

Nonprofit 911 – September 16, 2008
Becoming a Purple Nonprofit, and What is Squidoo?
with Seth Godin
Sponsored by Network for Good

The MP3 audio transcript can be found at
www.fundraising123.org or www.Nonprofit911.org

Jono Smith: Good morning and good afternoon everyone. Welcome to the September 16 very special Nonprofit 911, sponsored today by Network for Good. My name is Jono Smith and I am the marketing director here at Network for Good.

We've had over 2000 people register for today's call—Becoming a Purple Nonprofit and What is Squidoo. Just to tell you a little bit about Network for Good, we're a nonprofit just like many of you on the phone. Our mission is to help other nonprofits raise money online.

We do these Nonprofit 911 calls almost every Tuesday at 1 p.m. Eastern Time, and this is one of the many free resources that Network for Good provides to the nonprofit community. In addition to Nonprofit 911, we also provide online fundraising services directly to nonprofits. You may be familiar with DonateNow and the DonateNow buttons which are on over 10,000 nonprofit websites across the U.S.

So, if you are at a nonprofit that is not currently raising money online right now, we'd be happy to help you do that. Feel free to visit our website at www.fundraising123.org, to learn more about how you can take advantage of a free 60-day trial of DonateNow from Network for Good.

At this point, I'm very pleased to introduce today's speaker. We are privileged to welcome a marketing guru, author, well-known blogger and presenter, Seth Godin, to lead our call today. To reiterate just a few of the highlights from Seth's bio, he has 10 books that have been featured in the *New York Times*, the *Wall Street Journal*, Amazon, *Business Week*, and various bestseller lists. Not to mention his wildly popular e-books, "Unleashing the Idea Virus," which more than a million people have downloaded. Seth was the founder and CEO of Yoyodyne and he holds an MBA from Stanford. He was called 'the ultimate entrepreneur for the information age' by *Business Week*. Also, Seth has been generous to provide a free e-book called "Flipping the Funnel" that you can download at your convenience at www.fundraising123.org/training.

So, once again, we are extremely pleased that Seth has donated his time today. Without further ado, here is Seth Godin.

Seth Godin: Thank you, Jono. Thank you, everybody who came. Mostly though I want to thank you not for coming, because after all it was free and I can't see you. If you laugh at my jokes, I won't even hear. I want to thank you for the work that you're doing.

I think sometimes in the daily bustle and hassle and work that each of us do, it's easy to forget why we're doing it in the first place. As a citizen of this country and planet, I for one am grateful for each of you. You are making sacrifices to do work that's important. You don't get enough respect, there aren't enough resources, there isn't enough time in the day.

If I can support what you're doing even a little, that'll be small way to repay the hard and really good work that each one of you does every day. So, thank you for that.

I want to start by pointing out that I think the name of this call is wrong. I don't think it should be called the 911 call because that implies that there's an emergency. I don't think there's an emergency. I think that this is 311 call. I think you need directions and information.

I think that somewhere along the way a lot of really well-meaning nonprofits got lost. They lost their way. The world changed out from under them. And they're discovering that what used to work doesn't work the way it used to. They're discovering that things that are important often don't get done because things that are urgent step up and take their place.

They're discovering that even though there are plenty of resources out there, somehow mysteriously they can't their hands on them the way that they ought to. My goal for the next 40 minutes or so is to take your agenda and turn it upside down.

So, if your goal was for me to give you 15 or 20 tactics for growth that you could write down one after another in a notebook and that the active of writing down those tactics would somehow magically take what you're doing and make it work better, this would be an excellent time to deplane, because that's not what I came to talk about.

What I came to talk about is rethinking, radically rethinking, what it is that you do all day, how you do it, and how you can use this new media to spread your ideas farther and wider and with more impact than ever before.

So you know my background my mom was the first woman on the board of the Art Museum of Buffalo. She was treasurer of the museum association. My dad was volunteer chairman of the United Way one year when I was growing up, and has remained active in various charities in Buffalo.

So, I grew up in a household where I understood how important this work was, and I understand how frustrating it can be to grow, how frustrating it can be to get the word out. That said, most nonprofits focus on the work - and if we're going to call the "work," I mean delivering hot food to the sick or figuring out how to deliver goods and services to people who need it, or spreading the word about smart parenting, or whatever it is that you do.

And other part of their day, which is spent - I will be really blunt about it - spamming people to ask them for money. Spamming people to ask for support. Or spamming your prime constituency to get them to change their behavior. If you're a nonprofit that's trying to get tuberculosis patients to take their meds, you will interrupt them anywhere, any time, any way, in order to get the message to them about what they want to do.

If your nonprofit is trying to get malaria bed nets to Zambia, it's just fine to send out grant proposals all day and all night, because you know if you send enough grant proposals to enough people often enough, sooner or later money will come back.

