Advanced Project:

SWOT Analysis of Friends of the Orphans

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5/5/2011

I. Introduction

Definition of SWOT

What are the components of SWOT? **S**trengths, **W**eaknesses, **O**pportunities, **T**hreats. SWOT analyses attempt to give an organization a comprehensive visual of these four categories simultaneously. Frequently organizations may assess risks or try to develop opportunities without thinking about what their strengths and weaknesses are and how they may affect outcomes. While successes can be achieved in these categories alone, the organization is not utilizing the full potential of the organization if they do not also know its strengths and weaknesses.

Andreasen and Kotler summarize SWOT analysis as: "The internal environment tells the planner what is *desired* and what is *permissible*. The external market tells the marketer what is *possible*" (75). Although speaking of SWOT analyses from a marketer's perspective, Andreasen and Kotler's description of SWOT is certainly applicable for any leader in an organization who desires informed decision making and strategic planning. SWOT Analysis helps reconcile internal culture and structure with external possibilities.

A SWOT analysis is usually conducted through a collaboration of selected staff, but is also handled by outside consultants in some organizations. Through diagramming the strengths, weaknesses, opportunities, and threats, a visual breakdown of the organization is developed. From there, relationships between items in different categories can be assessed and recommendations made.

I will be approaching this analysis with perspective as both a former staff member and an outsider. The time spent at Friends of the Orphans provided me with hands-on experience in

the workflows and processes in the organization. This insight into the day-to-day work flows is invaluable as I map out the various characteristics of the organization. Conversely, my current status as an outsider allows me to escape from the habits or organizational culture that may subconsciously affect a staff member's ability to objectively and comprehensively assess the organization.

Scope of Analysis

This SWOT analysis will examine Friends of the Orphans, a nonprofit headquartered in Chicago. The analysis will be informed by my past experience as an employee of Friends, a current child sponsor to Friends, interviews with current employees, and examination of public records and financial statements. The goal is to thoroughly diagram the organization, provide highlights on key strengths, weaknesses, opportunities, and threats, and to offer recommendations based on the findings.

II. Introduction to Friends of the Orphans

Overview

Friends of the Orphans is a nonprofit organization headquartered in Chicago, Illinois that focuses on raising funds in the U.S. to support orphaned and abandoned children in Latin America and the Caribbean. Friends is part of an international network of nonprofit fundraising organizations supporting the efforts of Nuestros Pequenos Hermanos, a series of orphanages throughout Latin America and the Caribbean.

The organization started with a simple act of kindness in 1954 by Father William Wasson in Cuernavaca, Mexico. A homeless boy had been arrested after stealing from a collection box at Fr. Wasson's church. When authorities asked if Fr. Wasson wanted to press

charges, he declined and instead took the boy in to care for him. By the end of the first week, authorities had brought eight more homeless boys to Fr. Wasson to care for. By the end of the first year, he had 32 boys. With little resources, he put beds in an abandoned warehouse to care for the boys, and the family of Nuestros Pequeños Hermanos (NPH) was established.

Fr. Wasson's family and friends from his home state of Arizona began sending him money, clothes, or whatever else they could to help him take care of the boys. In just under 10 years, his NPH family had grown to almost 400 boys and girls. In 1965, Friends of Our Little Brothers was established as an official nonprofit organization in Arizona, created to support NPH. By 1999, 3 additional organizations located in Illinois, Minnesota, and Washington were formed. All called Friends of the Orphans, they operated independently but worked towards the same goal of supporting NPH. In 2005, the groups were all merged into one national Friends of the Orphans entity, headquartered in Chicago, Illinois. The individual organizations became regional offices, and two additional offices were added in Miami and Virginia. Recently, the Virginia operations have been moved to Boston and the region has added several more staff members.

Friends currently helps the over 3,600 children living at NPH homes. These homes are in Bolivia, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, and Peru. It is the mission of Friends of the Orphans to support these homes and transform the lives of orphaned, abandoned and disadvantaged children. With about 40 staff members and hundreds of volunteers, they strive to achieve measurable goals in the form of monthly and annual financial commitments to the NPH homes. NPH also receives funds through other,

independently run, organizations similar to Friends of the Orphans located in various countries around the world.

