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Restructuring your fund development office

For many organizations, as they begin to contemplate advancing their fund development efforts, a complete restructure of their fund development office becomes necessary to ensure that the fund development function will continue to grow and thrive in an environment of new, changing realities. For those fund development professionals who are facing cutbacks, restructuring the fund development department can allow the organization to become more effective and efficient with its resources. For those just starting fund development efforts for an organization, a look at the structure of the fund development office can also be a good first step in assessing the strength and direction of fund development efforts. Whatever the reason and despite the challenge involved, the results of an effort to restructure the fund development function of your organization will have a great impact, not only for the “bottom-line,” but also for enhanced donor relationships.

When should you consider a fund development office restructure?

1. ***Merger or cutback*** – If your organization has recently merged with another or if you are facing a cutback in funding, restructuring your fund development office is a critical step toward eliminating duplication of systems and efforts, allowing your organization’s fundraising to become more efficient and effective.
2. ***Funding model change*** – An organization, after strategic planning, might decide to alter its current funding model. For example, an organization might want to transition its fund development efforts from a focus on special events to a focus on developing sustainable donor relationships. In many cases, a restructure plays a critical part in realigning fund development staffing efforts to meet the needs of the new model.
3. ***Increased revenue or organizational maturity*** – As an organization matures and hires its first director of development, it is advisable for that organization to conduct an internal audit and assessment. In most cases, this audit will make recommendations concerning fund development direction, revenue streams, and staffing patterns that require a department restructure in order to meet these proposed recommendations. It is prudent at this point to consult with the organization’s Human Resources

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Department to determine innovative workforce solutions for employment related functions and liabilities.

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What are the common steps towards a fund development office restructure?

1. ***Analyze the organization's fund development revenues and expenses.*** What are the sources of your contributed income streams? Do these sources match with industry standards? How are you staffing the department? In what strategies are you investing your fund development resources? What shifts can be made in income and expenses to better align yourself with the sources of income for your organization? Benchmark the department against the fund development departments of other, similar organizations to determine appropriate metrics.
2. ***Develop a thoughtful plan for restructure.*** Consult with mentors and experts in the field to determine the best strategy for reorganization. Consult with peer networks, mentors, and industry leaders to determine the most effective and efficient plan for your office.
3. ***Consider outsourcing some of the department functions to outside vendors and consultants.*** Types of functions that can be outsourced include database entry and processing, grant writing, and other specific projects.
4. ***Evaluate current staff strengths and weaknesses and determine if and how they fit into the new structure.*** It is important to staff the department based upon strengths in order to have a highly motivated and engaged staff team. Determine who will fit into the new structure and who will not.
5. ***Keep staff abreast and informed of restructure developments.*** This can be done through informational sessions, in one-on-one meetings, and through departmental mail and e-mails. Don't let your current staff be caught off-guard. Explain the rationale for a staff restructure, the process, and the timeline.
6. ***Create new job descriptions for the new, restructured department outlining responsibilities, roles and reporting structures.*** Work with your Human Resources Department to ensure that the job descriptions are not created in a vacuum and meet corporate requirements. Ensure that all roles are clearly outlined.
7. ***Ensure that any terminations are done fairly and appropriately with adequate notice.*** Consult and work in conjunction with your Human Resources department and any outside consultants to ensure a fair and equitable process.