So when you're at an orchestra and trying to sell seats, or you're trying to raise money, or

whatever it is you're trying to do, the model for 100 years has been pretty simple: Target wealthy people or foundations or corporations, interrupt them with unanticipated, impersonal, irrelevant messages they don't want to get, delivered over and over and over again until they give you money or help.

If you've got a donor, understand that person might not be a donor forever, so you better show up over and over and over again hounding them for more and more money because they might not be around tomorrow. That if you need to do a fundraiser, better book a fancy hotel, pay whatever it costs to have a banquet, it doesn't matter if it's \$400 a plate and \$300 goes to the caterer, the goal is to get in front of people, tell your story and get them to give you money, or get them to give you support, or get them to give you resources, or get them to join as a volunteer, or get them to take their tuberculosis medicine.

That model worked really well for a long time. One of the great examples of it is Catholic charities, which figured out if the priest is able to stand in front of the congregation on Sunday, he can extract a certain amount of money. And every year, year in and year out, they don't fail.

Another example is the United Way, which figured out that not only can they do payroll deduction, but once they get someone on payroll deduction, they can repeat it over and over again.

It's important to understand there's nothing wrong with this, because the ends do justify the means.

The problem is that that's not working so well any more. The problem is you send out 100 junk mail letters out to the right list and instead of getting two donations you get one or half of one. The problem is you send out a whole bunch of invitations out to the gala dinner and you hear the whining about conflicts and the economy and how it costs too much and they can't make it.

The problem is you try to run a charity auction and instead of people showing up and bidding way over the value of the items that are being donated, they bid less because they're looking for a bargain.

The problem is the same problem that Procter & Gamble had, the same problem that Nike has, the same problem that American Express has, which is that it's not working as well as it used to. And there are reasons for that, the biggest being that other people are trying the same thing. The number of people who are trying to win by interrupting has gone up a lot.

There are 75 brands of bottled water at your local supermarket. Not three channels on television, but 300 channels on television. You're not competing against three or four websites for attention; you're competing with a billion websites for attention. Someone types something into Google, if you don't show up within the first four matches you might as well not even have a website. The noise has increased dramatically.

So, a lot of nonprofits are struggling because they're saying, "Wait a minute—where's the executive director?" She's not on the call today, too bad. The executive director is saying, "Wait a minute, we keep doing the same good work, why isn't this working? Do we need to

spend more money on stamps?" And they put pressure on you. They say we need a fancier website. Why aren't we number one in Google? How do we interrupt more people?

Oh, we have an email list, stamps don't cost any money, let's email people twice a day until they give us money. All you have to do is sign up for any politician's campaign and you see how often they email you. It turns out - and now we can shift to the good news - is that there's fundamentally different way to think about the world.

The way I just described is funnel thinking. And the way funnel thinking works is you put attention in the top of the funnel, attention in the form of direct mail letters, attention in the form of websites, attention in the form of calling people on the phone, attention in the form of a gala.

And then over time, some of that attention gets to the bottom of the funnel and comes out as support or money. But, a lot of it leaks. You have to talk to a hundred people to get one good donor. You have to talk to a thousand people to get one good trustee. You have to talk to ten thousand people to get one endowment.

Well, there's an alternative. And that is to take that funnel - I hope you can visualize it - and tip that over on its side and make it not a funnel but a megaphone. And hand the megaphone not to your fundraising people, hand the megaphone to your biggest supporters.

Because what the Internet does: It makes everybody a media company. What the Internet does is it allows word to spread from person to person to person. Here's a simple example: I'm sitting here looking at a graph of traffic to kiva.org versus consumerreports.org.

Consumer Reports is a worthwhile nonprofit, totally flat, not fading traffic over the last two years. Kiva came out of nowhere with no money, no organizational support, already bigger than Consumerreports.org. Why? Because the people who donate to Kiva tell many friends.

Because Kiva is organized to spread. Because the people at Kiva figured out that if you can give people a typewriter they will be able to send out far more direct mail letters than you ever could by hoarding the typewriter. The opportunity here is to realize that what you do when you want to grow is not interrupt people and bother them until they support you.

What you do is empower people who already believe in you to speak up on your behalf. What you do is create an idea worth spreading. People don't spread it because they get paid, people don't spread it because it's their job, they spread it because it's remarkable - worth making a remark about. Worth spreading.

Which makes this conversation so difficult. Which is why it's so much better that you can't interrupt me right now. Because most of you work for boring organizations. Most of you work for organization where the work you do is important, where the work you do is work that you believe in, but the typical person on the street doesn't talk about it.

They don't talk about it because they're uncomfortable. They don't talk about it because they don't know what their friends are going to say. They don't talk about it because they don't want to ask other for money, they don't talk about it for a whole bunch of reasons.

But, since they don't talk about it, it doesn't exist. Because all the other ways of getting through to people go away. And the opportunity for you is to realize that what you do for a living is spread ideas. And if you organize the work you do around that idea, the idea will spread.

