The importance of culture and leadership on philanthropy, with Donovan Coley

Andrew Olsen: Good afternoon. This is Andrew Olsen, host of the Rainmaker Fundraising Podcast, and I'm coming to you today from Palm Springs, California at the Citygate Network Conference. Super excited to have two good friends here today. First, is my cohost for the week, Shawn Saunders from Dickerson, Bakker & Associates. Shawn, how are you?

Shawn Saunders: I'm well, man. I'm excited about this podcast.

Andrew Olsen: Hey, good to have you here. Then also really excited to have Donovan Coley with us, who's president and CEO of the Rescue Mission in Fort Wayne, Indiana. Donovan, thank you for being here today.

Donovan Coley: It's my pleasure. I'm so glad to take some time away from the general conference just to come and hang with you.

Andrew Olsen: Awesome. Grateful to have you here. Before we get into anything too deep, I would love for you to take a few minutes and just tell us a little bit about yourself and a little bit about the mission.

Donovan Coley: So my name is Donovan Coley, and I'm actually from Kingston, Jamaica. I was born in Kingston, and I came to Fort Wayne, Indiana in 1982, and after a year of studies at Fort Wayne Bible College, I then went back to Jamaica, married my girlfriend, her name is Grace, and so we came back, finished up at Fort Wayne Bible College, then went to Trinity Evangelical Divinity School in Deerfield, Illinois.

Andrew Olsen: Oh, wow.

Donovan Coley: Then after that, also went on and did some PhD studies, didn't finish because I ran out of money. I was an independent student. I was not a Lutheran in the school. Not a lot of scholarships, and one wife and four children, and we have a grandson, and one on the way this July. So I'm excited to be with you, Andrew and Shawn.

Andrew Olsen: Awesome. Shawn and I were talking. He was sharing with me a little bit about the mission and your leadership, and he mentioned something that I thought was really interesting. He shared with me that over the last couple number of years, you've seen some really phenomenal growth in the mission, and he talked about one of the catalysts of that was your decision to engage some strategic consultants and partners. I'd just love to hear that story.

Donovan Coley: The Rescue Mission at Fort Wayne, Indiana, we've been around since 1903, and so it's a traditional rescue mission. Excited things have happened over the years, and I'm so thankful for the shoulders of the women and men that I stand on. But in 2008, when I was invited by the board to become the CEO, I knew that there was something going on that needed some transformational activities. Number one, I thought we had experienced mission drift.

Donovan Coley: So as we have moved off stage, and we were just warehousing the homeless, and we had a small program, a three-month long-term program, and that was the transformational piece, and we just felt that we just needed to do something different. So as I got there, and we're trying to assess the health of the organization, I thought it was important to engage the services of a consultant. So we brought on an individual who's with Dickerson, Bakker & Associates.

Donovan Coley: As we brought that individual on, it was so important for him to do the discovery and then to assess what was actually happening, and then he gave me that significant dump where it literally said, where he dumped everything out in my lap and said, "Brother, I think this thing begins or ends right there in your office. So it is your responsibility to take care of this issue because it was a leadership issue. As John Maxwell says, "Every organization rises and falls on leadership," and so we decided to engage the consultant from Dickerson, Bakker & Associates.

Andrew Olsen: What are some of the things that you worked on with Brent? Brent Hafele is the consultant. He's a good friend of ours. I'm curious to know ... Obviously, it's not all fundraising, right? You said it's leadership. Tell us about some of the changes that you ended up making and what it was like to lead an organization through that.

Donovan Coley: So after we did the discovery, it was important for Brent and I to come up with a strategy that would be endorsed by the board of trustees. As you know, any organization that is going to be healthy must be led by the board of trustees, and so it's all about governance from that perspective, but even then, we noticed that our board was also unhealthy, and so we did a board assessment. So not only did we do a staff assessment, but we did a board assessment, and we had our first board retreat where Brent Hafele led the board development process.

Donovan Coley: So we brought in the 15 board members, did the assessment, we came to the conclusion that we just need to put some incredible principles and best practices in place so as to bring health back to the organization at the highest level. So we addressed my own leadership skills and abilities and the tools that I brought to the table, as well as the board. So it was a comprehensive plan that he brought to the table so that we could understand exactly where we are before we can even determine where we want to go.

