



Accentuate the Positive - Drive Revenue Growth

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By Michael Daily, Executive Director, Executive Service Corps

It seem like every month, sometimes more frequently, I see another survey of nonprofits which reports the dire news on the percentage of our colleagues who have frozen their wages, laid-off staff, cut travel budgets, and postponed capital projects.

I see very little survey data on how many nonprofits accentuated the positive by introducing new revenue generating initiatives. How many added an event or another appeal? How many have stated a new program or found a way to increase revenue from an existing program? How many have found a way to increase their stakeholder base or derive more revenues from the existing base?

As often as I see these surveys, I see articles with advice for “tough times”: Stay close to your funders and your board, stick with your core programs, and think strategically. It’s impossible not to agree with this, but I would add one thing.

Accentuate the positive. Be positive and proactive. Spend twice as much time looking for revenue enhancements as you do agonizing about cost cutting. The brainstorming sessions should be on increasing revenue not cost cutting.

When the pressure is on to do something, cutting a staff position or reducing benefits can create a measurable improvement in short term financial performance. It is something you can take to the board. On the other hand, a new revenue initiative may require up front expenditures. The results can be less tangible, less immediate, and more difficult to measure than cutting expenses. It is hard to tout a new initiative that prevents a further drop in already declining revenues. The opportunity may be to turn a 20% drop in revenues into a 10% drop through revenue enhancements. This is the way to preserve jobs and programs, but it is not an easy sell. It is the stuff that nonprofit leadership in “tough times” is all about.

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