget for the next three to five years.

Administrative Systems

Outline the three-to-five-year projected plan for technical and administrative needs. Relate the plan to the budget.

Final Steps

- 1) List any barriers to accomplishing the above strategies and appropriate actions for surmounting them:

2) Prepare a timetable for implementing your strategies.

When you have completed this section, you may want to transfer the key words to the Workchart. A copy can be found in the appendix.

Established Stage

Resources

The following resources are a sampling of peer references, publications, and training opportunities to assist you in the Established Stage development. Consult the accompanying *Resource Guide* for a more complete complement of RAG resources and references.

Peer References

You may wish to talk with some of the regional association directors who find themselves at this stage.

Northern California Grantmakers
Caroline Tower
415/777-5761

Southern California Association of Philanthropy
Lon Burns
213/489-7307

Donors Forum of Chicago
Valerie Lies
312/431-0260

Associated Grantmakers of Massachusetts
Sally Peabody
617/426-2606

Council of Michigan Foundations
Dorothy Johnson
616/824-7080

Minnesota Council on Foundations
Jacqueline Reis
612/338-1989

New York Regional Association of Grantmakers
Barbara Bryan
212/714-0699

Southeastern Council of Foundations
Robert Hull
404/524-0911

Publications

John Gardner's series on leadership for Independent Sector

Independent Sector

1828 L Street NW
Washington, D.C. 20036
202/223-8100

Training

Center for Creative Leadership

P.O. Box 26300
Greensboro, N.C. 27438
919/288-7210

Decline and Renewal

Characteristics

The continuing life cycle of regional associations of grantmakers and other nonprofits can encompass three additional stages: Decline and Renewal or Termination.

In the preceding chapters, we have presented chronic questions of assessment and offered strategic outlines for creating a healthy, developing organization. If the organizational elements of governance, staff, program and services, membership, marketing and communications, finance and resources, and administrative systems are not attended to, decline and ultimately termination could set in at any point.

Because we know of no regional association that has terminated, we cannot discuss specific characteristics of that stage. But we can offer characteristics of decline and renewal.

Decline

An organization in decline will exhibit the symptoms in its various organizational elements. It's again important to remember that not all elements will be in decline at the same time. That is why it is important to take your organizational temperature and to pay attention to the elements listed above on an ongoing basis.

Characteristics

In **governance**, decreasing participation or enthusiasm in board activities may occur. Signs of trouble include ineffective volunteer leadership or no leadership renewal, and the lack of a sense of mission driving the organization.

Staff may also lack a sense of mission. Its members may become ineffective in managing and leading the organization. Or the reverse may be true--with the staff totally dominating the organization and not being attuned to members' needs.

A decreasing number of members will participate in the **programs**, signaling loss of interest. **Membership** will fall, renewal will be flat. Since the organization is engaged in little or no member needs assessment, reasons for this will not be clear. A survey at this stage will produce little or no response from members.

Marketing and communications may be affected by a lack of vitality. And trouble begins to be apparent in **finance and budget**, where the organization may be running a deficit for the first time and finding it difficult to raise dues and attract grants to compensate. Even the **administrative systems** will deteriorate, since they will be increasingly dated and inadequate, with no planning or funding to improve them.

The regional association will no longer be seen as a leading organization in the community, which will look elsewhere for leadership. Comments from RAG members, rather than the regional association of grantmakers itself, may be sought on philanthropic issues. Competition in any area will overwhelm the RAG, rather than stimulate it.

No regional association goes into a state of decline overnight. The slide may be gradual. But it should be identified through the early warning systems described for various organizational elements throughout this book. Only by constant watchfulness, assessment, and redirection can the regional association reclaim its leadership role in the community.

Renewal

Renewal occurs when staff and board realize that decline is afflicting in one or more of the seven elements of organizational development. A willingness to regroup, look again at mission and goals, convene special committees to reassess ways of doing things, form new leadership teams and seek other models to emulate--all are signs of organizational renewal.

While decline may set in without the organization fully recognizing it, renewal or termination must be undertaken consciously.

Characteristics

The following provides a quick checklist of renewal characteristics:

- 1) Ongoing assessment and self-diagnosis
- 2) Reinvigoration of voluntary membership
- 3) Concomitant reinvigoration at the staff level
- 4) Strategic planning process in place
- 5) Assertive response to concerns expressed by members
- 6) Careful attention to each area of the organizational life cycle

In Conclusion

Some Things To Think About

What helps a RAG continue to develop in a vital way, growing when new and renewing when grown? Conversely, what factors appear to signal decline in regional associations that stop renewing?

While generalizations are sometimes dangerous, here are a few checkpoints that all regional associations can use to assess their ongoing renewal. These checkpoints--points of opportunity--are ones that most Associations will hit at some period in their development. If these opportunities are not seized when they arise, the RAG may suddenly find itself in trouble, having failed to recognize and respond to the key challenges of organizational development.

As your RAG grows, keep an eye on the following:

Do you have the flexibility to assess changing needs regularly and respond effectively?

Internally, can you meet the needs for diversity of board and membership? Can you maintain balance of leadership as day-to-day activities shift from board to staff? As your organizations grows, are you able to maintain the balance between service to members and responsibility to community? Do you remain in touch with members' changing needs and interests through informal contact and surveys? Can you identify movements in the field and incorporate them into your regular planning process? Have you designed measurement systems that work?

Externally, does your organization show respect for the diversity of the community it serves? Are you and your board attentive to changing times, helping members understand how shifts in the economy affect the funding community?

