LIVE! From the 2015 Gant Managers Network Conference
Host: Ted Hart
Guest: Andy Goodman – Author
Jessica Bearman - Author

Announcer: Blog Talk Radio.

Welcome to the *CAF America Radio Network*, a production of the Charities Aid Foundation of America. As the leader in global giving, CAF America offers more than 20 years of experience and expertise to corporations, foundations, and individuals who wish to give internationally and with enhanced due diligence in the United States. Through its industry-leading grant management programs and philanthropic advisory services, CAF America helps donors amplify their impact.

This show is dedicated to these donors and the charities they support. CAF America is uniquely positioned to serve as the bridge between these important partners and transforms vision into meaningful action. Guests on the *CAF America Radio Network* are leaders in their field who share tips for success and stories that inspire. Our host is Ted Hart, the CEO of the Charities Aid Foundation of America. This is a live call-in show. Add your voice by calling 914-338-0855.

After the show, you can find all of our podcasts at cafamerica.org. Don't forget to dial 914-338-0855. Now, welcome the host of the *CAF America Radio Network*, Ted Hart.

Ted Hart: Welcome here to the latest edition of the *CAF America Radio Network*. We are coming to you live from the Grants Managers Network Conference at National Harbor, Maryland, near Washington, DC. I've got a couple of really great guests for you today and I'm going to start off the show with Andy Goodman. I'm really thrilled to have Andy with us because he's here on the *CAF America Radio Network* before he speaks at the Grants Managers Network Conference.

He is going to be the luncheon plenary speaker today. He's a nationally recognized author, speaker, and consultant in the field of public interest communications. Along with storytelling, his best practice, he is author to *Why Bad Ads Happen to Good Causes* and *Why Bad Presentations Happen to Good Causes*. He also publishes a monthly journal, *Free-range Thinking* to share best practices in the field. More importantly, he's here with us today. Welcome here on the *CAF America Radio Network*, Andy Goodman.

Andy Goodman: Thanks, Ted, good to be here.

Ted: Andy, I am absolutely intrigued by this whole notion of digital storytelling. Let's start there and tell us what is digital storytelling.

Andy: Well, digital storytelling is simply taking the century's old art of storytelling and moving it to a digital platform, primarily the web. It's just storytelling via the internet.

Ted: Well, and of course, this is a mystery to a lot of people because the internet for some folks still seems like a new platform, and for a lot of charitable organizations that are engaged with trying to connect to their donors, digital storytelling is extremely important. Why are you on the cutting edge of helping people understand how they take this age-old storytelling, as you said, and bring it to the modern age?

Andy: Well, I've been working on this now for about 15 years. About 15 years ago I started to work with my clients who were almost exclusively nonprofits, foundations, government agencies. What I like to call good causes, people who are trying to make the world a better place. About 15 years ago, what I discovered with these organizations was when they would tell a story about who they are, what they do, why they are worthy of support, often they would be speaking in terms of mission statements, bullet points, acronyms, jargon, factoids.

When I would say to them, "Just tell me a story about what you do," they did not have stories readily at their fingertips, and I often would be talking to the leadership of the organization. It might have been the executive director, it might have been someone on board of trustees, people who were literally the investors for their organizations, responsible for talking to the outside world every day about what they did, and these people did not have stories at their fingertips.

15 years ago I started to work with these organizations more closely getting them to focus on, "What stories should we be telling, and how could we tell them more effectively?" Over the last 15 years, a lot of storytelling has moved to the web, because for many of these organizations their website is their primary outward facing means of communication with the audience they need to reach.

Ted: Well, I'm thrilled to have you here on the show because I absolutely agree with you that this is the direction that charitable organizations, foundations, and others need to be going in. Because I think for most of those organizations, when you first start talking about this, their answer is probably, "What isn't that marketing, and why isn't this the same as just marketing?"

Andy: It can be marketing, but it's so much more. I mean, I believe that stories are the single most powerful tool that any of us have available to us to communicate with the audiences we need to reach. Everybody listening right now, at this moment, if you're listening live to this podcast, stories are your single most powerful tool for human communication. It's how people **[**think, it's how they process information. They go to stories in their head to decide what they're going to listen to and what they are going to ignore.