So, I'll pick an example: Habitat for Humanity. Habitat for Humanity doesn't want your money as much as they want you to come with a hammer and build a house. So, when Jimmy Carter goes and build a house more people see that, more people talk about that, more people get engaged with that than when Bill Clinton does a half-million dollar fundraiser for AIDS.

If you went and built a house with Habitat for Humanity, how many people would you tell? The entire organization of the work the nonprofit does is around the idea of creating experiences or stories worth spreading. They are basically flipping the funnel.

So, I'm going to talk a little bit about the implications of that, but I'm not going to let you off the hook because then we're going to come back and talk about what does that mean for your organization in terms of changing what you do.

Some of you have been to my blog or to other blogs, and you'll notice at the bottom of each blog post little tiny type that says things on it like "deli.cio.us" and "Digg." Those are websites that enable their members to find interesting things on the Web. And by clicking a few buttons, nominate those things to the central clubhouse of the club.

And then, all the members of the club get to vote on those things, and the most interesting ones rise to the top. My favorite, if you're poking around, is Reddit. If you go to reddit.com, you'll notice every 5-10 minutes that the list changes. What you may not notice is that if you come up at the top of the list you get 10,000 - 20,000 new visitors to your website.

This is all free. It's a free tool that allows anybody who builds anything on the Web to have a little button that says you can nominate me for Digg, you can nominate me for del.icio.us, you can nominate me for Reddit. Here's the question: Who's going to nominate you? Why are they going to nominate you?

Are they going to nominate you because they believe in the cause? Because if that's the only reason, it might work in the short run, but no one's going to vote you up. It turns out that you are in the exactly the same business as Giorgio Armani or Tommy Hilfiger. What you do for a living is take something that's already good enough - it's already proven, it already works - and change it just enough that it becomes fashionable.

Fashionable means worth talking about. Fashionable means that people notice it. So, simple, simple example. Most of you have printed T-shirts at one point or another - that getting into the T-shirt is trivially easy.

Well, two guys in Chicago started a T-shirt company with no experience, not a lot of equipment, very little money, called threadless.com. And what they did at Threadless is they said the following: every week people can upload pictures that they'd like to put on a T-shirt. And then, they can look at all the other uploaded pictures and vote for their favorite. The design that gets the most votes gets \$1,000.

So, if you're a T-shirt designer, you upload one of your pictures. It turns out that as soon as it's uploaded, anyone who wants to can buy that picture on a T-shirt. Now, you want to win the \$1000. Now you go to all your friends, all the people in your email book, and you say, "Go vote for me."

So, people go to vote for you, but while they're there they look around at some of the other shirts, maybe they vote them, maybe they buy some. This seems like an incredibly stupid architecture for a business. And last year they did almost \$40 million in T-shirts in sales. All they did was create a platform for people to interact with each other. A platform where people felt good talking to each other about what they were seeing.

So, the theme that we have to embrace here is that if you're trying to reach groups of people, and it might be wealthy 60-year-olds, or it might be college kids, or it might be people who are living in a small village in India. It doesn't matter what group is it, what matters is people in that group love to talk.

Human beings are wired to talk. And if you give them something to talk about they will probably talk about it. And if you give them tools to use to talk about it, they'll probably use them.

So, if I can indulge you, draw a little bell curve on a piece of paper in front of you. The bell curve is that thing, it's got tails at each end and in the middle a hump. It looks a little like a snake that ate a house. That bell curve was first used by a guy named Rogers to describe who buys what when.

In the center of the curve, the fat part, is the mass market. There are a lot of people in that group. Those are the people, for example, who waited until DVD players were \$80 and were available at K-mart before they bought them. They waited because they wanted something cool, but they wanted it to be proven. And that is when most DVD players got sold.

On the left, where it starts tailing off, that's where the geeks and the nerds live. Those are the early adopters, the innovators. Those are the people who used to watch their TV on a TiVo, but they now watch it on an iPod because it's hip and new. And all the way over on the right, the other end of the curve, are the laggards. Those are the people who still have a 12:00 flashing on their VCR.

The thing is, you are very tempted to be in the middle, to be in the sweet spot, to be in the mass market. To have an organization that is as beyond reproach as the United Way used to be. To have one that is as hip and now as the various breast cancer charities that are doing so well.

It seems compelling and risk-free to be in the middle. The thing is, stuff that's in the middle is boring. Boring stuff doesn't attract a tribe. Boring stuff doesn't resonate with people. It's stuff on the edges, on the left edge, the new stuff, the innovative stuff, that people choose to talk about.

There are a lot of reasons that Kiva did so well online, but one of the reasons it did so well is it wasn't as boring as the Salvation Army. It was new. It was a different way of approaching

things.

So, part of what you're going to need to do if you want people to talk about what you're doing is you're going to have to have a story that feels new. Even though there are plenty of people in the center where the masses live, those people aren't listening to you. They're ignoring you. They're watching "American Idol." They are sitting at home eating popcorn.

