STERLING | MARTIN
associates

# Hiring the Chief Development Officer for a Nonprofit Organization: Look, Plan, and Think Before You Invest

*By Virginia O'Brien Record*

*Virginia O'Brien Record is a Client Partner in Sterling Martin Associates' Washington, DC office. A lifelong veteran of nonprofit management, Virginia has served in senior-level development positions in higher education and healthcare. She has also served with distinction on several nonprofit governing boards.*

***Author's Note***: *For purposes of this paper, we have used the title "Chief Development Officer (CDO)" throughout. Any number of other titles – Vice President, Development, Director of Development, Director of Advancement, Chief Fundraising Officer, e.g. – may be substituted.*

## Introduction

A nonprofit organization's Chief Development Officer (CDO) often plays nearly as important a role as the chief executive. For one thing, the CDO is the partly responsible for ensuring that the fundraising goals of the organization (as approved by the governing board) are successfully met. In smaller nonprofit organizations, the CDO is probably more of a generalist who wears multiple hats: *manager* (of the development staff – if there is one, the governing board's development committee, the volunteers in the community), *communicator/writer* (of the case for support, the organization's message, appeals, grants, acknowledgments, and reports), and *organizer* (of the database, the giving calendar, and the appeal structure and schedule). And, of course, on top of all that, the CDO is likely making cultivation and solicitation calls with the CEO and/or volunteers as part of the development process.

In larger nonprofits, the same responsibilities generally hold true; however, the CDO may manage a larger staff who take a more hands-on role in managing these areas. Typical positions in the development department of a larger nonprofit are in the areas of annual giving, major gifts, corporate and foundation relations, planned giving, and special events. Prospect research and support staff generally round out a large development department.

The CDO needs to be an exceptionally well-organized individual who can juggle multiple tasks, meet multiple demands from diverse audiences, and generally keep the operation humming. Finding such talent is not always the easiest thing to do, and often, nonprofit organizations have relied on senior management and perhaps members of the board to recruit and hire the CDO as the organization may not be in a position to invest in a search consultant.

How, then, to find a qualified, motivated, and "ready to do it all" CDO? This paper looks at the process of identifying the talent, presenting the organization's opportunity to the development marketplace, and asking the right questions to ensure success. Always remember that your organization is making an investment in its future when hiring the CDO. You want to get it right the first time.

### First things first – Who is doing the hiring?

The very first decision that needs to be made is who the responsible party (or parties) will be for making the hiring decision. If you are conducting the search on an in-house basis, will it be the CEO/Executive Director, and will he or she involve other people in the process such as the governing board members or senior staff? Unlike other senior staff positions in a nonprofit, it is not unusual to have some board involvement in the interviewing process for a CDO because of the often close working relationship between the CDO and board members. It is wise to have a group making the final decision since the CDO plays such a pivotal role in the organization. A small committee of, say, three to five people helps to confirm impressions of finalist candidates and allows for a better sense of the "fit" of those candidates within the organization's culture.

### Retaining a Search Firm

An alternative to conducting your CDO search yourself is to consider retaining an executive search firm. CDO searches can be a complex undertaking and there are some very good firms who have significant experience recruiting development professionals.

If you <u>have</u> decided to hire a firm to assist with your search, where do you start? With some 6,000 executive search firms located in the United States, the selection process can be a little daunting. Some boards take the approach of contacting someone they know who is in the recruiting business, focusing more on the relationship with an individual or firm rather than on the search firm's specialty or expertise.

But decisions about selecting executive recruiters shouldn't be based on an internal stakeholder's friend or someone they know; this is a mistake that boards and search committees sometimes make. Nonprofits are unique organizations, and many search firms in the United States (and globally) have either never conducted a search for a nonprofit organization or doing work in this area is a small adjunct to their main search practice in another area. So just because a board member or senior executive may have a pre-existing relationship with a particular firm doesn't mean that firm is necessarily best suited to conduct your search.

So in searching for and selecting a firm in today's world, you will want to do some objective research. But there are several additional approaches to also consider. For example, your organization's current CEO may have developed relationships with some firms and be aware of those that work in the nonprofit space. You might also ask each governing board member to identify a list of 4-5 firms. Using this approach, some organization names may be mentioned several times. You would do well to check with such organizations as the American Society of Association Executives (ASAE), The Riley Guide, and the Association of Fundraising Professionals

(AFP), all of which are aware of search firms that specialize in working with nonprofit organizations.

Most firms will present you with a four- or five-stage process, including understanding your organization and developing the position description, finding candidates through targeted search and candidate identification strategies, vetting qualified candidates through telephone and in-person interviews, presentation of candidates to the hiring executives, and selecting the final candidate and helping with negotiations.

If you do choose to retain a search firm to help, you will want to ensure that the firms you interview have substantial experience recruiting development executives because this is such a specialized area.

### The Position Description – Your #1 Marketing Tool

You needn't reinvent the wheel when it comes to developing the CDO's Position Description. In addition to the numerous templates and tools that are available on the Internet, you might consider asking your nonprofit colleagues for sample Position Descriptions that you can adapt for your organization.

The Position Description should provide both a general overview of the position as well as specific duties and responsibilities of the job. If well written, it can be a very good marketing tool, but many position descriptions we see are rather dry and boring. It should be written in a positive voice and come across as being enthusiastic while at the same time realistic and accurate. If you are looking for a generalist who has had experience in all facets of resource development, say so; if you prefer to have someone whose primary focus has been on major gifts, so emphasize. You don't want to spend your time reviewing resumes that don't present evidence of what you really want and need.