If you accept that, then as an organization, foundation, nonprofit, what have you, stories will be your most powerful communications tool. Whether it's for raising money, whether it's for advocacy, whether it's for recruiting, whatever you do, ultimately, people want to know what's the story and where am I in the story?

Ted: When organizations think in terms of telling their story, you mentioned when you first started here, this is age-old, this is almost innate to human beings to want to tell stories when we are together. How did that become more marketing and more bullet points, and move away from the true storytelling?

Andy: I think a couple of things happened. I know working with nonprofits over the last 10, 15 years, the message they got from the foundation, from the funding community was, "If you want our support, you have to show measurable success, clear metrics of your impact." Which I guess, that's actually fine. So there was this tremendous emphasis on data, hard numbers, et cetera.

I think what got pushed in the background was the story, because people would say, "We don't just want one good story, we want a heart tagging heart string plucking story, we need the data that shows that there are thousands of stories." I think a lot of-- in the public interest sector, the message was, stories are fine, it's all about the data.

Ted: It's all about the data.

Andy: So we sort of got pushed in that direction. I think that of late, what people are beginning to realize is that if you are truly going to connect with human beings, even if you have data, their question is, "What do the numbers mean?" What is the story behind the data? I think we're in a period right now, over the last five years, where narrative is starting to really surge. People are trying to recognize the power of storytelling.

Ted: Well, as you heard at the opening of the show, this is one of the reasons why we created the CAF America Radio Network, is to add that narrative to the grant-making process. To bring those stories out, to bring experts like yourself. So, what I want to do now is have you help us understand, how do you develop that narrative? How do you think in terms of storytelling, in terms of-- instead of just putting out the data?

Andy: Well, the first thing you have to know is, what defines a good story? There's a lot of argument about that. I went to a conference where people talked about storytelling. They would say a tweet can be a story, or a photograph can be a story, and I don't subscribe to that notion. I believe that there is a very conventional definition of story. A story is about a person who has a goal, pursues that goal, runs into obstacles along the way that makes it interesting, and through which they make choices.

Then they arrive at a new point where they have either attained the goal and we have success, or they haven't and we have a lesson, but something has clearly changed in their lives as a result of that. That I think has been, is, and always will be the basic description of a story. So when nonprofits, foundations, government agencies, want to tell stories about their work, the first question I ask them is, who is this story about? Who are the people in the story?

Because for an audience to identify with the story, you've got to get them people. If they say, "Well, the story is about our foundation. It's about-" the protagonist is a program or an initiative, I would say, "No." People are not going to identify with programs or initiatives. When you tell me a story, my first question in my mind, whether I'm aware of it or not, is, "Who is this story about, and am I going to root for them or not?"

Ted: What's the role of that charity in helping the object of that story along their journey? It's part of how you can tell that story.

Andy: It can change. It depends on how you want to tell a story. Let's say you have an organization, for example, that provides housing for the homeless. You might tell a story from the perspective of a homeless person who is living on the streets, who encounters this organization, and somebody in particular, "I met Ted, a program person out there. Ted, I trusted him and he brought me in, and helped me find housing," et cetera. You might tell it from that perspective, or I might tell it from Ted's perspective.

Ted works for the Corporation for Supportive Housing. He goes out into the streets looking for people who he can help, and I can see it through his eye. So, you have choices for that.

Ted: For the organization that today you're going to help train all those here at the Grants Managers Network Conference to get them sensitized to the need for storytelling. You're going to today, I suppose, make the case for why they should care about this change away from sort of data-driven, but data still matters. I mean, for instance, with CAF America, we're now the 278 largest charity in the entire United State. We'll probably do $100 million in grant making this year. Those things matter, but why does it matter more to each individual human being touched along the way that there be a story behind the data.

Andy: It's actually rather than story behind the data, I would say it's a sort of story ahead of the data. That people have stories in their head about the way the world works. If I have a story in my head that the world works in a certain way, let say the story in my head is that the science around climate change is uncertain. We're just not sure, and you come to me and say, "Wait a second, temperatures have gone up this much, hottest year on record. Sea level's going, et cetera."