They are not saying, "Hmm, I wonder what's up at Charity X." The people who are like that, they are your biggest supporters. They are the ones who are listening. They are the ones who are showing up. And you must stop persisting in your desire to bore them to death, and instead you need to bring them. You need to figure out how to empower the focused volunteers to go get you others like them.

So, when I look at an organization like JDRF, its biggest strength is that there's a network of moms and dads across the country who have kids with juvenile diabetes. And those moms and dads don't get paid and they don't go to board meetings and they don't know what the policy is. But, they're willing to go to the edge.

They're willing to go to the edge because it's a matter of life and death for them. And until you're willing to do that, why on earth do you think people are going to talk to you?

So, in a minute, I'm going to get back to the ins and outs of the Internet, and as promised, I'm going to leave plenty of time for questions and stuff. But, I want to tell you about a conversation I had with the American Heart Association about 15 years ago. Maybe it was 10 years ago.

The American Heart Association, I sat with some of the people who help lead it. What you probably know is that heart disease kills more people in the United States than almost any other cause. What you also almost certainly know is that the leading causes of heart disease other than genetics are obesity, cigarettes and meat.

What I said to the guys at the American Heart Association is, "Are you serious about solving this problem, or are you happy being in the middle? One of the safe, go-to charities, the ones that when a senator dies you can make a donation in their honor to the American Heart Association."

And these guys assured me that this was a significant life or death issue, and they were willing to do whatever they needed to make an impact. So, I said, "OK, here's something you can do for free and it'll take a week. Why doesn't the American Heart Association declare that Thursday is 'eat no meat day.' That every Thursday everyone in America should eat no meat and drink no milk. That schools, anything patriotic, government agencies, everyone, in order to send a story and message about heart disease should ban all cow-related products for 24 hours."

Well, you can imagine if they did this what a firestorm there would be. The farmers would be up in arms. Congressmen from Iowa would be writing angry letters. The Cattlemen's Association would cease its support of the American Heart Association. But, conversations would ensue. A movement might occur. People would have something to talk about every single Thursday when they went out to lunch.

The act of having a hamburger would be a political statement. The act of not having a hamburger would be a political statement. If they were really serious about getting every American to pay attention, they would picket McDonald's every Thursday until McDonald's agreed to stop selling hamburgers one day a week.

Because they're on a mission; it's a movement. They're not settling, they're not compromising. They're empowering the people who care the most to spread the word as opposed to building a safe organization that's built on direct mail and easy-to-get foundation grants.

And I had no doubt in my mind that they weren't going to go for this. Their culture couldn't deal with that. Fortunately, you work for a smaller non-profit and your culture can deal with it. And you could understand that rather than running yet another boring gala, that maybe you could get your biggest donors to each bring 10 friends and go build a house in one day.

Or maybe you could figure out other tools and techniques, whether they're fundraising techniques or activity techniques, that the Internet lets people connect over.

And I have a new book coming out called "Tribes." It's coming out in a few weeks and that's what it's about. It's about the fact that people like to be in groups. They like to identify with each other. They are looking for leaders. And lord knows, you guys aren't getting paid enough to just sit back and smoke cigars. That's not why you took this job.

You took this job because you want to lead change. And it feels to me like this is your moment. I built a website that so far has raised hundreds of thousands of dollars for charity. We have 670,000 pages built by a quarter of a million people. It's called Squidoo.

And what I tried to do with Squidoo is put this thinking into place. If you have 1000 volunteers, instead of asking them again for money next week, you just have each of them build a page on the Internet about something they care about. Maybe new, maybe not, and donate the ongoing stream of royalties back to charity.

Maybe, you go to 1000 people and teach them about blogging, and maybe 100 of them go and build blogs and the other 900 go and promote the blogs that they built. How could that change the conversation about an issue? Maybe there's one senator who's holding up a bill that would mean a lot to your group. And maybe instead of asking those 3000 volunteers for money, you figure out how to put them in charge of a lobbying effort.

Because what tribes do, what we discover when you give tribes connection and leadership is that they scale and have impact bigger than you could ever imagine.

So, we start by saying sell to people who are listening, instead of yelling at strangers. Sell to people who are listening and maybe, just maybe, they tell their friends. It is not your job to go find strangers and yell at them anymore. You already have enough people who already have enough friends that if you did a better job of inventing things to talk about, of inspiring people to be inspiring, they will go be leaders for you.

But none of it works if you don't do something worth talking about, make something worth

talking about, because it's that combined with anticipated, personal, and relevant messages that make people choose to pay attention.

I want to talk about email, a little bit. After real estate brokers have closed a sale on a house 91% had no further contact with the buyer or with the seller, which is astonishing to me. Because five minutes ago, they were handling the most important and largest financial transaction in the history of the people in that room. And five minutes from now, they're strangers.