Do you pay attention to diversity?

The flexibility to assess and respond is crucial to healthy and vital regional association development. As the regional association changes, so does the community it serves--as well as broad political, economic, and demographic factors.

Attention to diversity is critical for regional associations of grantmakers. The first responsibility is to assume that membership on their boards and committees reflects the overall diversity of membership. Without this factor, a RAG could become irrelevant to its own members.

Equally important is incorporating diverse points of view present in the community that RAG members serve. That demands an ongoing dialogue between regional associations of grantmakers members and representatives of nonprofits and the public.

Finally, the regional association must be sensitive to the diversity of race, age, ability, and gender in its governance, board and committees, programs, research and communications. This diversity will allow the RAG to tap the vitality that comes from being connected to the richness of a multi-faceted community.

Can your governance and management systems keep pace with your growth?

As regional associations grow, one of their greatest challenges is how to shift responsibilities for day-to-day activities from the initially strong and active board to the increasingly sophisticated staff. Just as it must manage and guide when the RAG is in its early stages, a founding board must relinquish control as the organization becomes more complex. Planning for that change and managing it gracefully are requisites for a smooth passage.

Another important area of flexibility is the development and maintenance of systems that alert the regional association to changes in the grantmaking field and in various communities served by RAG members. Early warning systems on issues are necessary to maintain vital programming, while advances in the field must be incorporated into operations so that members can develop professional skills efficiently. Without such capabilities a RAG's offerings will quickly become dull, stimulating no changes in either members or the community.

For example, the foundation community early on grasped the tragedy of AIDS and the need to educate the public about it. Many regional associations of grantmakers held programs for funders to spread correct information among them and throughout the community. That, in turn, stimulated interest among funders who might otherwise have hesitated to provide support in a then-controversial area.

Goal setting and measurements: An ongoing process

Regional associations must have regular goal-setting procedures coupled with mechanism for measurement. This workbook should be a useful guide as you examine your goal-setting process. Remember however, that goals must be continually revised if they are to remain useful in a changing environment, and measurement functions must be honestly answered in order to maintain the imperative of organizational renewal.

Too often when goals are revised, measurements are glossed over, and the lessons of the immediate past are lost. When a changing situation leads to revised goals, the organizational learning that has preceded it should be incorporated. By means of such a process, goals and measurement systems can remain relevant and practical.

Results should show demonstrable impact

A useful way to assess RAG leadership is to ask a broad question of members and the public: "Does the organization make demonstrable impact on grantmaking in this community? Can the impact be seen in what has been funded? In how the funding is done? In how grantseekers assess the process?"

The regional association can ask that question in a variety of forms and settings: surveys; informal meetings with members; interviews with key community advisers; focus groups. Such inquiry, whether extensive or informal, not only can tell you how your organization is perceived but also can generate new ideas on how it should exercise leadership.

It is up to you--the RAG and its board and staff--to reflect on the question of results and to decide in advance how you would like them to make a difference. In so doing, you will be describing your own vision for the leadership you want to provide your members and communities.

Appendix A

Forum of Regional Associations of Grantmakers

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Appendix B

Histories of Selected RAGs

Associated Grantmakers Of Massachusetts

Boston, Massachusetts

Founded as Associated Foundation of Greater Boston in 1969, the organization changed its name to Associated Grantmakers of Massachusetts, Inc. in 1980 to reflect both geographic expansion and the significant increase in corporate members. In the initial years, each dues paying member was entitled to one seat on the board of directors. In 1985, when association membership of 55 grantmaking organizations made this structure unwieldy, the organization's by-laws were modified to create a representative board of 12 to 24 directors, elected from the membership by a Board of Corporators, which includes one individual from each member organizations.

AGM's research library was established in 1971 as the ninth of the Foundation Center's regional collections, providing information to the nonprofit community on grantmaking, fundraising and nonprofit management. Also in 1971, the Summer Fund was originated as a means of brokering private sector support for summer youth programs in metropolitan Boston. AGM's Emergency Loan Fund, providing short-term, low-interest loans to nonprofits facing cash flow shortfalls, was established in 1981. In 1983, a Resource Center Partners Program was created to involve representatives of the nonprofit and technical assistance communities in the organization; for a modest annual fee, Partners receive a quarterly newsletter, special program invitations and discounts on seminars and publications, including the directory of *Massachusetts Grantmakers*, published by AGM since 1983.

As of 1992, AGM has 75 grantmaking members, including community and private foundations, corporate foundations and giving programs, and bank trust departments; approximately 1200 nonprofit Partners; a staff of nine full time professionals; and an annual operating budget of nearly \$600,000. Services to grantmaking members include a monthly newsletter; a calendar of educational and informational programs, ranging from formal training seminars to roundtable discussions; special collaborative funding projects; active involvement in local, state and national public policy issues; and one-on-one consultation. The Summer Fund raised \$1.1 million in 1992 to support 72 day and residential camps; the Emergency Loan Fund is capitalized at over \$500,000; and the research library serves approximately 600 individuals each month.

Conference of Southwest Foundations

Houston, Texas

The organization which is now known as the Conference of Southwest Foundations was developed in the early years within The Hogg Foundation at the University of Texas. The first meeting was held in Austin on April 8, 1949. The Carnegie Foundation, Rockefeller Foundation, General Education Board and the Southern Education Foundation representatives led the discussions. It was such a success that the group voted to meet the following year, with several Houston foundations offering to host the gathering.