All of that data just washes over me because the story in my head is the science is uncertain. Until that story changes, your data can't get in. So the relationship between story and data is we have to give people stories that are powerful enough that they will get inside their head and lodge there and become the software that operates their brain and says, "Let this data in."

Ted: Is this a way to give people the opportunity to empathize with data? In other words, there's a person behind that-

Andy: I don't think you ever empathize with data. You can listen to it.

Ted: - empathize about the data. In other words, for us to say, "We made a grant of a million dollars to a charity in Uganda to build a hospital," is one way to say that story, but to tell the story of the donor who is travelling in Uganda, who came back and had met a group of nuns and wanted to build a hospital because they wanted to advance the course of care for the people, that's a whole different-- That's storytelling.

Andy: Exactly. A million dollar grant, it's a number and it can sound impressive, but until I know about the hospital, the people it serves and how it's making a difference, then the million doesn't have a resonance. Until I'm on the ground in Uganda seeing that this hospital is critical for this community, and that $100 can save a life here, so imagine what a million can do, then all of a sudden the number has resonance. So, yes, we're the same thing, but the story comes first, to get people to stop, look and listen.

Ted: Stop, look and listen.

Andy: Pay attention. Look up from your e-mail. Turn off the iPhone away for a second. Really open up your mind and your heart, and then let the data in to make the case.

Ted: Your real message is helping people who want to get their story out to get the people to stop, look, and listen. That's really the focus here. Is that because of the society that we live in, that there is so much data coming at you from so many different sectors and so many different topics that we almost become immune to that, and the essence of the human part of that data is far more interesting to us because we're still human even though we live a very digital world?

Andy: I think you've said it beautifully. The way I would sort of sum that all up is, when it comes to information today in our lives, think about when you open up your e-mail in the morning. Our default is to delete. When I go through my e-mail in the morning it's like, "No, no, junk, delete, delete, delete." I want to get rid of as much stuff as possible because I have so much information coming at me.

The only stuff I'll open is stuff that someway I connect with emotionally. "Oh, that's from Ted. He's my friend, I got to read that. That's about this subject that I care about, I want to read that." The first test of any information coming at us is, "Do I care?" There's another way of putting this, Ted, is we talk about the battle for hearts and minds. There's a reason we say hearts and minds and not minds and hearts. If it doesn't get past the heart, if it doesn't get past the test of, "Do I care?" It doesn't get to the head for further consideration.

The reason we tell stories is we've got so much information coming at us, and our default position is to ignore or delete as much as possible. We have to have something that cuts through the clutter that goes"You need to pay attention, this matters." Now they've got your attention, "Oh, here are some facts that show that I'm not just telling you a story."

Ted: Part of your challenge today, I suppose, is to get that message across to help people understand that this is a very human pursuit of the end product being getting the data out.

Andy: Yes, we forget that. Sometimes I think we think that because it's a human pursuit, if we're just going to be telling stories, stories are soft, stories are anecdotal, by definition. The fact of the matter is, it is how human beings communicate. So, yes, you have to have the data, but you have to have the stories, too. In most cases, you need the stories first.

Ted: So we're here at The Grants Manager Network Conference. So for funders, you started off by saying that charities may have gotten to this place because of a maybe single-minded drive by funders to have things be miserable, and therefore, charities read that as, "I need more data." What is the message to funders that are here at this conference as to their role in helping the story be told?

Andy: That's a very good question. I'm going to be talking about that specifically this afternoon. If remember my notes, there are four things that funders can do. Let's see if I can remember them. The first is to model the behaviour. If you want nonprofits-- If you want your grantees to tell stories, you need to tell stories . Who you are, why you chose the issues you have, where you're making an impact. So you need to model it. You can also require it. Some of the foundations I work with have said to the grantees, "When we close out this grant, we don't just want a final report, we want a story, as well, that shows the impact of this grant." Ask your grantees or require that they do it as a part of their operations.

You can make it fun. I know, for example, up in Canada, the Community Foundations of Canada is sponsoring a storytelling competition. I believe the A Capella Foundation is doing the same thing here, challenging the grantees to submit stories for which they will award prizes.