Instead, what they forgot to do is build an ongoing relationship. Build a permission asset. Build the privilege of talking to people who want to hear from you.

The problem - and I'm on a fair number of nonprofits mailer lists and donor lists - is 95% of them are vapid, selfish, boring, money grubbing, well meaning and much needed emails. But, I don't look forward to getting them. I don't go, "Oh great, another note from Planned Parenthood," because it's not about me, it's about them.

What you need to do to flip this funnel is realize that your chance in leading the leaders. Your chance is to give them information that makes them look good. Push them to have stories that they can tell. You want to get to the point that if you forget to send out a week's email, you get complaint letters.

That's really hard to imagine today. It's really hard to imagine that if you forgot to email your list, the list would come back and say, "Where's my email?" But, in fact, that's your only choice. Your only choice is to build a situation - and I like to think I have this in my blog. If I stop blogging for three days, two days, I think, I'd get some email. If I stop blogging for a week, I'd get a lot.

What would happen if you stopped emailing your base? How long before you hear from people? What could you say to them instead that would give them something to do in a group?

I love to tell the story of the Macarena. You remember that dance. If you went to a wedding, a bar mitzvah, or even a funeral ten years ago they made you do the Macarena. How come? The reason's pretty simple - because you can't do the Macarena by yourself. The Macarena was organized from the ground up to be something that needed to be done in groups.

And it's groups that the Internet loves. It's connection that the Internet loves. It's tribes that the Internet loves.

So, when we started talking 35 minutes ago, you were in the hunting business. You were targeting people. You were seeking people out, sending them messages, hoping to bag some big game - a moose maybe.

Now, you're in the winery business. You have to work the grape vine. You have to figure out where in the grape vine you can plant a story, where you can create a story in conjunction with one of your supporters. And create a story, an experience, an interaction that spreads - that people decide is worth talking about.

What you do for a living is you tell stories. Now, you're not in practice because you've been really focused on metrics or things that are important. But, stories are the most important because it's stories that spread. It's stories that take down governments. It's stories that lead to donations. It's stories that lead one person to blog about what somebody else is doing.

And so, I hope you'll forgive me, because I'm suppose to talk for five more minutes, but I'm way more interested in hearing your questions and riffing about them then going on and on into a silent room that maybe no one is in.

So, I'm going to stop there. Of course, I can't hear your overwhelming applause, but technically I'm feeling it through the ether. Thank you for listening, and let's take some questions, Jono.

Jono: Absolutely. Well, the room is definitely not empty. In fact, the phone lines have absolutely been jammed. And not surprisingly, Seth, several of the initial questions (and I'll try to synthesize them here) had to do with Web 2.0 and social media.

They range from a small nonprofit writing in to say, "I've seen other larger organizations who seem to have a presence on Facebook, on MySpace. They have a blog and we can barely keep our website going. Should we even be thinking about social media?" to some larger organizations who have written in and said, "We're in Second Life. We're in Squidoo. We have a blog. We're on MySpace. How do we tie it all in so it's not to oversaturated the avenues of new media. Is it even possible to do such a thing?"

So, could we just get your general lay of the land when it comes to Web 2.0, social networking, social media, and nonprofits small and big?

Seth: OK. The most important thing is, don't do anything if you can't do it great. And that's what I wrote about in the DIP. A pretty good blog, a pretty good Facebook page, a pretty good website, a pretty good Squidoo page is failure.

It's failure, because in Google-world, only the top stuff shows up. Do a search on anything - laptop bags, and there's two million matches. No one goes to match number 38. It's invisible.

So, you need to figure out, first of all, how your organization (the paid part of the organization) focuses obsessively about being great at something. So, we've got fundraisers on Squidoo that raise thousands and thousands of dollars for one charity because they've focused on making the pages that they build great ones. Just showing up and checking a box isn't the answer.

Now, different social media have different functions. Facebook - I have not seen one example of a nonprofit getting significant benefits out of it, because Facebook is about people connecting to people and organizations don't have a lot of place there.

There are certainly Facebook apps that have momentarily lead to donations for certain organizations, and I don't mean to downgrade those. What I was trying to point out is that if I was going to put my stake in the ground - if I was a rock and roll band I might go to MySpace. But, if I was a nonprofit I don't think I would go to MySpace or Facebook, because even though that's where the people are, that's not where they want you to be.

They want you to be either a place, like Kiva, or the topic of conversation. They want you to be a walkathon where they go to meet all their friends, or the sponsor of a fun web activity like that quiz where you can earn free grains of rice to send to some third world nation. So, those things live better in other spots.

My belief about blogs is that blogs are cheap. Blogs are a level playing field. Technology is not an issue. I don't know any technology, but my blog does OK. You can have a great blog if you just know how to write. If you don't know how to write, this is a great way to teach yourself how to write.

But, if you take up a cause, and you write with enthusiasm, alacrity and clarity, you can then give your followers a place where they can take your stories and spread them. So, I'm a huge fan of blogs.

