

NFP

**Improving Performance
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Cause-Related Marketing Can Raise Money and Awareness

To secure new sources of income and expand public awareness of the work they do, growing numbers of not-for-profit organizations have joined forces with for-profit businesses in “cause-related marketing” (CRM) campaigns. A partnership that exceeds corporate philanthropy and sponsorship, CRM can prove mutually beneficial for both the charity and the company.

The term “cause-related marketing” was first coined in 1983, when American Express teamed up with a Statue of Liberty restoration project. For a limited period of time, the company agreed to donate one penny to the project each time an American Express card was used and one dollar each time a new card was issued. The campaign was highly successful for both



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Improving Performance with Regular Employee Reviews

While many would agree that successful organizations are built on the hard work and commitment of management and employees, determining how to measure and reward the contributions of individual staff members may be more difficult. This is especially true in the nonprofit sector, in which lower pay scales and altruistic motivation may make assessing employee performance especially challenging. However, a performance review can serve as a practical opportunity for both the employee and the manager to assess the staff member's contributions and set specific goals for the future.

In some sectors and for some types of jobs, performance assessments can be straightforward. For example, for-profit businesses may assess the value of their sales representatives based solely on volume of sales. In the nonprofit sector, fundraisers can be evaluated based on criteria such as the number of meetings with potential donors and the amount of money raised. Yet, for many other positions, performance can be harder to assess, especially for those employees who work in teams and whose efforts do not produce easily quantifiable results. How valuable are, for example, the contributions of an administrative assistant, a mid-level manager, or a public relations specialist?

Another reason nonprofit organizations may choose to avoid performance reviews is the chance that these assessments could prove counterproductive. If employees feel they are being unjustly criticized or that their performance is being measured according to arbitrary standards that do not accurately reflect the value of their contributions, lower morale and decreased performance may result.

To avoid this negative dynamic, performance reviews may be conducted as a collaborative process between the manager and the employee. At the start of the year, the manager may meet with the staff member to discuss and establish goals for the next 12 months. The supervisor can refer to an outline of the basic requirements of the job and the needs of the organization as a

starting point for the discussion. The interview can provide an excellent opportunity for the manager to learn more about the employee's interests and strengths, and to tailor his or her responsibilities for the coming year accordingly. It can also give the employee the chance to air any unresolved issues, such as concerns about office politics or a lack of support at higher levels.

By the end of the initial interview, the employee can establish a set of specific, measurable performance goals. This list can serve as a basis for the review that follows a year later. In some cases, managers may have to gather certain information and feedback to assess the employee's performance. For example, the supervisor may need to consult co-workers or people outside of the organization about their experiences in working with the staff member. Since individual relationships can vary, it is best to gather a reasonably wide range of opinions on the performance of an employee.



This feedback should, of course, be gathered discreetly and transmitted anonymously. In fact, all the content of these assessments, whether positive or negative, should be kept strictly confidential, and any critical

or negative feedback must be delivered with care and sensitivity. If a performance assessment shows that an employee has not met his or her goals, a follow-up review may be arranged in three to six months' time to determine whether performance is improving.

While establishing an employee performance review system does involve a commitment of time and resources, the benefits of employee assessments can far outweigh the cost of the investment. As well as facilitating communication between managers and employees about individual and organizational goals, performance reviews can help to flag less productive staff members who could be hindering the team. At the same time, the process can be useful in identifying the strongest performers, who may be rewarded with a pay raise, a bonus, or a more responsible role in the organization. ♦

CAUSE-RELATED MARKETING CAN RAISE MONEY AND AWARENESS

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parties: Nearly \$2 million was raised for the renovation of the Statue of Liberty, charge card transaction activity increased 27%, and new card applications jumped 45%.