Ted: So they're sort of gamifying it as well.

Andy: There was a fourth one and I-

Ted: It will come to you. As you're thinking about that, I want to ask you the role, because we started off by talking about digital storytelling, in the digital age, certainly it is said that a picture tells a thousand words. What is the role of photography and videography in this storytelling that you're now going bring to us about?

Andy: Well, when people want to tell stories on the web, what we know from research is that the audience is not going to go to your website and read a thousand words story off the screen. That's just not the way people do it. If you want to tell a story that takes two, three, four minutes to tell, darn well better be doing it in video or audio, if you're really good, or maybe slides with accompanying pictures or a little bit of text. You don't want to be taking what you would do in a four-color brochure and just move it into the web. It's not how people experience it.

Generally, what I counsel my clients is digital storytelling is best done in a video or audio format. That's where people will most likely take it in.

Ted: Doesn't that create a challenge for charitable organization top-- may not have the skill set to be able to do that? Does that set them back, or is this actually sort of a back to basics and get to what you're really about rather than worrying about the data as much?

Andy: No, I think it is a challenge. I think that they have to either develop a new skill set or bring in the people who know how to do this because telling a story on the web is not sitting your executive director down, putting a camera on them and say, "Talk for three minutes." I mean, unless that person is Ira Glass or Garrison Keillor, it ain't going to be great. There's a lot of that on the web.

In fact, a friend of mine wrote a book called *How To Shoot Video That Doesn't Suck,* because there's so much bad video on the web that he as a-- he's a Hollywood movie director, said, "There are some very simple things you can do right from the start to get better." So, either develop the skill set, or bring in the people who know how to do it, if your going to do video storytelling.

Ted: Sometimes I'm just wondering if you agree with this. I almost feel that sort of the grittier and grainier side of the storytelling is more interesting, because when it's so polished and so perfect, it doesn't seem like a real story. Does the story have to be real or does it just have to be a good story?

Andy: Well, the real and good are both good things. A good story will survive bad production. The first thing you need is a good story to tell that has all the elements. Then the production, hopefully, will enhance that story and you'll make the right choices. If the story is a gritty story about going into the streets and working with kids who are out there, at-risk kids or what have you, you don't want a big shiny bright production. You want something that's true to it. So both form and style have to go together.

Ted: So we don't scare everybody who's listening live today or listening on the podcast, do you have to have a Hollywood director to do this?

Andy: No, you don't. There's plenty of good advice out there. It's sort of a parallel to what I do in my story telling workshops. I don't believe everybody is a great storyteller, but everybody can get better. There are certain things that if you start doing certain things and stop doing certain things, your stories will improve. There's craft here. I think the same thing goes for video. There are certain mistakes you can stop making right away.

I don't mean to plug my friend's book but his book, *How To Shoot Video That Doesn't Suck* by Steve Stockman, is a great primer for people who want to do video on the web, don't have big budgets, but just don't want to avoid the basic mistakes.

Ted: It's sort of wrapping up and bringing everything sort of full circle here. You're going to be speaking here, you're going to be offering your suggestions here. What do you think the biggest takeaway for all the audiences here, both on this radio show but also here at the Grants Managers Network Conference, could be having had the opportunity to spend time with you today?

Andy: As I said, stories are your most powerful tool because it is ages old. Because it is ages old. Because we've been doing it for thousands of years. People tend to be attracted by the shiny new thing and they can overlook stories, but human beings have not changed. We are still highly attuned to stories. When you can tell good stories about your work, you are talking to people in the language that they are most ready to listen.

Ted: I think that's very important that you say that because it is sort of getting to, what's in your own heart? Why are you connected to that charity? What matters to you about that charity? I think for all of us, whether you're funders or you're charities, we do tend to gravitate to what's in the budget, meeting the budget, what's the data that backs up the budget. I think sometimes it feels like we drift away from the stories ourselves. What are some of the tips that you have to get reconnected to the natural stories that might be all around us?

Andy: Okay, I've got a good one for you. If I was running a foundation, the first thing I would do would be I'd gather the entire staff and I would ask them, "Tell me the story about why you work here, or why you work in this field in general. What attracted you to this foundation, to philanthropy, to the issues that we deal with? In other words, tell me what Marshall Ganz calls, tell me your story of self. Why do you do what you do?"