Andrew Olsen: That's something that I think is really impressive. Often, when Shawn and I and others are engaging with organizations, we run into a scenario where a CEO will say, "My organization needs to get fixed. My organization needs work," but rarely do they say, "Hey, I might be part of the problem, so I should look at myself as well." It takes a level of humility and authenticity that sometimes is missing in organizational leadership to do that. What was it like for you to look yourself in the mirror and go through that process?

Donovan Coley: I think it was important to look at the board/CEO partnership as being the starting point to do any kind of transformational or cultural shift in an organization because if the CEO or the executive director and the board chair, and the board itself, were not on the same page, then I don't think we can really travel together to accomplish what it is that we want to do.

Donovan Coley: So I had to look within my own heart to say, "Do I have the capacity to lead the organization exactly where it is, and then to be able to take it to where it needs to go?" So I had to start there first. Patrick Lencioni, in his book, The Advantage, he talks about the organizational health, and so it starts there, and then when we looked at the board, it took a lot more humility on the part of the board because they were there longer than I was, and so I was the new guy, so to speak. I think it would've been easier for me just to walk away, but when Brent, myself, our board, as we prayerfully looked at the situation, we realized that there is a sense of call here, and so when we knew that God had called us to really do something in Fort Wayne, Indiana, then we just put the gloves on and decided to go for it.

Andrew Olsen: Okay. Great. I think what I've heard you and Shawn in the past talk a little bit about is that not only did you have those assessments, but you made some pretty radical changes throughout the organization. Tell us a little bit about that.

Donovan Coley: I think it was critical for us to look at our key staff, and so at the executive level, and so the first three years we actually walked through an organizational change, and that also impacted the rest of the organization. So we had to say goodbye to 97% of our staff as we went through the first three years of the organization.

Donovan Coley: At the same time, we put certain things in place with the board, such as the bylaws, term limits, some of the more fundamental things that a healthy board needs, understand board expectations and so forth. So we're able to gut the entire organization. There was some resistance on the part of staff and board, but I think the ultimate goal, before God, what he had set for the organization prevailed. So we got to a place of feeling healthy enough to now address the strategic direction for the organization, and that became the next big initiative for the rescue mission.

Andrew Olsen: I want to fast forward and give our listeners a little bit of the taste of the success story here because that's big change, and anybody who undertakes change like that, that's painful people process change. But if I heard correctly, this ministry, when you started with them, you were raising about 1.5 million dollars a year.

Donovan Coley: Yeah. About 1.2 million, thereabout was our budget.

Andrew Olsen: And where are you today?

Donovan Coley: We're 32 staff and now we're at 6.1 million with 95 staff.

Shawn Saunders: Wow.

Andrew Olsen: That is explosive growth that doesn't come from small programs like direct mail fundraising, right? That comes from big vision and big asks.

Donovan Coley: One of the things that Brent said to us when he looked at the 1.2 million, he said, "You know, by now you should be at four million now." So he came with this incredible vision, and we listened and we said, "Absolutely." So when we compare ourselves with other nonprofits, not that we wanted to focus on being competitive, but just to get a lay of the land, we realized that we had the capacity in the city of Fort Wayne to really do something big for God, not just something big for the rescue mission, but to really impact the lives of those that God would entrust to us.

Andrew Olsen: That's pretty amazing growth.

Shawn Saunders: Yeah, and Donovan, switching gears slightly ... Well, it's in alignment with what you're taking about. What priority do you place on organizational culture as it relates to fundraising success? Because so often, particularly with rescue missions, and it's been discouraging even to our firm ... Peter Drucker has that statement, "Culture eats strategy for breakfast," but I want to hear your perspective, because a lot of the rescue mission leaders I have interacted with, it's like because there's not a direct ROI attached to culture, like I don't put a quarter in a slot machine and pull the lever and there's a dollar like we would do in mail. That's not worth dealing with, and it doesn't impact fundraising. But what's your perspective on that?

Donovan Coley: Culture is an interesting phenomenon. I think what culture does, it reflects the likes, the dislikes, the habits, the practices of an organization, the relationships of an organization, the mood of an organization. I believe having a healthy culture and a healthy framework is necessary for fundraising. So fundraising isn't about just going through the routine of connecting with consultants or organizations that can help you raise money.

Donovan Coley: The money that we're raising needs to be raised within a certain context, and there must be organizational health undergirded by core values that will drive what we do so that the end product is one that you'll be proud of where lives are truly being transformed or your services are being executed properly with healthy metrics and not just outputs, but incredible outcomes.