The group continued to meet in this informal way for the next eight years. The meetings were called the Conference of Texas Foundations and Trust Funds. Attendance was by invitation only and each successive planning committee reviewed the invitation list each year. The intent was to preserve the group as one of grantmaking foundations which would enable them to share information and learn from one another without exposure to solicitation and appeals for funds.

At the time the Conference was formed, Texas foundation philanthropy was in the first generation. The foundations were still very closely related to living donors. Most ran the foundations themselves with only the help of their business or personal office staffs. The funds were, for the most part, modest and dependent on additional donations from good business years and favorable investment returns. The donors avoided publicity about their foundations lest they be swamped with requests for funds far beyond the size of their foundations. Furthermore, their clerical staffs were too small to even acknowledge all of the requests which came to them.

The group who attended the annual conferences consisted of foundation donors and their families, trustees, prospective donors (persons who were considering, or could consider, establishing foundations), bank trust officers who often advised prospective donors and executives of the few staffed foundations. Because this was the only meeting of its kind, foundation representatives from other parts of the country often attended.

A plan for a formal organization was proposed and adopted at the 8th annual conference held in Corpus Christi in April, 1956, where the name was changed to the Conference of Southwest Foundations in recognition of foundations in other states in the region. With a small amount of income from membership dues, the organization was becoming self-supporting. However, The Hogg Foundation and other members continued to provide subsidies.

Currently there are 166 member foundations in the Conference from Texas, Oklahoma, Arkansas, New Mexico and Colorado with 300-375 people attending the annual meetings. With the maturation and professionalization of foundations in the region, the composition of the group has changed over the years. Although donors or donor family (some in the third generation now) still represent a large percentage of the active participants, close to 50 percent are foundation staff.

The Conference sponsors two major meetings per year: the annual conference in the fall and the Board and Committee Mid-Year Meetings which are held in the spring.

Council Of Michigan Foundations

Grand Haven, Michigan

The Council of Michigan Foundations (CMF) was established in 1972 and incorporated in 1975. Within one year of its incorporation, CMF assisted in reducing the "foundation payout rule" to a flat 5 percent (Tax Act of 1976), published the biennial *Michigan Foundation Directory*, facilitated an annual conference for its then 78 members and circulated its newsletter--*The Michigan Scene*--to over 2,000 individuals, members, legislators, state officials and media representatives. During the following ten years, CMF increased its membership services by initiating "Foundation Visitations" and "Corporate Grantmaking Workshops;" sponsoring tax-related studies; and establishing a "Developing Goodwill" Project to inform state and national legislators of foundation work.

Even though membership growth was steady and CMF was financially sound, it did not develop projects until the board of trustees implemented its five-year strategic plan in 1986. With additional monies raised through a contributions increase, CMF began an "Increasing Philanthropy Project" to strengthen the state's nonprofit sector and to encourage the establishment of educational programs in the areas of citizenship and nonprofit management skills. In 1987, CMF, in collaboration with the state of Michigan, became administrator of a three-year, \$3 million, State of Michigan/Community Foundation Energy Initiative Program. CMF received national media attention when its 14 community foundation members participating in this program achieved an estimated energy savings of over \$700,000 a year to 260 nonprofit organizations in Michigan. Under the board of trustees' direction in 1988, CMF staff submitted a Community Foundation Youth proposal to the W. K. Kellogg Foundation and a technical assistance proposal to the Charles Stewart Mott Foundation to assist in strengthening Michigan's community foundations. Since then, the initiative expanded to more than \$35 million.

Because of its new strategic plan and increased resources including special fundraising efforts, CMF has established a Corporate Initiative to assist corporations in establishing giving programs, and a Michigan AIDS Fund to provide a collaborative funding vehicle for building community capacity for combating the AIDS epidemic. It has also revamped its private foundations offerings. Today, the 24-member board of trustees oversees operations of 350 volunteers and a 13-member staff working to serve 300 members.

Delaware Valley Grantmakers

Philadelphia, PA

Delaware Valley Grantmakers (DVG) was started in 1988 by four non-staffed informal groups. The board included representatives from each grantmaking sector. The Pew Charitable Trusts, the William Penn Foundation, the Philadelphia Foundation, and the Samuel S. Fels Fund founded DVG. This Joint Foundation Seminar Committee planned and executed a grantmakers conference each year. The second non-staffed group was the Donors Forum, a corporate group which met monthly to discuss grantmaking issues. It still meets today. Women Working in Philanthropy met as a monthly brown-bag lunch group that represented women grantmakers interested in grantmaking for women and girls. It continues to meet today. And the fourth group, trustee-managed foundations, scheduled dinner meetings two to three times a year with a speaker, which happens occasionally today.

The most dramatic change for these four groups was turning their volunteer operations into a professional organization. It took years of conversation and planning to create the nonprofit status, a budget, a staff and an office, and other association needs.

The present and founding executive director held lengthy discussions regarding the status of the first office and staff. At issue were Part-time versus full-time staff and a separate, free-standing office versus an office space donated by a grantmaker.

The original board members and the new executive wanted to found an independent, free-standing organization with a self-supporting three-year budget with full-time staff. This made it possible for dramatic accomplishments in the first year. The importance of the first year cannot be overstated, especially in terms of creating an active and large participating membership pool at the outset.

Another change came at the end of the second year, when the board and the finance committee completed a strategic plan that included a five-year organizational and budgetary structure. Dues were raised to support the core operation for five years with grants expected to cover special projects.