Because people should be connected. They should know what drives them. Where does your personal passion intersect with our mission? Know the story, tell the story. As an organization, let's all sit down together and share those stories. I know that our organizations are doing that and it is a real culture building experience.

Ted: That's the place to start because you have natural stories all around you. It's learning how to-- very much so. Well, I want to thank you very much, Andy Goodman, for being here on the show. Please make sure that you tell our listeners how they can reach you.

Andy: Very good. My company is called The Goodman Center, and you can reach me online. My website is www.thegoodmancenter.com. I tweet under the name GoodmanCenter, but if you go to my website, if you go to the resources section, there's lots of free stuff to download. I have monthly newsletter, it's free, a couple of books you mentioned are now in PDF form, they're free, and everything I do is there. So, thegoodmancenter.com is how to find me.

Ted: Andy Goodman, thank you for being our guest here on the CAF America Radio Network. You've given us lots to think about, and now, in the nonprofit sector, we're going to be able to listen to a lot more better stories.

Andy: Ted, thank you for having me.

Ted: Thank you. Appreciate it.

Announcer: Remember our podcast and archives are always available 24 hours a day at cafamerica.org. If you're listening today, our phone lines are open. Call in and ask a question by dialing 914-338-0855. Now, back to the *CAF America Radio Network*, and our host, Ted Hart.

Ted: We are back live here on the *CAF America Radio Network* and we have our second guest here with us live here at the Grants Managers Network Conference, National Harbor, Maryland, near Washington, DC. Jessica Bearman is here with us and works with foundations and other mission-based organizations focusing on organization development, facilitation, and research and development to help them become more intentional, effective and responsive to the communities that they serve.

As a consultant, and in her prior role as deputy director of the New Ventures in Philanthropy, Jessica has written and spoken widely about new and established philanthropy. Her most recent Project Streamline publication, *Practices That Matters*, investigates the impact of grant makers application, and reporting practices on nonprofits. More importantly, she's here live with us on the *CAF America Radio Network*. Welcome, Jessica.

Jessica: Good to be here.

Ted: Jessica, it's great to have you here. This is undoubtedly one of the most important topics that nonprofit and funders are looking at today, the whole area of how to be more effective, how to be more efficient, how do we organize ourselves to be the very best that we can be? Why don't we start off with you laying the groundwork on what makes your work so important?

Jessica: Okay. I'm happy to do that. Well, I came out of a non profit sector, and when I popped the fence over philanthropy I was really interested in that intersection between what funders do, their behavior, their practices, and what nonprofits need, and often there's a disconnect there. When Project Streamline came along through the Grants Managers Network and I had the opportunity to kick off that project and become Dr. Streamline, I've really enjoyed the opportunity to help funders be more aware of the burden of their application and reporting practices in relation to what it is that they are trying to achieve and help nonprofits achieve.

We don't want nonprofits to spend all their time sort of facilitating administrative requirements that actually don't benefit them or the funder, so I think it really is finding that sweet side between what funders need to make good decisions and what nonprofits can provide meaningfully from their own resources.

Ted: It's sort of the essence, there's a story of teaching everybody involved in the grant process to get away from sort of make work and get to what works.

Jessica: Right. I think that's a really good way to put it. One way I think of it is that practices for a funder, the way that you sort of show up in the world, your requirements, that's the first thing that the community sees of you. Sometimes it's the only thing that the community sees of you. So it's really important that those practices and requirements be aligned with what you really care about as a funder. What I find is that often funders have really great strong values, but then their practices don't reflect those values, sometimes they even undermine their values.

A good example is a funder might really value having a close, deep, meaningful, trusting relationship with nonprofits, but then they have quarterly reporting requirements which really sort of undermines that idea that you trust nonprofits. I'm not saying that funders shouldn't ask for reports, they should, but I think they should ask themselves, Why are we getting this report? What are we doing with it? How often do we really need it in order to be sure that we're being good stewards?

