

Wine & Wisdom Draws Sell-out Crowd

By Pam Johnson

One of WIF's strategic goals is to provide bold leadership on community issues. This year's Wine and Wisdom event provided just that.

A sell-out crowd of 150 gathered at Wake Forest University's Charlotte Center to discuss "How Do We Measure Nonprofit Effectiveness?"

Forty percent represented nonprofit organizations as this is an issue for both funders and grantees!

Chris McLeod, WIF board member and chair of our development committee, moderated an all-star panel. It included Ron Lamberth, CPA & partner, Cherry Baekert; Tom Lawrence, executive director of the Leon Levine Foundation; and Karla Williams, organizational consultant, author and faculty member at Indiana University's Center for Philanthropy.

A 2009 article in the Stanford Social Innovation Review warned of cutting "non-program" dollars so tightly that nonprofits are stifled and cannot achieve their missions. Last October, Dan Pallotta spoke at Spirit Square about investing in the mission of nonprofits instead of forcing them to spend as little as possible.

[\(http://www.ssireview.org/articles/entry/the_nonprofit_starvation_cycle/\)](http://www.ssireview.org/articles/entry/the_nonprofit_starvation_cycle/)

After Pallotta's speech, several WIF members started asking: "What measurements truly reflect the effectiveness of an organization?" That discussion was the catalyst for this Wine and Wisdom program.

The panel began by discussing overhead, loosely defined as dollars spent on management and fundraising instead of on programming. Karla pointed out that only in the nonprofit world is "overhead" considered a bad word. Tom said overhead is among criteria used to examine an organization, which also includes leadership, the track record of success, and the sustainability of the organization. Ron polled his co-workers and found that none mentioned overhead as one of the most important criteria for success.

The panelists agreed that the most important indicators of a successful organization are the commitment of the people – the staff, the board, the volunteers, the clients – and the achievement of the goals stated in its mission. Everyone, from the board chair to the receptionist who greets clients, needs to be inspired by and dedicated to the mission of the organization, Ron said. And, Tom said, everyone should be able to explain the mission.

Karla suggested that when you make a donation for a new idea at an organization, you're investing in that leadership and the people who work there. That's why an organization must plan for leadership transition and provide professional development so all staff members are strong in their roles.

Ron has worked with many local nonprofits. In his experience, the best board is an engaged, strategic board, one that is not "in the weeds" and allows management to do their job. An organization should not be reliant solely on the board for financial support, although the board should help with donor relations and development.

The panel also offered some advice to nonprofits on how to help them measure success.

All felt a dashboard, tailored to the needs and goals of the organization, was a helpful tool. Some might want to track new donors; some might need to track cash reserves; some might want to record new clients served. Chris suggested using a multi-year dashboard (five or 10 years) to track changes over time.

The panel agreed that such a dashboard can help both staff and board focus on how THEY define success.

Thanks to Chris McLeod and the wonderful panel for providing the community with great food for thought and some practical tools to work with. Thanks also to the Institute for Philanthropic Leadership and Wake Forest University Charlotte Center for sponsoring the event.