DVB turned four years old in November, 1992, and it is expected to operate within the present structure for the next three to five years.

Donors Forum Of Chicago

Chicago, Illinois

The Donors Forum of Chicago originated in the summer of 1972 when the Weibolt Foundation established an eight-month project "to start some process to enhance the usefulness of our independent foundations in Chicago."

After several informal gatherings organized by the foundation, more than 50 foundation representatives came together in January 1973 to form the Chicago Foundation Group. The group met throughout the year, not only to carry out the necessary steps of organization, but to begin to learn about opportunities for philanthropy. Committees were formed and workshops were held in three areas: urban reform, higher education and the arts.

In February, 1974, the 12-member steering committee of the Chicago Foundation Group called an organizing meeting under its new name, the Donors Forum of Chicago, which "is indicative of our desire to include the broadest possible spectrum of philanthropists as our 'constituency.'" A board elected a president, and a part-time secretary was employed. The library opened in October with the Foundation Center collections from the Chicago Community Trust and the Newberry Library. A librarian was added to the staff. The original mission of the Donors Forum was "to improve the quality of philanthropy in Chicago."

Between 1975 and 1977, in addition to membership luncheons, the Donors Forum emphasized four special interest areas: alternative education, teenagers today, world of women, and law and philanthropy. The library services were expanded to both members and the public in 1978-1979, including the publication of research reports and the development of technical assistance programs for donees. During the same time, the present committee structure was established as a result of the report of the Short Term Evaluation Committee.

In 1979-1980, an effort began to involve more donees in the Forum. The new Donor/Donee Committee researched and initiated the Donors Forum Emergency Loan Fund. In the spring of 1980, the Donors Forum moved to larger quarters, and the staff increased to five full-time people.

By 1981, the Donors Forum was an organization of 140 members, making it the second largest regional association in the country. The Donors Forum initiated its first long-range planning effort, the goal of which was to "provide for continued success by determining the basis for policy, planning and general resource allocation over the next three to five years". The result of this planning process was a clarified mission statement and new goals.

From 1981 to 1991, the Donors Forum experienced marked growth by almost all quantifiable standards: revenues, expenses, staff and services. The one measure where change was fluid, but without achieving real growth, was in membership. In 1991, the Donors Forum again undertook a planning process to guide its future over the next three to five years.

Today at a membership count of 139, the Donors Forum is even with its membership census of a decade ago. It is difficult to assess whether members are more active in today's Donor's Forum than previously, but currently more than 100 members participate actively through the committee and board process. Family foundations, small and medium foundations have a higher participation rate than for corporate members and large independent foundations.

Over the past several years, in addition to increasing member and library services, there has been increased emphasis to reach out more strategically in the community toward enhancing the understanding of the role of private philanthropy and in assuring that the Donors Forum and its membership are represented in discussions of community issues. Efforts to work more with the public sector, corporate civic organizations can be cited for the past three to four years. This is in part a reflection of the growing willingness of foundations and corporations generally to discuss partnership and engage in more cooperative dialogue with those sectors.

The Donors Forum has also expanded its role as representative of Chicago's philanthropic community. Efforts to improve its newspaper, *FORUM*, as a vehicle for education and to enhance the organization's visibility, is one example. Another is the more serious research through the philanthropic database project to better define the size and nature of the membership's grantmaking, and to use the results in discussions with members of the press or others to enhance their understanding of private philanthropic giving in this city. A third example is the active work with the Council on Foundations and Independent Sector related to legislative and regulatory issues and their impact on the sector.

The Indiana Donors Alliance operated from 1983 to 1990 as a program of the Indiana Humanities Council. The Alliance was housed, staffed and operated by the Council. Programming consisted primarily of an annual conference. In the late 80's, several factors converged to propel IDA toward independence, among them the hiring of a full-time executive director, the kick off of a membership campaign, expanded programming and implementation of a planned communications strategy.

In November 1990, the IDA incorporated, electing its first board of directors and designing a series of strategies that, by 1992 have culminated in two giant steps for the IDA: 1) the formation of a supporting organization -- the Indiana Donors Alliance Foundation -- to house special projects; and 2) plans to relocate the IDA offices to accommodate growth in staff and programming.

Metropolitan Association Of Philanthropy (MAP)

St. Louis, Missouri

MAP was formed in 1970 by a group of five donors who met informally on a regular basis to compare notes about their giving and the community. The Tax Reform Act of 1969 saw the increase in higher education, hospital and federated drives and the rise in requests for nonprofit community support. These donors decided to investigate the possibility of forming a clearinghouse which could supply interested donors with information about specific nonprofit organizations and community needs. The Danforth Foundation contributed a 3-year matching grant to hire MAP's first director. There were 17 initial members of MAP.

In 1977, a grant was secured from Civic Progress, a membership association of the chief executive officers of major St. Louis corporations, which enabled each member company to become a member of MAP. MAP continues to enjoy a stable financial base due to the continuing support of Civic Progress. Also in 1977, the Danforth Foundation donated their library of resource materials and directories, and MAP became an official cooperating collection of the Foundation Center. Service to grantseekers increased as the result of offering regular resource library hours to the community.

MAP's mission is to improve the quality of life in metropolitan St. Louis by providing donors and donees with information which facilitates the delivery of services to meet philanthropic needs.