Ted: Yes. Are we actually reading the reports that come in? If we're requiring them to be submitted, should there not be a reason for that report that then flows in to the management of the foundation? I remember when we first spoke about Project Streamline, it was more of the theory and a glimpse in the eye and we're moving in that direction. You have history now and you've learned a lot along the way. What are some of the most important messages that have come out of the actual practical use, Dr. Streamline?

Jessica: Well, let me tell you. That's a great question. One of the things, the most recent piece of research, *Practices That Matter*, really identified the things that matter most to nonprofits. I'll talk about this in a second, but I think it's also important to note that as I've been doing this work, it's become more obvious to me that this really matters for funders, too.

It's not about making life easy for nonprofit. We all want to do that, but that's not funders job. Funders job is to be good stewards of the resources and to accomplish the mission that they're working to accomplish. I think it benefits funders to streamline because it helps them do more with their money. So more of that money is going towards mission-based work and less is going towards burdensome requirements. Furthermore, I don't think funders really appreciate having mounds and facts of not very useful paper on their desk either.

The five things that matter most to nonprofits I think are really just a good starting place, because they tend to be things that will streamline within the foundation as well. Nonprofits really want online systems that work well. You've probably encountered online systems that do things like shut you out, or don't let you retrieve your password, or don't let you see all of the questions before you begin. Funders when they choose online systems can really have a set of requirements for what those system should do. Project Streamline's got some resources to help with that.

I think it's really important to think of your nonprofit partners as your customers, and even though they keep coming back, because what you have to offer them they really can't turn down. You should think about what is going to make it a really good customer experience for them. Online systems that work is the first thing. Another thing is that nonprofits, it's really hard for them to have to slice and dice their budget information in 50 different ways for 50 different funders.

So we ask funders to think about how they can have budget requirements and financial requirements that really align with, or allow nonprofits to use their own financial category. That might be a really simple template if you're a funder and really feel like you need to use a template. We really recommend that funders just accept budget information as it is. Nonprofits have ways that they keep their financials and those categories work through that.

If they don't have the capacity to have good financials, that's another issue. That would speak to the need for some capacity support. Asking them to slice and dice their financials into special categories just for you is really a waste of everyone's time and allows errors so really propagate, I think. That's the second thing, of budgets and financial categories that work. Should I go on?

Ted: Yes, please, all five.

Jessica: All right. Now, I should remember all five. Well, the third thing is a really obvious one, but it's really hard to accomplish. That is really strong, regular, consistent communication. You just had Andy Goodman on, he's the master of that. I think funders really need to be careful that they are providing clear guidance to nonprofits about what it is they want to fund and what their funding looks like, and what the requirements are. It's surprising how often it's really not clear from a website.

If your website's not clear about what you want to fund, you're going to get a lot of proposals that don't actually meet your-- don't fit well within your priority. That's not what funders want, that's more work for everyone. So you need to be sure that you're providing good guidance, as a funder, and being clear about the requirements. Then on the flip side, nonprofits really want to be able to give specific detailed feedback about the process and have that listened to. The number of funders that actually ask for feedback about their process is increasing, but it's still pretty small.

In our research, I think I found that more than 50% of nonprofits had never had a funder ask them for feedback about how the application of reporting practice went. As a funder, if nobody ever tells you the truth about how your processes work, you're never going to have any incentives to change them. Nobody is going to volunteer that information.

Ted: Not when there's money on the line.

Jessica: No way, No way. Just someone said, I think in one of the surveys, they said, "I would never offer feedback to my funder, unless I never ever plan to go back to them again." That's not the relationship funders want with their nonprofits, but it's the relationship they get. For funders, the onus is on us, I think, to ask very specific questions about how it went and ask them in a way that's safe where nonprofits can provide candid anonymous feedback, and also to do it when funding is not on the line.

If you're going to have a conversation about how your process goes, how it went, don't ask at the end of the application. People are going to be like, "Oh, it was awesome, it was so great. It was such a great learning experience," but that's not the kind of feedback that's going to help you.

Ted: Just applying to you, help me learn about myself.