Shawn Saunders: You just struck a cord there with something, and I want to clarify. In terms of doing it, let's say, the right way, not taking shortcuts and really being intentional about culture, do you feel like that's also transformative for the staff and the donors? I know there's the client benefit, but is that actually billing God's kingdom from your perspective to do it that way?

Donovan Coley: I believe any culture that is healthy must come straight out of the heart of God. So when you focus on righteousness and you're focusing on integrity or ethics, then that ought to come from leadership down, if you will, and should permeate the staff and should permeate our janitor. It should permeate the folks in the kitchen. It should permeate the folks who are the driving the bus or the vans, and it should become something that overwhelms the organization so that the end product reflects something that says, "We are pursuing best practices undergirded by a spirit of holiness, purity, and righteousness or strong core values.

Shawn Saunders: Yeah, and it reminds me of the Biblical ... It's a whole other topic, but the Biblical word, shalom, and all that that represents with God's presence and his peace and his kingdom being manifested, right? So that's what I'm hearing you say. In terms of risk, it seems like you took some risk in doing this. You're investing money, a pretty small budget, in something that there's not a promised direct ROI. I guess that's a risk, but were some of the biggest risks that you took to grow the ministry? So not just financially, but across the board.

Donovan Coley: Well, first of all, it was the area of leadership. When you come in and you're the leader and you're working with your board and you have determined that you don't have the right people on the bus and there's so much history and so much knowledge with the people that are on your team, and then when you have to say goodbye to those people, then you have lost a lot of investments and the knowledge base that you need to really navigate working with your community and working with your constituency and so forth.

Donovan Coley: So we risk losing even our credibility, and what will people say when we have to say goodbye to their beloved face of the organization, the people that they have learned to trust over the years? But a lot of folks, obviously, know what's going on. They are deep in the organization. So we risk that. We also risk knowing that folks would look and say, "Who is this new guy? What is his background? What is his experience, and does he have the chops or is he going to drive them down a path where it would not be successful?" So just being concerned that we were not competent enough to lead. That was risky as well.

Shawn Saunders: Well, that leads me to another question associated with this one, and that is you've got a board of directors, and I know what it's like to start something, recruit a board, you get good growth, there's risk that you're taking, and you've got different types of board members too. You've got the overly analytical. They can be lots of fun in a board meeting, and you can get in a tight spot with the board quickly because you're taking risk. You may have the confidence to say, "Hey, I know this is going to pay off," but you know how it is. How did you navigate that with your board? What did you do?

Donovan Coley: It's so important as the executive director or the CEO not to be in a serious conflict with your board. You can have disagreement, but there's no way we are going to jeopardize the unity that was important for us to really function properly. So what we did, we brought in structures and systems and strategies that would then have the board interact. For instance, we brought in a former board member that was healthy and strong. He was an attorney, and so this former board member was able to speak to the other board members on my behalf.

Shawn Saunders: Oh, wow.

Donovan Coley: So meanwhile we're consultant, and he's facilitating and he's helping with the process. It was important to have board members speak to the board members. As we recruited one of the first persons to really lead our board, we, of course, moved her through the process, she became board chair, and then she was able to speak to the other board members. So it was so good having board members speaking to other board members in creating the trust among themselves and then having the systems and the structures and the strategies in place that would guide the process.

Shawn Saunders: Yeah, and your board, it seems like, was receptive to being held accountable because I'm thinking that the board is, at the end of the day, they're responsible for the organization as the leaders and the overseers, but I oftentimes see it where they're not held accountable. They're volunteers, and there's no recourse for anything that would happen. So they legitimately might be part of the problem, but you can't hold them accountable to that. So I hear you saying that even on the board level that you brought in, and there was accountability and you were able to put in processes and ...

Donovan Coley: Yes. I think bringing in the consultant ... When Brent came to us, he was able to bring in best practices. So I remember we started a book called Governance Is Governance, something to that effect. It was some board source information, and we were able to interact at a very deep level board to board, CEO to board, and soon things shifted.

Donovan Coley: It was important to do a board retreat, and so that was critical that we took the time to really address some of the deep-rooted issues. You should also keep in mind that in 2008, 2009, the economy tanked, and so we had our revenue dropped 27%. So we had a lot of honest conversations, and while some board members resisted, I believe that the reality of the situation really said to the board, "We're either going to do something now, or we will die." So there's a sense of urgency.

Shawn Saunders: Yeah.