What I like about Squidoo is that Squidoo lets you put your volunteers to work instead of your professionals. If you have 1000 or 10,000 or 15,000 volunteers and they each go build a page that earns you a nickel, a dime, a dollar a day - do the math. That's really powerful. And those pages aren't about you. Those pages are about stuff: how to buy a hardwood table, how to sharpen a pair of ice-skates.

Each one of those pages starts showing up in Google. Each one of those pages gets traffic. And along the way, drip drip drip, they're earning money for your nonprofit.

But if it's not the money, if it's the idea, I would put my energy until I nailed it first is a blog.

Jono: OK, the questions are starting to fly in here, so I'll jump right into the next one.

"I love your example of the "eat no meat day." Do you think all publicity is good publicity for nonprofit marketing, or should be avoid ruffling feathers?"

Seth: It's pretty clear, if you ask the people at the United Way, that all publicity is not good publicity. I think that transparency is now imperative. You can't have a private jet and ask people for a \$5 donation.

But, what you do need to do, if you want to have a tribe, if you want to spread a story, is you have to ruffle feathers. Ruffling feathers for a good reason, because you stand for something, is essential. Every tribe has insiders and outsiders. Either you're a member of the Hari Krishnas or you're not.

And the Hari Krishnas have an enormous amount of impact on the people who belong. Whereas, something that everyone belongs to like oxygen breathing mammal class, has no impact whatsoever on people because we all belong.

So, your goal is not to be the uber-safe, we all belong, Kum Ba Yah nonprofit if you expect to grow, because we needed nonprofits like that 30 years ago. Thirty years ago, if Hershey's wanted to do a promotion, they could say a portion of every sale goes to the American Cancer Society, because no one is against the American Cancer Society.

But, no one tells stories about the American Cancer Society either. No one has conversations. No one has debates. There's no issue there. And so, you need to create not

necessarily an enemy, you need to create a direction, a movement, something you stand for. And yeah, change always ruffles somebody's feathers.

Jono: OK, this is a really great question. Mark writes in and he said, "Many years ago I got to attend a session in Seth's loft talking about the purple cow. He provocatively suggested promoting planned gifts in remarkable ways." The example he says, for example, like a "death auction." "I'd like to know if you've seen anyone taking this advice."

Seth: The answer is no, I haven't. But, I haven't been looking either. So, let me reconstruct what I might have said, since we don't actually have Mark on the phone.

Planned giving is brilliant because you get all the benefit now, but you don't have to give up any money until you're dead. The problem is people have a really hard time talking about it because most people don't want to admit they are ever going to die, and most people don't have an easy way to have a will or amend that will.

But, what we've seen over and over again, as we've confronted social taboos, is that when you call them out, when you give them a name, when you make them sort of funny you can get people to talk about them.

I can't think of a better gift that you could bring to your community (maybe I can, but this is certainly up there), then everyone writing a will. That if you can create a dynamic where that gets discussed, where it becomes a matter of course to talk about a will, and you can be the enabler of that conversation - you can put your planned giving through the roof.

Because guess what - if those lawyers, the one's you're paying to sit there and help people fill out simple wills, also say, "And can I staple on this codicil that says 10% of your estate is going to this worthwhile charity," some of the people are going to say, "Sure, staple it on there." Because, you're having the conversation. Too often, we leave the conversations to the side and they don't take place.

Jono: A lot of folks from small nonprofits have written in to say, "My executive director doesn't really get this. A lot of people on the staff don't really get this. Do you think it's possible to do some of these things with our existing staff, or are we really talking about investing in a whole new staff to make these changes and evolve our marketing and fundraising into the new world, so to speak?"

Seth: Well, Zig Ziglar points out that they did a study of entrepreneurs who moved from Dallas to Houston, and discovered in the year after they moved their business went through the roof. So, obviously, everyone should move to Houston. But, then they discovered in the same study entrepreneurs who moved from Houston to Dallas had the same growth rate.

So, there's nothing wrong with the people in your organization. What's wrong is the status quo. What's wrong is this belief that the new thing better be perfect because we're not going to give up the old thing unless you can prove that the new thing is perfect. And so, they stick with the old thing.

And the mistake, and I write about this in "Meatball Sunday," is to pretend you're playing it safe and then put some of that blogging Internet stuff on top of it. That's a disaster. I think the win is making sure the executive director reads your own email, making sure your

executive director has a blog, giving your executive director tools so he can see day by day how traffic increases.

Because people love feedback loops. And when they discover every time they take one step to the left something good happens and one step to the right something bad happens, they keep moving to the left, even subconsciously.

And what you need to do is establish cycles, so that people in the organization start keeping score of what's working. For a long time, you kept score of the open rate of the emails, or the response rate of the direct mail you sent out. And then it got so low you got disheartened and stopped keeping score.