Currently, MAP has 48 members. Services provided to members include: monthly luncheons meetings to discuss community needs and issues; occasional research reports on areas of interest to the members; individualized research on specific nonprofit organizations requesting funds; assistance in forming a foundation or contributions program; a monthly newsletter with current information about local and national trends in philanthropy; legislation and nonprofit organization development; capital campaign reports; and surveys of local giving. Collaborative efforts are underway to address the needs of children and youth and to improve K-12 education.

Services to donees include library orientations and a series of seminars, in cooperation with the local NSFRE chapter, on annual giving, capital campaigns, special events, grant writing and methods of solicitation. In the fall, MAP also offers a conference on a topic of mutual interest to its members and the grantseeking community, such as collaboration and measuring effectiveness.

New York Regional Association Of Grantmakers

New York, New York

NYRAG was started in 1979 when the Council of Foundations moved its offices to Washington, DC. There had been a very loosely-knit luncheon group prior to the decision to start NYRAG, but the Council's move underlined the felt need for programs and services available locally to improve the effectiveness of philanthropy in the region.

By the end of the first year, there were 72 dues-paying members. Growth since then has been much slower and quite steady, with membership now at just over 190 members. Other changes over the years included:

- first program for nonprofits (jointly with The Foundation Center, in 1984); now a regular series, "Meet the Grantmakers", in its eighth season;
- first decision by the board to take a public policy position (in 1985 relating to charitable deductions and tax reform); there have subsequently been several public policy decisions taken by the board, but with somewhat less anxiety;
- moving from the "founding" generation of staff and board and sharing available space with member organization to the "second generation" and an independent office in 1985-86;
- the decision to undertake a strategic plan (1987) which led to a decision that one of NYRAG's primary goals should be to act as a voice for philanthropy, which has subsequently led to additional changes, such as publishing the *Reporter's Guide*;
- the tenth anniversary activities (commissioned paper and conference for 600 nonprofit representatives and grantmakers in 1989), which in turn led to jointly planned programs with nonprofits (such as "Beyond Band-aids" in 1991);
- renewed interest in relationships between private philanthropy and government (also spurred by its tenth anniversary), which led to development of "City Connect," an effort to bring New York City public officials and private grantmakers together around issues of common concern (1991); and
- decision to develop and publicize a statement on inclusiveness and diversity for NYRAG, which it was hoped could also serve as a model for other organizations (1990-91).

There have been many other exciting moments in NYRAG's history, mostly around programs planned by the Program Committee or the Communications Committee, which organized "Visions for American Philanthropy: The Paul Norman

Ylvisaker Symposium Series," co-sponsored with the Council on Foundations and targeted to chief executive officers.

But as NYRAG matures, one of its challenges has been to respond to the changes in the external philanthropic world. NYRAG has begun to see, for example, that it may have to move from a primarily program focus to a more varied array of services to help the great diversity of NYRAG members make their most effective philanthropic decisions. It's probable that despite the fact that 1987 strategic plan "blueprint" is still widely supported by the members, the next phase of organizational remodeling will benefit from further planning.

Rochester Grantmakers Forum

Rochester, New York

Rochester Grantmakers Forum began informally in 1974 as a luncheon group. Until 1988 dues were \$10 per year, and all activities were handled by members on a voluntary basis. Initial explorations in 1985 regarding opening an office and hiring staff sputtered and died. However, in 1987 several very dynamic people took a leadership role and secured 90 percent of the funding needed for a three-year pilot effort.

The forum has had staff and an office since May 1988 (one part-time administrator/executive director, and since 1991 some support assistance 7-10 hours per week). The switch to initial staffing, and the transition from a pilot organization funded primarily by grants to an ongoing organization relying mainly on dues are the two key periods for the forum. At the present time, the forum is struggling to maintain a solid financial base, to manage all activities without adequate staff support, and to deal with declining availability of volunteer assistance.

Washington Regional Association Grantmakers

Washington, DC

Because WRAG has recently formed, it has not really experienced periods of dramatic change. Rather, it has been in a state of constant growth.

Currently there are 60 members and a staff of two. WRAG conducts about six issue-oriented programs, two skill-building programs and a grantmaker/grantseeker program annually. It is developing a common grant application form and the capacity to administer funding collaboratives.

- | | |
|----------------|---|
| August 1991 | - hired consultant |
| | - formed Organizing Committee |
| September 1991 | - adopted initial goals and desired outcomes |
| November 1991 | - incorporated |
| | - adopted start-up by-laws |
| | - hired part-time, temporary staff |
| | - began offering issue-oriented and skill-building programs |
| January 1992 | - launched first membership drive |
| March 1992 | - held "kick-off" campaign |
| | - elected first Board of Directors |
| July 1992 | - convened task force to develop a Common Grant application |
| August 1992 | - brought bookkeeping and accounting functions in-house |
| September 1992 | - adopted full set of by-laws |
| | - adopted personnel policies |

Appendix C

EXTRA MATERIALS

Here are additional sets of worksheets. We recommend that you make extra copies and insert them in this book's back pocket, to ensure that you always have a clean set!

I. Assessment Questions - Elements of the Organization

We have taken the assessment questions from the previous sections on each stage of development, and compiled them here by element (i.e, governance, staff, etc.), with all the stages listed: start-up, growth, established, decline and renewal. These are particularly useful when you assess the organization's individual functional areas.

II. Strategies for Development

We have included extra copies of the Strategies for Development questions. There are presented here in four sections--one for each stage of development: idea, start-up, growth and established.

III. Workchart

When you have worked through the Strategies for Development, we suggest that you use this spare copy of the Workchart to summarize your plans for action. This can then be copied and sent to those staff, committee and board members who are working on these developmental issues.

