

Appendix 4. Nonprofit Management Guidelines

McNamara (2008c) explains, “Traditionally, the term 'management' refers to the activities (and often the group of people) involved in the four general functions: planning, organizing, leading and coordinating of resources” (§ 1). This part will focus on three management aspects: planning, operations management and organization developing. Then, it will present the specific aspects of management in nonprofits.

Planning

Managers develop plans to establish the steps the organization will follow to achieve its mission.

McNamara (2008d) explains, “The purpose of a plan is to address a current problem or pursue a development goal” (§ 26). “During planning, planners have in mind (consciously or unconsciously) some overall purpose or result that the plan is to achieve. For example, during strategic planning, it's critical to reference the mission, or overall purpose, of the organization” (McNamara, 2008d, § 17).

McNamara (2008e) proposes the following steps to develop an organizational plan:

1. **Taking stock:** before developing a plan, managers detect and understand the “various driving forces or major influences that might affect the organization” (McNamara, 2008e, § 18).
2. **Conducting a SWOT Analysis (strengths, weaknesses, opportunities and threats):** after taking stock, managers analyze the strengths, weaknesses, opportunities and threats faced by the organization.
3. **Establishing goals, strategies and objectives:** managers discuss and establish the goals of the plan, the strategies to achieve those goals and a timeline the organization will follow through to complete them.
4. **Associating responsibilities:** managers delegate responsibilities and specific objectives to each group in the organization.

5. Communicating the plan: after writing down the plan, managers disseminate it to the rest of the organization or the people who will be involved in it.
6. **Acknowledge completion:** after putting the plan to work, managers “should acknowledge if the problem was solved or the goal met... However, this step in the planning process is often ignored in lieu of moving on the next problem to solve or goal to pursue. Skipping this step can cultivate apathy and skepticism--even cynicism” (McNamara, 2008e, ¶ 27).

Organizing

Organizing refers to the design and establishment of objectives, tasks, jobs, responsibilities, meetings and committees in an organization (McNamara, 2008f).

McNamara (2008f) explains:

Organizing can be viewed as the activities to collect and configure resources in order to implement plans in a highly effective and efficient fashion. Organizing is a broad set of activities, and often considered one of the major functions of management. Therefore, there are a wide variety of topics in organizing.

Operations management

Operations management is related to all the procedures and activities of the organization. “Related activities include... inventory control, quality control, storage, logistics and evaluations.” (McNamara, 2008g, par. 1).

McNamara (2008g) explains:

[Operations management focuses]...on efficiency and effectiveness of processes. Therefore, [it] often includes substantial measurement and analysis of internal processes. Ultimately, the nature of how operations management is carried out in an organization depends very much on the nature of products or services in the organization, for example, retail, manufacturing, wholesale, etc (par. 1).

Operations Manual

All the key organizational information and procedures of a nonprofit must be documented in an organization or operations manual.

Examples of key organizational information include mission statement, objectives, structure, job descriptions, bank account information, human resources information and recurring operational tasks (Aspirations, ¶ 2).

Examples of procedures include information backup, reimbursement, accounting, internal and external communication, board member elections, recruitment, crisis or emergency plan, fund raising and event planning (Nonprofit Operations, ¶ 4).

Before writing an organization manual, the management team or all the relevant parties must decide what should be included in the manual and how should it be written (Klariti, 2008). Then, the management team must gather all data related to the organization's structure and procedures, including storage and backup of the operations manual (Aspirations, 2008; Klariti, 2008). When writing these documents, the management team must make them available online and “maintain a comprehensive printed document as the information changes” (Klariti, 2008).

Program Evaluation and Organization Development

To make sure the organization is fulfilling its mission, the management team must regularly evaluate the organization activities and achievements (McNamara, 2008i).

These evaluations can be done by the management through Program Evaluation Planning, or by third-party experts or consultants through Organization Development (McNamara, 2008i).

In a Program Evaluation Planning, the management team collects information about a program or some aspect of the program to know whether it's useful and then make necessary changes to it (McNamara, 2008i).

In the case of nonprofits, a program can be defined as “organized methods to provide certain related services to constituents, e.g., clients, customers, patients, etc” (McNamara, 2008i, ¶ 10).

During a Program Evaluation the management team must clearly establish the purposes of the evaluation. These purposes include verification of product or service impact, improvement of mechanisms to be more efficient or less costly, clarification of program goals processes and outcomes and duplication of effective programs in other areas of the organization (McNamara, 2008i).

Also, the management team must detect the information needed for the evaluation and the information sources, whether they are audiences, such as clients and employees, or documents (McNamara, 2008i).