Jessica: It was so meaningful, yes. That's the third, is nonprofits really want the opportunity to communicate honestly with their funders and build a relationship. They also want right-sized processes. Right-sizing is a key Project Streamline concept. It means that the requirements should be congruent with the size of the grant, and the type of grant, and the prior relationship with the funder. If you're giving $2,000 grant, that probably shouldn't be a 20-page application.

If you don't have that congruence, you end up with a situation where the amount of money that the nonprofit receive might actually be less than the amount of money they spent to get the grant. I think as a funder you have to be very careful, especially when grants are small. Nonprofits told us that what matters most is having a streamlined process for small grants and for renewal grants.

If you've been funding an organization for 15 years and you intend to keep funding them for 15 more years, they probably don't actually need to submit the full 20 page application and their letter of determination and their this and their that, and their three years of audited financials with each renewal, because you know them well. There might be an opportunity to have a shorter form at that point for renewal.

Then the final thing that nonprofits really care about and that really matters to them is having a staged process. By that I mean, and this is part of right sizing. By that I mean that you want the nonprofit applicants who are most likely to receive funding to be the only ones that have to do all the work. If you have an open RFP process and you end up getting 150 applications, and you're only going to fund 17 of them, that's a lot of work in the sector that you care about.

Some of the ways that you could stage the process are by doing a letter of inquiry, which allow only the best applicants to submit the full proposal. Some funders have invitation only processes, some have a conversation before they let people apply, but whatever you can do to be sure that once a nonprofit takes those many hours, it could be days of time, to submit the full package to you, they have a really good chance of getting funded.

Ted: That makes it much more real and the dialogue that you're having with them is much more authentic.

Jessica: I think that's right. I think that's right. I really feel like funders can ask themselves, "What information do we really need to make decisions here at this point in the process?" You might not actually need detailed financials if you're just trying to figure out, "Does this project even fit within our mission guideline?"

Ted: If it's qualified, then we can look at the more detail. One of the things I took away from what you just outlined, I think creates a bit of a paradox for most funders. What I mean by a paradox is, I think I heard you say that funders should build their grant management process to be very authentic to who they are. So it should focus on their values and it should mainline to the things that they care about.

At the same time, the other side of the paradox is, what are best practices and what must I do as a funder? In this process, do you find that there is a conflict between the desire to be truly authentic, and maybe unique in your process, and what is considered best practices, and will I be judged as not following best practices?

Jessica: There's the reason you're good at your job, Ted, that is true. I actually find that to be in conflict less often than you would think, because for most funders their core value, the reason they do this is to make a positive change in their community or in their issue area that they care about. If that's really central to you, then you're going to be asking yourself, "How can we do the best job with that?" Which, I think, lends itself to having processes that are sensible and allow nonprofits to do their best work.

I think things aren't always in conflict, but sometimes I encounter funders who, for example, it's really important to them that they be extremely diligent stewards of the money and not take undue risk. Then that would lend itself to more due diligence and more caution in selecting grantees, and maybe more reporting requirements. In that case, that's when that communication principle kicks in, I think, which is that communicating well can compensate for a whole host of other woes.

If you do have a particular set of requirements that are onerous, I think to be able to say to nonprofit's, "Here's why we need this thing from you. Here's what we're doing with it. Here's the benefit to us and to you, and to the field that we all care about," and just to be really open and transparent about what you're doing with the information. I think nonprofits get it, they know that funders have their own priorities and their own things that they have to worry about. So I don't think they mind as long as they understand.

I think what nonprofits really resent, and I know I resented when I was at a non-profit, was just sending this huge volume of stuff out into the void, and never knowing really what was becoming of it.

Ted: How that might connect. Constantly trying to be that good steward on the charity side, understanding that the funders want to be good stewards as well. You raised an issue that I wanted to explore just a little bit because I think it's-- whether it's spoken or unspoken, it drives many of the decisions that are made, and that's the issue of risk management. How much risk am I willing to take and how much risk am I actually exposed to?

Can you speak to it for our audience here which are both funders and charities? The reasonable person that can guide the measurement of risk, that risk is not always in the absolute. I think what you're saying here is you don't necessarily need a 50-page application because every single possible question that could possibly be asked will eliminate risk at the end when professionals engaged in the process can measure a reasonable amount of risk that can still be allowed in the process. How do you get there?