Well, start keeping score of how many Squidoo pages you have, or how many friends you have on Facebook, or how many del.icio.us tags you got on your blog. Because what you'll see is that as those numbers go up, people want to do more of that. People don't get enough positive feedback in your line of work.

So, your job is to set up stories internally. Make heroes occur internally. Have celebrations, plaques, parties and parking spaces for people who do things that generate this sort of output. And then you'll discover it happens more.

Jono: We've had a lot of questions about blogging. And a couple individuals have written in to say, "I have personal blogs, and I think a blog would be great for my nonprofit, but I can't convince my executive director what exactly it is, and what the benefit is, and how it might even raise money for my organization. So, what are your feelings about nonprofits and blogs?"

Seth: Well, often people hear what I have to say and say, "My boss won't let me." And what they really mean is, "My boss won't agree to overhaul a whole bunch of big things and then if it doesn't work take the blame." Right?

Well, of course, your boss won't agree to that. What I'm provoking people to do is low risk, low cost things they don't have to ask the boss about. They just do them. And then, if they don't work they kill them. If they do work, they share them.

Your boss isn't going to fire you for starting a blog and writing some things that are completely in line with the ethos and emotion behind your organization. Your boss is going to fire you for making a stupid mistake that hurts the whole organization, or for not making enough mistakes.

But, I don't think the answer is you go in with a whole bunch of PowerPoint slides and a whiteboard presentation and say, "Can we? Can we? Can we?" I think what you do is discover how things work in the small, and then you can do them in the large.

Jono: This question comes from Imeh. Imeh says, "We are an extremely small, unknown self-funded group of full-time volunteers. Thus, we are not a household name. In addition, our subject and topic can also be somewhat embarrassing or taboo to talk about. This is a really difficult question, but what tips, suggestions or ideas such a small, unknown group like ours to even get our sole existence out, to help spread and tell our story?"

Seth: That's not a hard question at all. That's a great question. Number one, how dare you be a household name? We don't need anymore household names. We don't need more than 50,000 households to know who you are and what you do. The goal is not to colonize North America. The goal is to find a very small, tightly knit, loyal, obsessed community that cares deeply about what you do.

If your organization can get to 30 people who care that much, can each of you find 30 other people, one person at a time? Because if you can, now you have 900. And if you can do it one more time, then you have 27,000. After you have 27,000 passionate connected people, you won't need my help anymore.

Jono: Next question: "I get the concept of empowering your closest supporters to spread the word. But, are they now, by default, now in the hunting business we just left, trying to spread the word to outsiders who don't get it?"

Seth: Ah, but there's a very big difference. The difference is that the spam filters, the shields to clutter, is to prevent strangers from lobbing yet another irrelevant piece of junk at us. But, we take all those filters down when we're talking to a friend. We take all those filters down when we're talking to someone in our family.

So, if you go down the street, and you see on a Sunday morning the Korean church letting out, you'll notice almost all the people who are leaving are Korean. Well, how did that happen? It's still a church. Why is it all people from Korea? The answer is, because they knew each other before they got there. The answer is, because socially they connected and then introduced each other to this nonprofit that they spend their time at.

What we do first is somehow interact with people. We find people who are part of our drive. We connect with them over something. Then, from there we grow.

You can see this really effectively if you look at nonprofits on college campuses. Every year, a quarter of the college campus turns over. Every four years, it is a whole new population. And yet certain groups grow and thrive and spread and other ones stay isolated.

Well, one grows because it finds a tribe with which it resonates. It doesn't have to be a household name to everyone who is going into college, just enough. The other one may fail because it does not have an interesting story. It may fail because it doesn't resonate with people.

Jono: A couple of folks have asked if you could just give a quick overview again of what Squidoo is. And, more generally speaking, related to volunteers who donate more time than money, what is an efficient way to ask them to do things like create a Squidoo page or help spread the word about your organization through social networks?

Seth: So, here is what the user, the surfer sees when they see Squidoo. If you do a Google search, it almost never finds you exactly what you want. So, you hit the back button and you look at another thing and look at another thing.

What if there was a page that had on it the 10 best links, five best blog posts, three best YouTube videos, two books you should buy on Amazon, the key movie that you can rent from Netflix and a couple of items from eBay, all curated, all in order, all from a real

person, who has no obvious financial gain for your picking one over the other?

Squidoo is 600,000 or 700,000 pages, just like that one. Every one of those pages is built by a single person. So, it is a cross between about.com and Wikipedia.

The difference is that as a directory that people hand built, we want you to leave. The goal is not to come here and stay. The goal is, "Oh, there is the link I want" and you leave. "There is the blog I want" and you leave. "Oh, there is a book on Amazon." If someone clicks on that book that you recommended, Amazon pays us a commission and we give half that commission to you or the charity of your choice. We give 5% of it to charity on our behalf. We keep the rest to pay for our overhead.