Since then, nonprofit and for-profit businesses have found similarly innovative ways to combine their marketing campaigns. Not-for-profit organizations benefit by partnering with an attractive product or service, ideally one that is consumed by people who may become regular donors. Besides receiving a portion of the sales price, the organization may add its logo to the company's products and marketing materials, thus increasing brand awareness. Meanwhile, companies benefit by partnering with charitable organizations that people perceive as beneficial to society. Businesses count on gaining a competitive advantage as consumers spend with the knowledge that a portion of the proceeds of the sale will go to charity.

In addition to partnering with providers of products or services, nonprofits may establish "purchase plus" arrangements with retailers. For example, customers in a checkout line may be asked if they would like to add a donation to their bill. This approach can be especially effective if it is related to an event customers are likely to be familiar with and sympathetic to, such as a food drive around Thanksgiving or Christmas, or relief efforts in the wake of a recent natural disaster. To avoid consumer fatigue, these CRM campaigns are usually limited to a short period of time.

While the best-known CRM campaigns involve large businesses and high-profile charities, these campaigns can work equally well on a smaller scale. Tie-ins between nonprofits and small businesses that are especially creative or poignant can also attract positive attention in the local press, and sometimes beyond, thus generating free publicity for the charity and the business. While developing CRM campaigns does require time and effort, these types of promotions are often far less expensive than traditional forms of marketing—for both the company and the nonprofit.

Before entering into a CRM partnership, the charity and the business should affirm that their goals and missions are in agreement and that cooperation would not present ethical conflicts on either side. For the business, partnering with the appropriate charity may represent an opportunity to spread public awareness of the company's values. While entrepreneurs are business owners first, they also want to support worthy causes, especially when a charity's goals complement their business goals. For the nonprofit, a CRM partnership may provide the opportunity to link their organization to a trusted commercial brand.

There are, of course, certain risks associated with any form of partnership between for-profit and not-for-profit organizations. The wrong kind of merchandising deal can, for example, harm the image of the charity, especially if the products are controversial or are later found to be defective. A negative change in the company's reputation can also tarnish the brand of a nonprofit associated with the business. In addition, the growing popularity of CRM can make it challenging to create a marketing concept that has the power to attract donations, without annoying consumers.

Moreover, concerns have been raised in the nonprofit sector that charities might avoid taking on more controversial or less publicity-friendly work to make their organizations more attractive to potential corporate sponsors and partners. In the past, however, successful CRM partnerships have even been built around causes that were once considered controversial, such as AIDS research or domestic abuse. In some cases, the association between charities that address tough problems and respected corporate brands has helped to bring these issues out of the shadows.

CRM campaigns can be mutually beneficial and powerful tools. However, there are certain risks inherent in such a partnership. Be sure to consider all angles before partnering with any for-profit company and be sure such a strategy is in line with your mission and objectives. ♦

Foundation Giving Directed to Women and Girls Is Rising

Women's funds are becoming an increasingly influential force within philanthropy, and foundation giving specifically targeted to benefit women and girls is now higher than the rate of overall foundation giving, according to a study published by the Foundation Center and the Women's Funding Network.

Women's funds are grant-making entities that seek out and invest in women-led organizations and programs that are crafting solutions to core community challenges, including issues of health, human rights, domestic abuse, and economic empowerment. The study found that, between 1990 and 2006, giving directed to women and girls by the broader foundation community grew at an inflation-adjusted rate of 223%, compared to an increase of 177% in overall giving. Results also showed that giving by the 55 women's funds analyzed in the study increased 24% between

2004 and 2006, compared with a rise of 14.8% in overall foundation giving in the same period.

Researchers noted, however, that foundation giving targeting women and girls still remains a small percentage of overall giving by foundations. According to the analysis, the nation's private and community foundations increased their giving for activities targeting women and girls from an estimated \$412.1 million in 1990 to nearly \$2.1 billion in 2006.

"This study underscores that investments in women and girls can have big social returns," said Bradford K. Smith, president of the Foundation Center. "It suggests that women and women's funds will be increasingly involved in reshaping philanthropy and bringing to the fore important issues like human trafficking and domestic violence that for far too long have been neglected." ♦

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