Finally, the team must decide the most effective form to recollect the information (questionnaires, interviews, documentation, observation, focus groups, etc.), and design a realistic time line of the evaluation process (McNamara, 2008i).

An organization can also evaluate its activities through consultants. Organization Development is a form of third party evaluation or strategic analysis (McNamara, 2008h).

McNamara (2008h) explains:

[A]n Organization Development practitioner is to an organization as a physician is to a human body. The practitioner "diagnoses" (or discovers) the most important priorities to address in the organization, suggests a change-management plan, and then guides the organization through the necessary change (§ 1).

Specific aspects of nonprofit management

Nonprofit organization management plans should concentrate in the following aspects (McNamara, 2008j):

Fund raising and grant writing: A nonprofit must develop plans to improve its members' abilities to acquire resources. "Raising funds to operate [an] organization and its programs is very likely one of the most important activities for [a] nonprofit. Many nonprofits obtain necessary monies from fees and sales but donations are usually the main source of income in the nonprofit sector" (McNamara, 2008k, § 1).

Also, nonprofit management teams should develop plans to detect possible donors, needed donations and how to ask for them through grant writing (McNamara, 2008k).

Budgeting and accounting: Just like a for-profit organization, nonprofits must mobilize and keep track of their resources to achieve desirable outcomes (McNamara, 2008k).

Program development and evaluation: The nonprofit management team must develop strategic plans and engage evaluate the organization's performance through both, long-term measures (outcomes) and short-term measures (processes and activities performed) (McNamara, 2008k).

Public policy related to the nonprofit sector: Board members and managers “must have strong working knowledge of the various agencies that influence legislation, and rules and regulations effecting federal funding” (McNamara, 2008k, and ¶ 5).

McNamara (2008k) explains, “Although charitable nonprofits typically cannot lobby or advocate for legislation, they are usually directly affected by changes in federal programs for social welfare” (¶ 8).

Volunteer programs: Nonprofits should manage their volunteering staff like any other human resource. Volunteer staff management includes program planning, recruitment, job descriptions, suitable policies, risk management measures and performance management, such as setting suitable goals, evaluating performance, providing appropriate rewards or actions to terminate services (McNamara, 2008k).

Chapter 7. Communication Strategies in nonprofit organizations

To assure success in all their activities, nonprofits must develop communication also known as public relation strategies for their internal and external audiences (Feinglass, 2005; Beckwith, 2006; McNamara, 2008I).

Internal communication

The internal audience of a nonprofit organization is formed by board members, paid staff and volunteers (Feinglass, 2007). Internal communication strategies make communication processes among members easier and more effective (McNamara, 2008I).

Identifying internal audiences

Board members: They are role models in the organization. Their role is to transmit the organization's values among the staff (Smith and Mounter, 2008; McNamara, 2008I). They can achieve this only by maintaining a fluent communication among them and with the rest of the organization (Smith and Mounter, 2008; McNamara, 2008I).

Usually board members underestimate the importance of internal communication and later they find themselves unfocused (Smith and Mounter, 2008).

Smith and Mounter (2008) recommend creating a habit of communicating constantly even in an informal way (brief chat, unplanned meetings, etc.).

Paid staff: Staff members will work more effectively if they feel part of the organization. Managers must understand that profit is not the only motivator. When staff members feel involved in decision-making processes and changes in the organization, they will adopt the organization's mission as their own (Papa, Daniels & Spiker, 2007; Smitds, Van Reil & Pruyn, 2000; Vasu, Stewart & Garson, 1998).

Motivated staff members are likely to transmit a positive image of the organization beyond its walls (Smitds, Van Reil & Pruyn, 2000). Open communication channels with supervisors and colleagues will build stronger bonds and confidence among the staff. This could also prevent major crises or minimize them (Papa, Daniels & Spiker, 2007; Vasu, Stewart & Garson, 1998).

Volunteers: Because of their diverse nature, volunteers are a hard audience to detect and hence, creating specific communication strategies for them becomes a challenge. In nonprofits, “service users can also be volunteers, staff or trustees” and hierarchy or role boundaries can be blurry (Smith and Mounter, 2008, p.28).

Smith and Mounter (2008) explain, “Tailoring communication for any combination of these...different audiences is a major challenge. Add to that the usual chronic lack of funding, and the scale of the task positively overawes. [The nonprofit] sector makes a virtue out of gaining extra mileage from all its communications” (p. 28).

It is often recommended to design communication strategies in accordance with the specific characteristics, resources and needs of the organization (Smith and Mounter, 2008).