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Going Beyond Fundraising Campaigns, Kennari Consulting is Empowering Nonprofits to Fund their Futures

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CEOCFO: Ms. Steensma, what is the concept behind Kennari Consulting?

Ms. Steensma: I started the company in 2007 with the idea that in fundraising, most consultants focused on capital campaigns and there are a lot of other pieces of fundraising that nonprofits need help with. They need help with grants, annual fund processes and infrastructure, planned giving, and they need help with donor software. There are many other pieces. I was with a regional firm before that and it seemed singly focused to only work on one aspect of fundraising, without really working on strengthening the agencies for the long-run. The concept for the company was really to build the capacity of nonprofits for all of their work, to support all of their important missions, not just when they were in campaigns.

CEOCFO: Are there no resources to do what you are doing, either because nonprofits were not asking for it, or did not realize they needed it? Why the gap?

Ms. Steensma: I think the gap came about as a result of trying to build a business model from a consultant point of view that made sense. Campaigns are the part of fundraising that really has the largest returns for consultants, and the funds for consultants come from out of the campaign itself; the funding for campaigns does not come out of operating cash. The difference and the gap is that annual consulting, grant consulting, software consulting, and even giving consulting, to a certain extent, would all come out of the annual operating project. That is a much heavier lift for a lot of organizations, because they have to be thinking strategically that there is going to be a return on their investment from working with the consultant. From their perspective, and I understand it because I have worked with it for a long time, it is a risk. We charge for service, not a percentage, because in it is in accordance with the ethics of our profession. What they have to be thinking is they are going to be paying this fee, while they do not have the cash from return on investment, and frankly we cannot guarantee it. After twelve years of being in business with the business models that we have, that our clients have renewed year-over-year because they see a return on investment, but getting them to do it the first time is not that easy.

CEOCFO: Is there an “aha” moment when you first start working with someone?

Ms. Steensma: Yes, there is definitely an aha moment when they start to realize they are at risk, because they have too much revenue coming from a single source. Many of them have maybe one huge grant resource that could even be a federal contract. If they have one large grant source, they are definitely at risk. In fact, we have had organizations I know of in our community that have gone out of business because they have not expanded their fundraising over many people, and they relied on a single-source grant. When they start to look at that and they realize “boy you are right”, that their revenue sources are not very diverse and are at risk, and this could help build it, then they want to do it.

Another thing that has happened over time is that in a community of nonprofits, the board members that serve on different nonprofits isn't that huge a pool. The likelihood of somebody serving on one of our client's boards that is also serving

another nonprofit is pretty good. They can see from one organization from another that our services have generated a return on investment for the client, so they will say they work with these guys and it really turned their fundraising around and they should hire us.

CEOCFO: Are there particular types of nonprofits you tend to work with more than others?

Ms. Steensma: That is a wonderful question. One of the things that I believe in with regard to managing my own employees is that everybody needs to come to work every day passionate about what they do. We chose our pillars that we work in based on the experience of our consultants as well as their interest and passion. We tend to work in about six different pillars which covers a lot of ground but it also leaves off some ground. Arts in culture is one of our main pillars. We have a lot of museum clients, we have symphony and some theater clients, but probably pretty heavy in museums in the arts and culture.

“At the end of the day, fundraising is about trust. Fundraising is about believing in what an organization does and trusting that that particular organization is going to handle your money better than anybody else that does that work. Trust is built on people and process.”- Sandi Frost Steensma

In education, we have Ferris State University, other higher-education clients, and we work with public schools and a number of smaller schools. In healthcare we tend to have long-term clients that have been with us as much as ten years and they tend to be healthcare systems, which makes sense because the healthcare system over time will not only be generating for annual fundraising but they would also be running campaigns. In social services it is kind of runs the gamut, where we have worked with local nonprofits in housing and food insecurity. A growing area for us is what we call “greenways”, and that includes, trails, nature centers and conservancies. That area has really exploded over the past three years.

CEOCFO: Would you give us a few examples of how you have worked with an organization - why they came to you, what you devised, and the results?

Ms. Steensma: A typical client that is with us for a long time would present to us that they are challenged with fundraising, it is difficult for them to raise the money that they want to raise annually and they are trying to wrap their arms around it, or they feel like they have exhausted all their avenues for trying to raise more money. What we would do first is an assessment. We assess their board, not whether they are good people; we assess if they have the right skill-set for fundraising. Many times, they have the right skill-set to run the organization, but not always the right skill-set for fundraising. We look at the process for their nominating process and all of those things.

We look at their infrastructure for fundraising and how good a product they have for managing their donor bases, their communication strategy, whether there is staffing for raising the amount of money they need, and then we look at how well they know the basic tenets of philanthropy, what they are doing to obtain their donors, what are they doing to keep current donors. We like to work with clients a couple years prior before going into a campaign, to make sure that all components are strong. The difference in what we found is if you have a strong nonprofit going in, the results are so much better. That would be a typical trajectory for our clients.

