

Achieving Customer/Donor Alignment: Principles, Priorities, And Process

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The goal is obviously to retain our best donors and customers. The question is how? We do this principally through tailored incentives, enhancements to how we serve these individuals, and sometimes through incentives. The goal is to achieve donor and customer loyalty. Do you know what loyalty is? It is a feeling of affinity or attachment to your organization's ideals, causal products, or services. You can chart the loyalty factor of your donors to your organization by simply assessing them moving from a lowest commitment level (initial transaction) to place of re-donation or repurchase, moving from there to place of checking with the nonprofit if they have a particular service in light of competitive offerings, to resistance to switch even if counter claims are presented, and finally to a place of feelings of ownership, strong affect, and a willingness to give more when asked.

In light of the above, why do some donors defect? The desire to defect is usually the result of a cumulative feeling over many —sometimes dozens—of different exposures to the organization over time. There is seldom one main reason for defection. For example, field rep or CEO turnover may be one reason leading to a confusing array of faces; a donor's name may be misspelled; they may have gotten an electronic operator as opposed to a live body; they may be embarrassed by the quality of your materials. Unfortunately, most nonprofit managers in development are hesitant to pursue reasons why. This may be a fear that donors will really tell us why they left.

The goal is to keep centered and focused around a few objectives, to keep an organizational culture of shared purpose that will lead to the accomplishment of some central goals. This is all part of what George Labovitz and Victor Rosansky in their book The Power Of Alignment call alignment.

Staying Centered Is What Alignment Is All About.

Alignment implies a same direction and a shared purpose allowing for the integration of all capabilities and resources around that central purpose.

It is both a state of being and a set of actions.

We are talking here of connecting the employee s reason for being to the central purpose. Our goal is shaping our strategy to that purpose. In the process, proactively creating a culture that mirrors our concern for that purpose so that all systems work seamlessly.

If you do talk about success at all, it is usually in the context of growth, ministerial success, and some sort of profit measure. All of these factors are tied to customer satisfaction. Satisfaction depends ultimately on collaboration and collaboration ultimately depends on your ability to retain donors over time. There is a link between donors, values, strategy, retention, and mutual collaboration.

Alignment relies on two essential dimensions: vertical and horizontal. The vertical axis is concerned with the organization, its capabilities, its resources and people, and its strategy. The horizontal axis on the other hand, is the processes your organization utilizes to create what the donor most values. We re talking about integration here, aren t we?

Vertical alignment is the deployment of our strategy that is manifested in the actions of our employees through a mutually shared direction. (Getting here requires more than just company speak, memos, and slogans.)

To pursue the horizontal portion of alignment, you have to decide something at the outset; are you willing to cut across departmental boundaries in order to provide ultimate value to your stakeholders and superlative performance internally? The goal is to get up close and personal with your donors; to do so will ultimately require you to cut across different functions of your nonprofit (hence horizontal). We re trying to bring the donor inside collaboratively to understand what they really need and hold dear to and in the process, allow them to help shape our tactics with them.

Both are needed. The best strategy means little if the donor doesn t find value in it. The best value means little without the right strategy. However, alignment means little unless an organization is committed—including all parties—to those few things which unite it and which every function can contribute to. Every level must be aligned with the critical purpose of the organization. Every person must be able to answer:

- ¥ What the strategy of the organization is;
- ¥ What they do in light of this;

¥ How does what they do support the strategy?

Common Pathologies That Create Misalignment

Internally focused departmental silos.

Here you are doing a great job given your criteria but the value you are providing may not match with the value the donor or customer hopes to be receiving or psychologically purchasing.

The creation of strategies that no one supports.

This is very common and very harmful because of its waste of resources and time. Simply, the development, marketing, or the organization's leadership create strategies that has little support, withheld typically because those who have to implement and support the strategy have not been privy to the thinking that went into it.

Mental Map misalignment.

Leadership simply refuses to believe irrefutable evidence that what they are supporting and believe in is simply not true. Leaders can't believe that their staff or their donors could be that off base in their beliefs.

Misleading Information.

Our *yea* is not our *yea*. False promises create misalignment between departments.

Poor Market Sensing.

Here, your organization suffers simply because of market changes that have been brought on that you have not created but are a recipient of. You have failed to make the transition from one generation of product users to another.

Arrogance.

In this situation, rather than working within the environment, you suggest rather strongly that you are the environment and that you don't need to listen or take into account, what is happening around you.

Vertical Alignment

Vertical alignment assumes a strategy that invigorates the organization to direct everyone around the work they do thus aligning execution. (This sounds like I am proposing empowering employees —I am, but only in the context of a strategy that is interpreted by all the same way. Empowerment without strategy is stupidity).

Measurement becomes critical here, tied to organizational objectives.

Objectives tie every employee to a people goal, a service goal, and a profit goal.

Alignment is achieved first by planning; this seems simple enough but we often plan too expansively. This mitigates against us focusing and concentrating on those few things we can do well. This focus on a few key objectives must be marked by what the critical success factors will be in undertaking this task, and then the activities and tactics we will use to get us to the bottom line that we are aiming for. Our strategy must be marked by both the thoughts of strong thinkers in this arena and by the commitment of those who have helped plan, thus gaining their support.

Alignment is achieved secondarily by deploying our plan and strategy; this is where it hits the ground and starts running. For such a strategy to work, employees must know why being a part of such a strategy will benefit them in personal ways and they must know how they will have to work differently to accomplish the goals.

The final step on the vertical alignment is reviewing what has happened. The alignment process hinges on review.

Getting To Horizontal Alignment.

What we have just done with vertical alignment is to make sure that strategy is reflected in every employee's behavior; now, in horizontal alignment our goal is to make sure that we link the organization's actions in a way that creates loyalty and delight in the hearts of those who lend resources to the organization.

Our goal is to become hardwired to donor needs by:

- ¥ Gathering and disseminating data throughout the organization.
- ¥ Linking donor needs to core processes for delivering services.
- ¥ Basing improvements on changing donor needs.
- ¥ Using the donor as the ultimate arbiter of how well we are doing.

How do we get to a place of knowing what our stakeholders need? By asking many questions including these five:

1. What do our stakeholders care about most?
2. What opportunities do we have to delight them?
3. How well are we currently satisfying our donors and customers?
4. What are our competitors doing that we should be doing?
5. What mental models must we change in order for us to get to where we need to be?

Remember: Our goal is to create a shared reality by creating a collaborative future with those we call our donors or our customers. You do this by bringing the stakeholder inside the organization. When the stakeholders' reality becomes part of our organization and begins to drive what we do in terms of our activities, processes, and

systems we have begun to achieve total stakeholder focus.

Inside A Self-Aligning Culture

You always start with the most critical objectives (why you are at work). Before measurement, before processes, before quality programs, you and your team have to have a clear sense of why you are in business.

Second, there must a sense that what you do will be measured and that there will be recourse to how you have done, either positive or corrective. This is accomplished through leadership that is distributed throughout the organization. Leadership is required at every level.

There should be a sense of collaboration inside the organization, not only across departments but also including customers and other stakeholders. As a result of this inclusiveness four questions ought to drive all agendas and actions:

1. How do our stakeholders see us?
2. What must we excel at?
3. Can we continue to improve and create the type of value that our stakeholders want and need?
4. How do our stakeholders think we are doing in relationship to this task?

Answering these four questions routinely will ensure synchronicity between what we measure in our work and the essence of our work.

Measuring what we do allows measurement to become an action and not an end in itself, constantly redefining the alignment fit between internal and external forces. This active type of nuancing will create new behaviors and new behaviors will create new cultures.

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