Internal History

As stated previously, Friends of the Orphans began in Arizona almost 50 years ago. Over time, various regional offices had developed a presence in their respective communities. With encouragement from the Nuestros Pequeños Hermanos board and the international board (NPHI), the regional offices agreed to come together under national leadership. NPHI focuses on coordinating communication and broad strategic concepts between the independently-run fundraising organizations who are supporting NPH from around the world, while NPH's board focuses on the governance, programs and funding of NPH.

The transition from independent regional offices to a national organization caused friction within the internal culture of the individual offices and their relationships with the new national leadership. Long time staff members were suspicious and resistant to many of the changes that coincided with the new structure. Longtime staff members vocally made their disapproval known in staff meetings and around the office. They also complained to donors and local partners, which caused challenges for future fundraising efforts because the donors were hesitant to support the changing organization.

A prominent challenge was the shifting dynamics of power throughout the organization. A Chief Executive Officer and Chief Financial Officer were hired to work in the Chicago office. Regional Directors who were accustomed to being the Executive Director of their individual regions now had to get approval from a higher authority. These approvals ranged from simple office equipment purchases to hiring plans, salaries, and use of older, pre-merger methods for

fundraising. Frustrations developed as the regional employees felt that their proven successes were undervalued and overlooked by the national leadership. This was made evident in discussions during staff meetings, vocal dissent around the office and in the five employees who quit in quick succession in mid to late 2008.

Historically, each office was composed of four standard staff members:

- a Regional Director, responsible for office oversight, individual donations, and planned giving

- a Special Events Manager, responsible for planning and executing fundraising events throughout the year

- a Child Sponsorship Manager, responsible for sponsor relations and acquisition of new sponsorships

- an Office Administrator/Volunteer Coordinator, responsible for administrative support, volunteer recruitment and management, and event support

The new CEO reconfigured the organizational hierarchy in an attempt to facilitate more peer to peer learning and faster development of fundraising sectors. In discussions of 2008's proposed budget, it was suggested that a new data management system would help to facilitate the communication between different regions and different departments. The increased speed and ease of communication would allow fundraisers to learn from each other quickly and to share budget tracking and target marketing ideas.

Ten new positions were added in the new structure:

- National Child Sponsorship Manager
- National Director of Major Gifts and Planned Giving

- National Child Sponsorship Operations Manager
- National Special Events Manager

- Child Sponsorship Operations Assistant
- Accountant

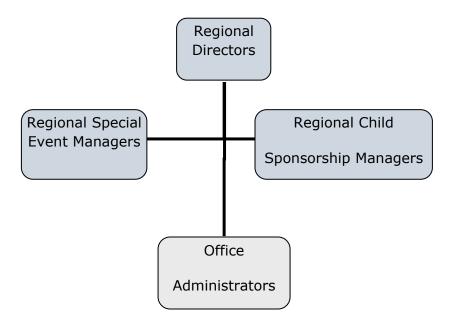- Child Sponsorship Correspondence Coordinator
- National Marketing Manager