Jessica: Yes, I think that's a really-- it's a personal decision or a organizational decision that, in some way, it has to be made foundation by foundation. Here's the way I think of it, is first, have you had an explicit conversation within the foundation or within the grant making organization about your tolerance for risk, and what underlies that? Because I think sometimes foundations will say, "Were risk takers," but then, again, their behavior says otherwise.

So I think to have that really explicit conversation about, what does risk mean? If we're taking risks, what proportion of our portfolio should actually be unsuccessful each year?

Ted: That's a scary concept because I think for most, the answer might be zero. Is that even realistic? Can you get to zero-based risk?

Jessica: I don't think so. I also don't think that huge amounts of due diligence will necessarily get you there. I think an organization can check out in all sorts of important ways, financially, in terms of their board, et cetera, and can still not accomplish the objectives that they've laid out in a grant proposal. I think one way to think of risk is, how are we learning from grants we make that don't turnout as we expect? The first step is to have that conversation so you know how much risk you want to have, and then to say, "Well, what does that then look like in our grant making?"

Then to realize that you can't eliminate risk altogether. Then I think to get really clear on what is legally required of you as a funder, and what you're choosing to do to mitigate that.

Ted: What is your own protocol versus legal requirements? We only have about four minutes left and I have so many things I want to talk to you about. I want to explore this a little bit further in taking a look at from the charity's perspective, I think, when they apply for funding and they get the funding, the assumption is, is that because the funder has the money, they have the power and therefore they get what they want.

Look at it from Dr. Streamline's perspective. Is that necessarily the truth, and do you more often than not feel dissatisfaction or disappointment on the part of the funders that we are funding things that we're not quite getting where we want to be?

Jessica: Yes, I think that's a great question. I think it's true, there's a huge power imbalance often, and it takes a bold nonprofit to say to a funder, "This is an unrealistic expectation." or "I'm not going to be able to accomplish this, here's what I'd like to do instead." or, "Your budget template is really onerous, can I submit this instead?"

Ted: Because the fear, of course, is that they'll find somebody else.

Jessica: They'll say, "You're too much trouble, forget it." I'm amazed at how many funders I encounter who wish that their nonprofits would step up and tell them those things, and they say, "Oh, we'd be glad to modify our expectations or requirements, but nobody ever asks us." I still think that the nonprofits have to start that conver-- I mean the-- excuse me. The funders have to open the door to that conversation, but if you're a nonprofit with some guts, I think that most funders are very open to having that discussion with you.

Ted: You mentioned earlier that we had Andy Goodman on here, and part of what he said is that, "If we want to change, we have to model the change." Is that your message about funders, that if they want these things to happen on the part, do they need to model that themselves?

Jessica: They do. I think funders need to model transparency. They have to model the sort of risk-taking behavior that they want to see from their nonprofits. They have to model good communication and good customer service if that's what they expect of their nonprofits. Nonprofits, if you feel up to it, to model the kind of transparency and open trusting relationship that you expect your funder to have of you, I think you should go for it.

Ted: Jessica, you're great at what you do and I think GMN has been so smart to have you involved in the streamline process, but clearly this is a dialogue that has to continue. It feels like it's just in the beginning stages.

Jessica: Wait, it does feel that way. I keep expecting to say, "Okay, we did it. We're streamlined," but I just had a round table on streamlining success stories and most of the folks who showed up were actually there hoping that they'd hear some success story. They didn't have their own to share, yet. Come forward with your streamlining success stories, I'd love to hear them.

Ted: I think it's fair to say at this juncture, maybe the most important impact that you have had and streamline has had is in getting there is we haven't necessarily gotten to the final stage.

Jessica: Yes. I think that's right. I think people are talking about streamlining. They're very aware of it now in a way they weren't.

Ted: Jessica, we are out of time, but I want to make sure that you let our listeners know how can they reach you.

Jessica: Well, I tweet at jbearwoman, and jessicabearmanconsulting.com is my website, and Project Streamline is part of the Branch Manager's Network website.

Ted: Terrific. Jessica, thank you for being our guest today on the CAF America Radio.

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