Assessment Questions

Elements Of The Organization: Governance

Governance in the *Start-Up* Stage

Board and standing committees are formed, mission and purpose are defined, legal structure is in place

Assessment Questions

- 1) Is there commitment to a common mission?
- 2) Have the by-laws or other governing documents been accepted?
- 3) Are the appropriate standing committees formed?
- 4) Are board responsibilities defined?

Governance in the *Growth* Stage

The board functions by committee; in some cases, committees include outsiders; founding board members begin to rotate off; strategic planning efforts initiated

Assessment Questions

- 1) Are members interested in serving on the board or on committees and task forces?
- 2) Has a second generation of board leadership begun to emerge? Are you able to keep the first generation involved and engaged?
- 3) Is regular board development and training in place?
- 4) Does the board do strategic planning with the staff?

Governance in the *Established* Stage

Board and staff roles settled, decision making centralized; greater diversity among board members in culture, position, race, gender, and age; greater delegation of responsibilities to executive director and staff

Assessment Questions

- 1) Does the board or its committees and staff regularly re-examine both mission and planning?
- 2) Is the board active and energetic?
- 3) Is there a plan for board and board leadership succession?

Governance in a Stage of Decline

Decreasing participation or enthusiasm in board activities may occur. Signs of trouble include ineffective volunteer leadership or no leadership renewal, and the lack of a sense of mission driving the organization

Assessment Questions

Elements Of The Organization: Staff

Staffing or Secretariat in the Start-Up Stage

Paid or volunteer, full-time or part-time, skills or attributes that include creative, builder, entrepreneurial, a jack of all trades, listener and doer

Assessment Questions

- 1) Is staff (volunteer or paid) in place, with appropriate job descriptions?
- 2) To what extent do board and staff share leadership and expectations?
- 3) Has an initial work plan been developed?
- 4) Has the board approved measures for staff performance and organizational development?

Staffing in the Growth Stage

Staff increases and takes on more day-to-day responsibilities; delegation of functions begins; more attention paid to administrative systems, big picture, thinking beyond the present; RAG still requires entrepreneurial talent but also skills in the development of organizational systems

Assessment Questions

- 1) Are staff and consultants sufficient to accomplish the priorities set by the board? Do staff skills match appropriate staff activities?
- 2) What is the staff development plan? Does the budget provide for development?
- 3) Can staff say "no" when requests overburden their capacity? Does the board back them up?
- 4) Are pay and benefits adequate to attract appropriately skilled staff?
- 5) Are staff evaluation policies in place? Are evaluations done on an annual basis?

Staffing in the Established Stage

Staff encompasses hierarchies, has discrete responsibilities and more duties formerly handled by board; CEO focuses primarily on the future; top leadership has the flexibility to renew the organization and the courage to shed some activities and traditional ways of doing things

Assessment Questions

- 1) What is the plan for staff development?
- 2) Are personnel policies reviewed annually?
- 3) How are standards set to ensure that compensation is competitive?
- 4) What is the plan for staff leadership succession?

Staffing in a Stage of Decline

Staff may also lack a sense of mission. People may become ineffective in managing and leading the organization. Or the reverse may be true--with the staff totally dominating the organization and not being attuned to members' needs.

Assessment Questions

Elements Of The Organization: Program and Services

Programs/Services in the Start-Up Stage

Responsive mode, user defined, occasional, experimental, immediate, reliant on expertise of members and nonprofit community

Assessment Questions

- 1) Do members attend programs or use other services?
- 2) Are measures in place to evaluate how well programs meet members' needs and expectations?
- 3) Do members share the work of developing and implementing programs and services?

Programs/Services in the Growth Stage

More complex, begin to reflect both the organizational culture and the diverse interests of members; services other than programs become an integral part of the organization; professional development as well as networking opportunities included in the offerings to members. For the first time, perhaps, beginnings of public interchange as part of regular program

Assessment Questions

- 1) Has attention been paid to balance in programs and services that serve varying levels of membership needs?
- 2) Are members attending the programs in numbers that indicate continuing support? Are they using the services offered? Are they generating ideas for programs and services?
- 3) How are requests for new programs handled? Is there a process for weeding out inappropriate ideas and suggestions?
- 4) Are evaluation measures keeping pace with the growing sophistication of the programs and services offered?

Programs/Services in the *Established* Stage

Complex, relatively stable, meets identified needs, confident in leading members, regularly addresses issues of ethics and leadership in the field, offers programs and services for all levels and types of members, provides opportunities for debate; fully engaged in public policy and education regarding philanthropy

Assessment Questions

- 1) Is the appropriate committee open to taking risks and experimenting with programs and services? Do systems exist for assessing member response to programs?
- 2) Does a portion of the program respond to articulated public needs? If so, how does the organization identify them?
- 3) How does the organization interact with the public and the community?

Programs/Services in a Stage of *Decline*

A decreasing number of members will participate in the programs, signaling loss of interest

Assessment Questions

Elements Of The Organization: Membership

Membership in the *Start-Up* Stage

Keen interest, spurred by early activities of the RAG, although some skepticism by non members; those who belong are intensely supportive

Assessment Questions

- 1) Is there a plan for attracting new members? Is membership increasing at a satisfactory rate? Is the regional association gaining acceptance in the grantmaking community?
- 2) Does the organization provide orientation for new members and leadership opportunities to them?
- 3) Are systems in place to obtain member feedback on overall direction?