We generally recommend outlining the CDO Position Description as follows:

- Organizational Overview – a paragraph or two about your organization to entice and enthuse candidates;
- Position Summary – a few sentences or a paragraph summarizing the position;
- Nature and Scope of the Position – the specifics of the job
- Primary Relationships – to whom the CDO will report and with whom (both internally and externally) the CDO will have regular contact; and,
- Requisite Skills, Qualifications, and Experience – the minimum requirements for candidates.

As you develop the Position Description, try to think about the "must-haves" or "non-negotiables" – those important criteria against which all candidates will be measured. Think about what might knock a candidate out of the running. We recommend developing four or five Key Criteria (the "must-haves") and then, as you review candidate portfolios, look for evidence of the Key Criteria and document it in preparation for your telephone conversations or face-to-face interviews.  You will be delving more deeply into the Key Criteria during your phone and in-person interviews.

### Outreach and Posting

Posting the position on various job boards such as AFP International's site, the Chronicle of Philanthropy, and others are common places to post the position. However, the marketplace for top CDOs is a competitive one, and often organizations are disappointed with the results from job board postings. It is likely that you will need to take more proactive steps to find and attract top performers. Oftentimes, the best candidate for any position is the "un-candidate," i.e., the person who is not actually in an active search and who is probably not looking at job postings.

Direct outreach through your personal networks, LinkedIn, and the networks of your staff and volunteers) is the best way to generate qualified candidate referrals. However, you need to be well prepared for the call before simply picking up the phone or sending an e-mail. After all, you are not going to simply ask someone who isn't actively searching if they are looking for a job when you get them on the phone. Your powers of persuasion need to be "tuned up" so that you can present your opportunity in a compelling way. And you may position your call as a "networking" call – asking them who they might know who could be a qualified candidate. So while some advertising or posting may be beneficial, we find most often that the successful candidate is someone who was not actively looking in the first place.

### Screening and Interviewing – Your Chance to Evaluate Qualifications and Cultural "Fit"

In the case of development positions, particularly at the executive level, you want to be certain that your finalist candidates have the requisite experience and history to do the job.  And you can't always tell from the resume and cover letter exactly what role a candidate played in raising the millions of dollars that were donated to the candidate's previous employers.  This is the phase where you will be separating the wheat from the chaff.

For illustrative purposes, let's assume that the response to your direct outreach and postings has generated 100+ expressions of interest.  Of these, you have ruled out perhaps as many as 75 for one reason or another, and you have chosen the remaining 25 for a more thorough screening, first by telephone.  Your goal is to whittle down the field to a manageable group who will be invited for face-to-face interviews.  You divide the candidates among the members of your small decision-making committee, and you initiate the telephone calls, keeping the Key Criteria (discussed earlier) in mind.  You give yourselves a week to make the calls before returning as a group to discuss your findings.  When you get together and discuss the candidates you contacted, you have a group of six who you all think should be brought in for face-to-face interviews.

Of the six, two have indicated that they have raised over $10 million in the last few years. Two others have increased giving at their organizations by 150% in the last year alone. Another has "closed a seven-figure gift," the first in her organization's history, and the other one has presented a report listing all of the five-, six-, and seven-figure gifts she has raised over the course of her career. Impressive, yes?

Maybe. What you really want to find out from each of these candidates is exactly what his or her direct role was in influencing that support. Did the candidate personally identify, cultivate, and solicit the prospect? Was he part of a team that generated the increases in giving? How were they actually involved in the solicitation that resulted in the gift?

Some good material on which to base your questions may be found on the CFRE website in the section on Exam Content. You might also check Tony Poderis' Raise-Funds website for a sample questionnaire of behaviorally-based questions. We recommend that you use the behaviorally-based approach as the method of choice to elicit the information you will need to make your decisions. That is because behavioral interviewing focuses on past performance, which has been shown to be the best predictor of future performance on the job. So you want to focus on what a person has actually done in the past, in a given situation, rather than focusing on what they would do in the future, which is more theoretical. You will also want to have the candidate describe his or her leadership style, proudest career moment, self-reported strengths, and – importantly – what he or she does to put some balance in his or her life outside of work.

Once you have narrowed your selection down to one or two candidates is the appropriate time to start checking references, particularly if you are interviewing candidates who are currently employed and not in an active search. You don't want to jeopardize their current employment situation by having the word get out that they are interviewing. So be very careful about this part. Candidates who are not in an active search might want you to talk with former employers rather than their current employer. No matter who you contact, you will want to dig deeply to find out if this is the right candidate for your organization. You'll want to talk about the candidate's leadership and management style from their perspective, find out if he or she was a good colleague, and really probe on how he or she related to their previous organizations' volunteers and donors.

## Conclusion

The universe of development professionals is very large, and you want to make the right decision the first time around. As noted in the Introduction to this paper, the CDO represents an investment in your organization's future, and with the right CDO in place, your organization will be poised to rise to the next level.

*Virginia O'Brien Record is a Client Partner in Sterling Martin Associates' Washington, DC office. A lifelong veteran of nonprofit management, Virginia has served in senior-level development positions in higher education and healthcare. She has also served with distinction on several nonprofit governing boards. Virginia can be reached at vrecord@smartinsearch.com or by phone at 202-327-5485.*