So, the idea of Squidoo was to build a platform, an easy to use thing, easier to use than blogging, that anybody could build a page about whatever they are passionate about. Tulip gardening, scuba in Belize, which presidential candidate is smarter than the other one - it doesn't matter what you want to write about. We're not going to stop you.

Some people have built hundreds of these pages. Some people are making \$30,000 or \$40,000 a year from these pages. Many of our users - about one third - give all their royalties to charity. Our goal, my goal was to build a platform that, without causing anybody any pain in their pocketbook, would let them raise money for their favorite charity.

Jono: We have had some great questions that go right to the heart of the idea of flipping the funnel. Anisa writes in, "I would like to know how to go about controlling the message that your focus volunteers spread as opposed to what directly comes from the organization."

Seth: Eeeeeeeeeeeeh! You can't. You can't. If you need to control it, you can't do this. That is the essence of what is happening now.

Barack Obama made some really smart choices five or seven or 10 months ago. One of them was that you cannot control the detail of the message. You just have to be transparent living a story then hope that the people in your tribe, the people who believe what you believe, will act like grown-ups and tell a story that complements what you believe in.

Sure, there are always examples of where it doesn't, right? But, in our culture today, when someone sees a video on YouTube, they don't think he made it. They know one of his fans made it, maybe a 12-year-old, and it's OK.

But, the problem that the Salvation Armies of the world are going to have is if you want to empower people to talk about you, the word power comes with that. It is their power, not your power.

Jono: We have had several questions about when story-time turns into fundraising. In other words, we still need the money. When does that happen? Is it the base of loyal volunteers who are asking for the money? Maybe, sometimes our volunteers are uncomfortable asking for money. So, when does having great stories and spreading those stories eventually lead to an ask?

Seth: Well, first a quick dating analogy, which is that if you date enough people long enough, sooner or later you're going to get married. You don't want to worry about it

because if you propose to people on the first date, you're never going to get married.

The real insight here is if everybody talked about you, supported you, told stories about you and spread the word about you, do you really think money would be a problem?

Jono: This question says, "What do you think about the trend in philanthropy of designated funds and not general administration donations like Kiva and others?"

Seth: Well, I don't need Kiva as an example here because they are doing something fundamentally different than that. But, I love the example of, and you can see it at synagogues throughout this country, this desk was paid for by this guy and the doorway was paid for this guy, et cetera.

When people, for example starting a museum sell bricks for the walkway and put people's names on the bricks, you don't have to stand in front of the museum very long to watch people come and see where their brick is. If you want to give people a reason to talk, let them talk about themselves. It's everyone's favorite topic.

If you can get them talking about themselves at the same time they are talking about you, then you have really closed the circle because that is the sort of thing people want to bring up and people want to point out. It gives them ownership in what you have done.

Jono: Here is our next question: "Our small organization receives hundreds of clothing donors per year for our program. But, we are having a hard time getting financial donors because we are known for distributing clothing. In fact we have received so much clothing that it is actually costing us more money to store it. How do we turn the perception around that we need money in addition to clothing?"

Seth: Well, that's a great question. And it is about the story you tell. If the story that you tell is, "Salve your conscience by getting rid of the stuff in your closet and getting a tax deduction," then that story is powerful to a certain group of people.

Those people are not necessarily going to want to also hear the story of, "We need money to go do X, Y and Z." You have sold them one story. It is not clear that you have the ability to sell them story number two.

There is a second group of people though, who are much smaller in number, who are looking for the high leverage story. They are looking for the story that says, "We have \$1 million worth of stuff in a warehouse and we are going to have to throw it out unless we get \$10,000 for the shipping costs to get it somewhere."

So, the 10,000 to one million ratio of leverage is a very appealing story for a different group of people. I would work very hard to find those people. Let the people who are good at doing one thing, do one thing. And let the other people, who want to hear a different story, have that story.

Jono: Frank actually just wrote in to say, "Why don't you ask them to put five dollars in the pockets of the clothes as they drop them off?," which I think is a fantastic suggestion.

Seth: It's true. Having washed enough money in the washer, I think they would probably do better than I would at fishing it out.

I want to wrap up by saying one last controversial thing. That is three words, which are "How dare you?"

How dare you take all your time and your effort and your energy and the good work that has come before and settle for just good enough stuff, because your Executive Director is a twit?

How dare you build a mediocre website or continue with the spamming approach because it is what you have always done? When so much hard work by you and others, so much good work remains to be done, I think each of us has an obligation to get uncomfortable, to push to the edges and to do stuff worth talking about.

We have come so far that it would be a sin to stop right now.

Jono: Great words. Thanks again Seth for donating your time today. Thanks everybody for dialing in. I would invite everybody to visit the Network for Good Learning Center at www.fundraising123.org, where you can download a copy of Seth's e-book, "Flipping the Funnel." It's right there under the training tab. Once again, thank you everyone and thank you Seth for joining us today. Have a great day everyone.

Seth: Thanks. Keep up the great work. Bye-bye.

Jono: Bye-bye.