CEOCFO: What is an atypical project?

Ms. Steensma: We have a number of those also. For example we have worked with the Grand Rapids Airport but our local airport wanted the airport to look like West Michigan, and that was going to come out of West Michigan philanthropy; not airport operations. We are also working with Grand Rapids White Water, which is putting the rapids back into our river. Both are huge projects. The airport was \$45 million and the river is \$45 million. Those are both situations where you do not have previous donors and in the second case you have a board, but not necessarily a board that was built for that particular purpose. The airport has a board but it is an authority. They did not have any of the normal things that we look for like a long-term donor base, long-term donors, or history of successful fundraising.

We do have a number of what I would call “governmental type agencies, authorities, and organizations” that are like that. We have an aquatic center that is similar to that also. In that case, we have to spend some time on the front-end to really try to identify who the people are that care about this project because they care about similar projects. We have to go through an intense education process on the front-end to determine their interest in it, so it takes longer. Sometimes when we have a healthcare organization that wants to move to a new town and they do not have any history there, we have to go through the same process. We have to spend some time on the front-end identifying who in the local community is interested in what they do and then we have to build the relationships and the trust and then do the fundraising. It is a

fool's errand to walk in and think just because a project has merit that people are going to support it without any history. We try to build that history so that they will be successful.

CEOCFO: *Are donors typically from Michigan?*

Ms. Steensma: They are typically where the project is. It is hard to raise money for a local company for people that live elsewhere unless those people moved elsewhere and still support the institution.

CEOCFO: *What do you need to understand about people from Michigan, which will make the end result better?*

Ms. Steensma: It is important to understand the local culture of an area. We are in west Michigan and it is one of the highest philanthropic area in the country and so is northern Michigan. Other areas of the state that have struggled more economically, do not have the same culture. What is important is to go into a community and understand the local culture. Grand Rapids is a completely different culture of philanthropy than say Petoskey, Michigan or something like that. I think the thing that gives us our edge is that we spend the time we need to understand the culture of philanthropy and not try to say what works in west Michigan. I can tell you that when you say this is what works somewhere else, they completely do not listen to you, they only care about what works there. The basic tenets of fundraising never change. You always need to acquire and retain donors, and cultivate donors to a larger level.

CEOCFO: *How do you help potential donors or organizations show that they are on the up-and-up?*

Ms. Steensma: At the end of the day, fundraising is about trust. Fundraising is about believing in what an organization does and trusting that that particular organization is going to handle your money better than anybody else that does that work. Trust is built on people and process. One of the things that we do when we do our assessment is we assess our clients against the Better Business Bureau and charity standards. One of our staff members actually serves on the board of the Better Business Bureau and we are very close to them. They have developed national standards for nonprofits; there are twenty of them and they are very intense. If any organization is following those, and they have gotten their Better Business Bureau certification, then we know that they are doing a good job. They would have an annual report, being transparent in how they are spending their money, and annually reviewing their finances. Those are the things that are in there that lead to a good and well-run nonprofit.

When we go through that assessment with an organization and we find that they are wildly off, we take a pause in the whole thing. For one thing we determine whether or not we want to be associated with an organization that for some reason has an ethical problem, because we do not take on a client that has an ethical problem. We have offloaded clients when they developed a problem. The other part of that is that if the organization looks at the Better Business Bureau standards and they are only marginally off, as they are already in the process of correcting, then we will help them fix whatever it is that is off and get them back on-track. I would say if they are not certified, they are at least following the standards. The other thing we recommend to our clients is that they register with Guide Star and keep all of the information current. In certain states across the country, organizations have to be licensed. In Michigan they have to have a license from the State Attorney General. We feel comfortable when somebody has their license that they are mostly doing the right thing with their financials. We do quite a bit with them to make sure that they are what they say they are and that they maintain credibility over time.

CEOCFO: *Kennari Consulting was recently honored as one of the companies to watch in Michigan. Would you tell us about that recognition?*

Ms. Steensma: The recognition is wonderful especially since it is not just in our industry, it is all companies. Fundraising consulting by nature is a small bunch. It is challenging to build a consulting firm and it takes a lot of training, dedication and personnel. Trying to build a consulting firm that is big and successful is not the easiest thing on the planet. We are happy to be recognized by the Small Business Association of Michigan for being a good company and not just a good consulting company.

We have had a lot of other local honors, we have also won The Top Women Owned Business from the local Chamber of Commerce, and we are recognized by the Grand Rapids Business Journal as the top women-owned business, every year when they do their honors. This one is meaningful because it is for the company and how we have managed the company. That is a whole different thing, not just a top women-owned business or top consulting firm. That is a marker to us that we have moved into that second stage of business. It is exciting; it is a milestone for the company.