Membership in the *Growth Stage*

Rapid increase, with particular attention to members services; dues or membership support increase and have a dual objective: adding and retaining members

Assessment Questions

- 1) How do you assess which programs and services attract/retain members?
- 2) How are new members made to feel welcome? How do you get and keep them involved?

Membership in the *Established Stage*

Automatic renewals, slow growth, consideration of new types of members

Assessment Questions

- 1) Is the organization making systematic efforts to attract new members? Has its planning taken into account the limited potential of membership?
- 2) Can new members participate once they join? What is the member retention strategy? How does the organization plan to stay in touch with members' needs?
- 3) Does the organization reassess membership criteria?
- 4) How does it respond to the changing dynamics among its members?

Membership in a Stage of *Decline*

Membership will fall, renewal will be flat. Since the organization is engaged in little or no member needs assessment, reasons for this will not be clear. A survey at this stage will produce little or no response from members.

Assessment Questions

Elements Of The Organization: Marketing & Communications

Marketing/Communications in the *Start-Up Stage*

First brochure, first "members'" newsletter (usually confined to news of the organization's programs and services), first members' directory

Assessment Questions

- 1) Who is responsible for the marketing and communications function? Should the board have a marketing committee?
- 2) Has the organization considered publication of a brochure, newsletter, or directory to enhance member recruitment? If you published any of those items, how did members react to them?
- 3) Has consideration been given to publishing an annual report?
- 4) Are resources available to support and expand those marketing and communications efforts?

Marketing/Communications in the *Growth* Stage

More ambitious brochure and newsletter; introduction of annual report; collection and publication of grant data for the community; strategic thinking about public profile and the press

Assessment Questions

- 1) Does your marketing and communications committee set a clear and correct direction in those areas?
- 2) Is the staff able to oversee the marketing and communications function effectively?
- 3) Has the organization considered its communications role vis-à-vis the community?
- 4) Who speaks for the organization? Under what circumstances? What policy governs the release of public statements? Are you prepared to reconsider that policy as the regional association develops?

Marketing/Communications in the *Established* Stage

More sophisticated activity where communications and marketing are closely linked; increasing attention directed to external audiences, providing information to the community on philanthropy

Assessment Questions

- 1) Do RAG publications include news of member organizations?
- 2) How does the marketing and communications function serve the public?
- 3) Is the budget and staff allocation adequate to the perceived needs in that area?

Marketing/Communications in a Stage of *Decline*

Marketing and communications may be affected by a lack of vitality, and a lack of audience response

Assessment Questions

Elements Of The Organization: Finances and Resources

Finances/Resources in the *Start-Up* Stage

Budget lean, but money for it relatively easy to raise; dues or membership support schedule in place; strong board involvement in fund development

Assessment Questions

- 1) To what extent do your board and membership agree on the future sources and uses of funds? Have you begun a development plan for the next three to five years?
- 2) Is your membership willing to underwrite the organization's core budget through a formal schedule of dues or support for the next several years? Are funding commitments in place to ensure operations for the coming year?
- 3) What other resources besides membership dues or support have you identified for the coming year? (Examples of resources: special project grants, and fees for programs, services, and publications, special project grants.)
- 4) What funders and members expect in return for their financial support? Can the organization meet those expectations?

Finances/Resources in the *Growth* Stage

Budget larger--but raising grants for operating expenses more difficult, too; demand always outstrips resources; support base broadened, with earned income playing a greater role; dues and membership support schedule reconsidered

Assessment Questions

- 1) How well is the organization working toward financial security? Do you have a plan to increase your fund balance?
- 2) Are you developing sources of income other than grants and dues?
- 3) Can you "sell" a structured dues or membership support increase to your members?

Finances/Resources in the *Established* Stage

Large and complex budget, diversified income base; earned and unearned sources well established; fund balance; able to launch new programs and projects; knows where potential funding is

Assessment Questions

- 1) Could the fund balance support the organization for six months? How is the balance managed?
- 2) Are there plans to revisit the dues and membership support structure regularly?
- 3) How will the budget grow in the future in light of the fact membership is stabilized?

Finances/Resources in a Stage of *Decline*

Trouble begins to be apparent in finance and budget, where the organization may be running a deficit for the first time and finding it difficult to raise dues and attract grants to compensate

Assessment Questions

Elements Of The Organization: Administrative Systems

Administrative Systems in the *Start-Up* Stage

Simple, informal procedures in place; more formal systems emerging; RAG often operates in loaned office space with loaned equipment

Assessment Questions

- 1) Does the organization have the office and computer resources to meet its present and near-future needs?
- 2) If office space and computers are donated, is there a plan for buying them in the future?
- 3) Are financial systems in place to handle growth?
- 4) Does the organization have adequate internal controls and board oversight?
- 5) Will the personnel policies in place meet the current staffing patterns?

Administrative Systems in the *Growth* Stage

Becoming more sophisticated; strategic planning efforts initiated; personnel policies fully developed and implemented; outgrowing office systems and space, developing archives

Assessment Questions

- 1) Are the systems needed to run the organization underdeveloped and out of sync with other key elements? Review the following: space, computer, personnel policies, budget and financial accountability systems.

Administrative Systems in the *Established* Stage

Well established; share with others ways of doing things, while also continuing to learn from them

Assessment Questions

- 1) Does the organization engage in regular planning for upgraded administrative systems?
- 2) Has the organization outgrown its current computer system? Are there plans and resources to upgrade software and hardware?
- 3) Is the staffing pattern adequate for the continued management and development of the administrative function?