Andrew Olsen: Did you lose any board members in the process?

Donovan Coley: We didn't lose any board members, but what we did, the structures, the systems, the strategies we put in place that was being guided by the bylaws eliminated some, and so over time, folks went away and we celebrated their departure, and we thanked them, and we kept individuals as board emeritus. So we were able to keep relationships going, and so no board members were harmed in the process, if you will.

Shawn Saunders: Right, and we interviewed a director earlier on another episode. It's interesting, because the same thing pops up, like, "What made the difference for helping your culture and helping your success with getting funds raised?"

Shawn Saunders: "Well, we got the staff together on a retreat and went through this patch of Lencioni study and book that he has." I think it was The Advantage. I don't know if that was the one she referenced. So you're out here, you're saying much of the same thing, is that getting away and taking that time to just step back from all the noise. Man, and my heart goes out to some of my clients because I see them and I see former clients, in particular, I seem them like a hamster on a wheel just running around, so stressed and pressured and just almost like frantic to where they can't just be still and, "Hey, let's look and see where we're heading." You know what I mean?

Donovan Coley: I think often it is because they're looking at the price tag, to be able to bring somebody in that would have fresh eyes for them to see the organization and so forth. What we did, we focused on certain foundations in our community, and we went to them and we shared with them just where we wanted to go, and we had one foundation in particular. They came alongside us, and they just provided the resources that every single time we needed to bring on Brent or bring in somebody who could assist us, it was something that we had shared with a foundation, and they provided the funding.

Donovan Coley: It wasn't a hard sell because they were also looking at organizational health, and so they wanted organizations that were poised for growth and sustainability and that were not dependent on these foundations for resources. That just opened it up, and when I started as a reality, I am at the door of these foundations, and we're making sure that we got the resources to do what we needed to do. So at no point did we ever say to our board, "This is too expensive." In fact, this was something that we couldn't afford not to do.

Shawn Saunders: Wow.

Donovan Coley: Okay?

Shawn Saunders: Yeah.

Donovan Coley: That's where we were. That's what we did.

Shawn Saunders: Yeah. I love [inaudible 00:23:08]. Gosh, I just wish, and it's one of those things, God's patient with us, there's so many rescue mission directors who they need to hear this. Don't they, Andrew? I mean, they need to hear this, what he's saying, because I think that life doesn't have to be as hard as we make it.

Andrew Olsen: Absolutely. I think the two things that I hear out of this, what you said most recently, the idea of not just looking at the price tag, but looking at the potential impact and measuring the value rather than just the cost, but then even more important than that, no amount of tactics are going to matter at all if you don't have the right people in the right seats doing the right work.

Donovan Coley: Yes, and then we have to have the courage, then, when we have the resources, to really look at ourselves introspectively and then to make the changes that are necessary because, ultimately, it's all about the people that we're called to serve. Too many nonprofits, I think, are more self-perpetuating, and so if they can just keep the old machine going and just add a little bit of grease to it just to keep it going one more time, what we needed was an entire new infrastructure. We needed new machinery because the climate and the culture, the environment had changed, and we were not going to survive if we didn't change internally so as to really address the change that was happening externally.

Andrew Olsen: Absolutely.

Shawn Saunders: Yeah. Donovan, I'm sorry.

Donovan Coley: Go ahead.

Shawn Saunders: I was just going to say that last question I personally have for you at this juncture is if there are any listeners that we have today that maybe they find themselves in one of these places of, "I know there's a problem. I may not even fully know what it is, but something's not right," and there's some cultural dysfunction, things like that, what are one or two pieces of key advice that you would give them?

Donovan Coley: Well, just the very same thing that we did. We had to stop and think and do our own self assessment, but unfortunately, we were limited in how we assessed ourselves, and so it was important for us to get somebody from the outside. So I'm not here promoting consultants, et cetera, but I'm suggesting-

Shawn Saunders: You can promote. We're cool with that. As long as it's us.

Andrew Olsen: Shawn would appreciate that, yeah.

Shawn Saunders: Yes.

Donovan Coley: I really think it's important to have somebody else on the outside, whether it is a peer from another not-for-profit.

Shawn Saunders: Right.

Donovan Coley: But I believe your organization, and in terms of what you guys do in coming alongside, and so we see consultants as being in partnership with us. So the first thing for me would be self assessment. Really do an assessment, but make sure that it is a healthy, objective analysis of where you are because if I'm going to travel from here to Indianapolis, from Fort Wayne to Indianapolis, I'd better have a good map or a good GSP system, and I need to know where I'm going.

