



Development Director or Not! *When Should We Hire a DOD?*

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A common question: If we hire a director of development (a fundraiser), how long before that position pays for itself?

Typically, this question is asked when a nonprofit has secured funding for a development director for one year, or when an organization has adjusted its budget to fund the position.

Either way, this question reveals a common error: assuming that funding is the biggest consideration when adding a director of development. That error often is compounded by a second mistake: creating the position with short-term funding. Either error (and, certainly, both together) can doom a development director before he or she even takes the job.

Certainly, funding is a legitimate concern, but other pertinent matters must be considered when hiring a director of development. Ask yourself the following questions to determine whether your organization is truly prepared for this move.

Are we willing to spend time along with money?

As a nonprofit, you know you have to dedicate time and money to delivering programs – otherwise, you have no case for philanthropic support. Are you prepared to commit those same resources to raising money?

Before you answer, “Of course,” be aware that, when considering time spent on fundraising, you have to do more than simply count the hours devoted to development. You must also consider *how* that time is spent. Which fundraising activities absorb time: Special events? Donor calls? Direct mail appeals? One-on-one donor visits? Identifying the multiple tasks involved in development – and balancing the time distributed among them – is crucial to effective fundraising.



As your organization makes this assessment, it's important that everyone understands where philanthropy comes from and distributes time accordingly. For example, while many people assume that institutions are the primary supporters of nonprofits, the truth is that 85 percent of total philanthropy comes from individual donors. Only 11 percent comes from foundations and 4 percent from corporations – which suggests that organizations that devote a lot of time to pursuing grants and writing proposals are likely to experience lean times.

Is our board engaged in fundraising?

Too many organizations (and their boards) ignore a simple fact: Fundraising success requires a board that's engaged in the process. Is yours? Or does it view fundraising as a staff function? And, even if your board is engaged, does it really understand fundraising? Does it have a development committee that oversees fundraising activities executed at the board level? Or does the board expect the staff to perform all fundraising functions, simply reporting that activity at board meetings?

Not only does board participation in fundraising improve the odds of success, it also serves as an indicator of your organization's overall fundraising maturity. If your board is engaged in planning, executes its part of the plan, has the tools it needs to participate, and receives worthwhile support from the staff, then you likely have a well-designed, well-functioning development operation. And if that is the case, you probably are prepared to add a fundraising staff position.

Do we have a plan?

Nonprofit organizations that have a clear vision of where they're going make a more effective case for philanthropic support. That's why a strategic plan is integral to fundraising success.

But the strategic plan alone won't ensure success; you also need a written fundraising plan that outlines the techniques the organization will use, when they will be deployed, who will be responsible for execution, and how results will be evaluated.

As you put together your plan and supporting budget, don't forget one key matter: budgeting development funds *beyond* the salary of the development employee. This often gets overlooked despite the obvious need to "spend money to raise money." Too often, an organization will add a development professional but fail to support that professional with money for essentials such as fundraising technology. Donor records must be kept, gifts recorded, information tracked, mail merge files created and thank you notes generated. Without resources for those functions, no development professional will succeed.



Have we considered existing resources?

Sometimes organizations thinking about hiring a development professional overlook a key resource: current staff. For example, the executive director might be an ideal fundraiser if only he or she weren't burdened with so many administrative responsibilities. Perhaps a thoughtful review of the chief staff persons' duties could prompt a shifting of duties that would allow the director to focus on fundraising rather than overemphasizing program delivery.

Of course, an audit of the staffing model also could uncover someone else on the staff with the skills necessary to fill the fundraising position, or it might reveal staffing shifts that could allow for the long-term funding of a new fundraising position.

Have we reviewed our results?

An analysis of an organization's fundraising results can be helpful in crafting expectations for fundraising. What percent of annual revenue comes from individuals compared to corporations or foundations? If your greatest long-term opportunities lie in individual donors, then it will take more time to build an annual fundraising program that can sustain an organization. If your board doesn't understand this, its members will quickly become frustrated with the pace of progress.

The details

Of course, if all of these questions yield answers suggesting that you should, indeed, hire a director of development, you still have additional matters to consider.

The job description. No one should be hired before a job description is created. The title director of development means something very different at a small human services organization than it does at Harvard University. Will this person primarily be responsible for running an annual campaign from the ground up, or does the organization have one that needs improvement? Does the fundraising plan consist mostly of mailings and events? If so, will this position continue this or move the fundraising to a new level? How will this position interact with the board?

Salary and benefits. Also worth discussion are the salary and benefits being offered. Salaries vary in different parts of the country and according to years of experience in the field, and a higher salary does not equate with results. As a reference point, refer to the annual salary survey conducted by the Association of Fundraising Professionals (www.afpnet.org). It can provide some sense of the range of salaries for fundraising positions, although it does not analyze the actual job descriptions.



Clearly, the decision to hire a fundraising professional is not simply a dollars-and-cents matter. It's about whether an organization is fully prepared for this step. If the organization has a solid fundraising culture and understands what to expect from a fundraising staff member, it's more likely to have realistic expectations about that position.

And that brings us back to our original question: "If we hire a director of development, how long before that position pays for itself?" Sophisticated organizations are the ones that know the answer might be, "Never!" but that, if they're ready, hire one anyway.

The Quick Test

Achieve has guided several clients in assessing questions relating to hiring a director of development, and has created the following checklist as a quick assessment of readiness:

You are *not* ready to hire a director of development (and if you do you likely will be disappointed with the outcome) when:

- The board is not engaged in the process and views fundraising as staff only responsibility
- There is no real strategic plan
- Fundraising from individuals is 25 percent or less
- You have the ability to fund one year of salary and benefits and it exceeds the entire fundraising budget

You *might* be ready to hire a director of development when:

- Board members engage in fundraising in multiple ways, not simply attending events
- The organization is committed to building a donor base
- Funding the position is a multi-year commitment
- A staff review has determined that this is the necessary staff addition, rather than an assistant executive director
- There is a real desire to use multiple fundraising strategies
- The organization's programs are stable enough that the staffing model lends itself to having additional staff positions assist in fundraising

You *are* ready to make this hire when:

- The funding for the position is not in question and appropriate
- The vision is to build on an existing fundraising program
- The board is fully supportive of the hire and spends most of its time fundraising



- There is a well-crafted job description that can be fairly measured
- The organization knows the skills it needs in this position – annual giving vs. major gift officer, for example
- The organization's programs are stable enough that the staffing model lends itself to having additional staff positions assist in fundraising

To determine if your organization is ready to make a hire take our assessment at or listen to the Development Director or Not webinar at www.developmentdirectornot.org.