Administrative Systems in a Stage of *Decline*

The administrative systems will deteriorate, since they will be increasingly dated and inadequate, with no planning or funding to improve them

Idea Stage Worksheet

Strategies for Development

1) The rationale for initiating a regional association in your area is:

2) The members of the core group who have agreed to provide leadership through the start-up phase of your organization are: (These people could convene the organizing meeting.)

3) Try to involve the following groups/individuals in order to complete your leadership list:

4) When you are ready to convene a larger support group, invite the following grantmakers to an organizing meeting: (Set the time, find the place, and send the letters of invitation!)

5) The goals/expectations for the organizing meeting are:

6) Following the meeting, you will need to plan for the first year. Outline your strategies for accomplishing the following organizational tasks:

a) Articulating the mission:

b) Developing the by-laws:

c) Identifying the membership criteria and the potential pool of members:

d) Developing budget categories and fundraising strategies:

e) Listing prospects for fundraising and other resources:

f) Outlining staffing and organizational structure:

g) Listing any barriers to accomplishing the regional association's goals plus corresponding actions to overcome those barriers:

h) Preparing a timetable to implement the strategies:

When you have completed your work in this section, you may want to transfer the key words to the Workchart, a copy of the chart follows these worksheets.

Start-Up Stage Worksheet

Strategies for Development

Governance

Outline your plans for board development and leadership training.

Staff

1) Outline your staff's composition. Consider the issues of volunteer vs. professional staff, support staff, next year's workplan, and performance criteria.

2) What steps will your organization take to meet its needs in the coming year?

Program and Services:

1) Outline your plan to assess members' near-term program needs.

2) Determine the steps by which you will measure the success of various programs and use that information for future planning.

Membership

Prepare your target list of potential members and your plan for how to recruit them.

Marketing and Communications

Assess current communications efforts, and decide the budget and the plan that will build on them in the coming year.

Finances and Resources

Prepare your budget for the next two years.

Administrative Systems

Audit your current systems, and plan for administrative needs for the coming year. Consider space, computer systems, personnel policies, and other elements.

Final Steps

- 1) List any barriers to accomplishing the above objectives--and list appropriate actions for surmounting the barriers.

- 2) Prepare a timetable for implementing your strategies.

When you have completed this section, you may want to transfer the key words to the Workchart; a copy of the chart follows these worksheets.

Growth Stage Worksheet

Strategies for Development

Governance

What is the basic mission? Has it changed?

Staff

What are the current staffing needs? Does current staff have the skills to meet those needs? What types of staff--and staff development--are required?

Program and Services

What plans will you make in the coming year to meet the burgeoning needs of an increasingly diverse membership? What specific actions will you take to initiate that process? What specific board and program Committee responsibilities does it entail?

Membership

Outline your membership recruitment and retention plans for the coming year. Revisit the eligibility criteria for membership.

Marketing and Communications

How can your communications become more formal and professional? Consider the following: the public presence you seek for your RAG; adding staff or consulting capacity; the evolving role of your marketing and communications committee.

Finances and Resources

- 1) Construct a budget that addresses the issue of increasing member demands for programs and services and also recognizes the limitations on staff time and member resources.

- 2) Articulate a strategy to sell that budget to your members.

- 3) List four ways--other than member support and dues--in which your organization can generate income: e.g., selling publications, marketing programs, fees for service. Create a plan to implement at least two of those as experiments in the coming year.

Administrative Systems

Continue to audit your current systems and plan for administrative needs for the next three years. Such elements include space, computer systems, and financial reporting policies.

Final Steps

- 1) List any barriers to accomplishing the above strategies and appropriate actions for surmounting them.

- 2) Prepare a timetable for implementing your strategies.

When you have completed this section, you may want to transfer the key words to the Workchart; a copy of the chart follows these worksheets.

Established Stage Worksheet

Strategies for Development

Governance

1) What are your plans for board renewal in the coming three years? Address issues of representation and diversity.

2) Outline your intentions to reexamine your mission and begin your next round of planning.

Staff

1) Describe the professional staff renewal and development plans for the next year.

2) Develop, with your staff, plans for senior staff succession.

Program and Services

- 1) Outline your plan for program and services for the next year. Consider the following elements: diverse membership, need for some focus, balance between members and the public, and creative leadership roles.

- 2) Develop a plan to evaluate programs and services in light of governance renewal described above.

Membership

Develop a plan to assess member interest and support for current and future programs and services.

Marketing and Communications

Outline your marketing and communications plan for the next year. Be specific on budgets, staffing, and target audiences.

Finances and Resources

Develop your budget for the next three to five years.

Administrative Systems

Outline the three-to-five-year projected plan for technical and administrative needs. Relate the plan to the budget.

Final Steps

- 1) List any barriers to accomplishing the above strategies and appropriate actions for surmounting them:

- 2) Prepare a timetable for implementing your strategies.

When you have completed this section, you may want to transfer the key words to the Workchart; a copy of the chart follows these worksheets.

Workchart

Summary of Planning Strategies

Organizational Areas	Strategies	Barriers and Solutions	Timetable (Who and W
Governance			
Staff			
Program and Services			

Other Attachments (available on Forum Website at www.rag.org)

Fact Sheet on RAGs and the Forum of Regional Associations of Grantmakers

List of member RAGs and other regional associations

Comparative Characteristics of various RAGs

RAG Histories