Donovan Coley: Then, I think it's important to make sure you have the right people traveling with you, if you're the executive director. Make sure these are individuals who are mission driven, these individuals share your core values, make sure that these persons understand that it's not about you, personally, it's all about the people that we're called to serve. Those are some of the little tips that I would share.

Shawn Saunders: That's powerful. One more quick thing, and I'll hand it back over to Andrew, is you said something before we got on the podcast today. I'm sitting here chewing on it because it's like, "Man, that's profound," and that was ... But I want to make sure I phrase it right. You made this statement that we wanted to be faithful to who God had made us to be. Then, once we knew what that was and being faithful to that, then we could do what God has called us to do so that organizational identity piece preceded the doing, because there's a difference. Real quick, would you unpack it a little bit more?

Donovan Coley: The idea is we need to become who God wants us to be before we focus on doing what God wants us to do. I think the being is a time consuming process because it means allowing the Lord, Jesus Christ, to not just be a part of your life intellectually, but to become a part of your life in such a transformational way, whereas the Bible says in the Book of Matthew, "Let your light so shine before men that they may see your good works and glorify your Father, who is in heaven."

Donovan Coley: We're called to be more like Jesus, and then I believe if we're more like Jesus, then we're going to do what Jesus wants us to do. That, to me, Shawn, summarizes our journey. It was important for us to become the kind of people that I know God wanted us to be so that we can do what God wants us to do. All the things that we've accomplished in Fort Wayne, we know that they could not have been done without the incredible presence and power of Jesus Christ. So we know that. So we don't take any of these acclaim, all the awards, and all the things that we've accomplished, we know what all honor and glory belongs to Jesus Christ.

Shawn Saunders: Right. Yes, Amen. It seems like he honored ... Didn't seem like it, he did. He honored your faithfulness because there was faith and fear, and you didn't let fear of failure keep you from being faithful. God rewards that [inaudible 00:28:48].

Donovan Coley: He absolutely does. In fact, most of the donors, the people that we are seeing engaged with the Fort Wayne Rescue Mission, these are folks who have been attracted to what God has been doing in us and through us. In fact, we are in the midst of a capital campaign, and we have individual who said, "We would like to be a part of this. How much would you like for us to do, to give, rather?" I think of one individual where he was not on our radar. He was not on a well screen. We had no idea, and that gentleman made a commitment of two million dollars.

Shawn Saunders: Wow.

Donovan Coley: Yeah, and so we have individuals that we didn't even know or wasn't on our radar, but they're saying, "Something is different." We had a guy who came prepared, and he was planning on doing 300 thousand, and so we gave him a tour, and as we walked him through the place, his response was simply this, "My goal is to do 300 thousand for your campaign, but this place smelled incredibly well. Your residents had a smile on their face. You could tell that your staff, they were engaged. Just by what I said, we're going to do a half a million dollars."

Donovan Coley: So I think it's all about attracting the people that God is calling to you because God has attracted us to himself. Now, we do a lot of hard work in reference to cultivating major donors. We do direct mail. We do the full deal. But for us, it is all driven by a transformational approach, and that transactional or subtractional. But it is really going after donors in a way that is way beyond just them giving money.

Shawn Saunders: Awesome. Well said.

Andrew Olsen: That's really awesome. Yeah. Thank you so much for being here. Appreciate all this.

Donovan Coley: My pleasure. I appreciate being a part of this and just partnering with Dickerson, Bakker & Associates. So thank you so much, Andrew.

Andrew Olsen: One other question for you.

Donovan Coley: Oh.

Andrew Olsen: If folks who are listening to this want to know more, maybe they want to get some insights from you personally, what's the best way for people to reach out to you?

Donovan Coley: If you go to therescuemission.net, you'll see our website, and so we thought, and if you can have the Ohio State University, why not have the Rescue Mission?

Andrew Olsen: Absolutely.

Donovan Coley: So we had a millennial gal who was our marketing person back then when we started. She went and bought up all the domain names of GoDaddy, and so we are The Rescue Mission.

Andrew Olsen: All right.

Donovan Coley: So therescuemission.net.

Andrew Olsen: Perfect.

Donovan Coley: So that's where you'll find us.

Andrew Olsen: Thank you again.

Donovan Coley: All righty. Thank you.