- National Manager of Human Resources and Operations
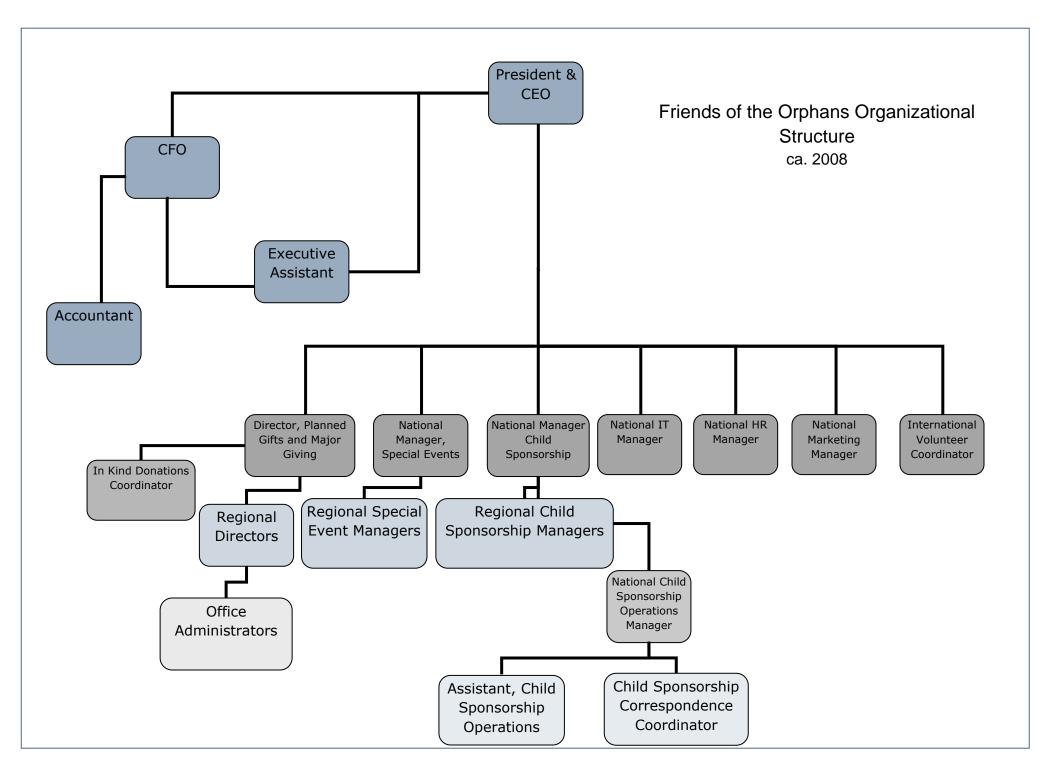- National Information Technology Manager

This dramatically changed the organizational structure, as evidenced in the three organizational charts on the following pages. Since 2008, when these changes were first implemented, Friends has seen a high employee turnover rate. Close to 50% of the positions at Friends of the Orphans have seen at least one turnover since 2008. This highlights the possibility that the National staff have not taken proper consideration of internal culture while attempting to achieve broader goals. Davis stresses that to attain success, "from the top of the organization to the bottom, people's strategic and operating activities must be aligned with the plan" (273). Friends' new leadership did not invest enough time in getting staff members on board with the new strategic plan, and because of the quick implementation, have had a difficult time getting staff to support the strategic plan or many new initiatives introduced since.

The following pages provide a visual representation of the organizational structure. First is an organizational chart that reflects the basic structure that Friends of the Orphans' offices had prior to the merger. Second, a chart showing the initial restructuring that took place in

2008. The third chart shows Friends of the Orphans in its most current organizational composition. The simple visual of the organizational charts allow you to see the immense change and added complexity that Friends has undergone in the past several years. Last in the series of charts is a simple SWOT diagram, which lists the strengths, weaknesses, opportunities, and threats identified in this analysis.

Friends of the Orphans Organization Chart, Basic Regional Hierarchy

(ca. 2005)

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                    ┌─────────────┐
                    │  Regional   │
                    │  Directors  │
                    └──────┬──────┘
                           │
┌──────────────────┐       │       ┌──────────────────────┐
│ Regional Special ├───────┼───────┤   Regional Child     │
│  Event Managers  │       │       │ Sponsorship Managers │
└──────────────────┘       │       └──────────────────────┘
                    ┌──────┴──────┐
                    │   Office    │
                    │Administrators│
                    └─────────────┘
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Friends of the Orphans Organizational Structure
ca. 2008

President & CEO

CFO

Executive Assistant

Accountant

Director, Planned Gifts and Major Giving

National Manager, Special Events

National Manager Child Sponsorship

National IT Manager

National HR Manager

National Marketing Manager

International Volunteer Coordinator

In Kind Donations Coordinator

Regional Directors

Regional Special Event Managers

Regional Child Sponsorship Managers

National Child Sponsorship Operations Manager

Office Administrators

Assistant, Child Sponsorship Operations

Child Sponsorship Correspondence Coordinator

President & CEO

Director of Marketing
Open

Executive Assistant

Director, Sponsorship &
Org Operations

Manager, Marketing

Chief Financial Officer

Mgr In-Kind Gifts
NPH Liaison

Natl Mgr, Human Resources

National Mgr, IT

Marketing Assistant

Accounting Manager

Accounting Clerk

Int'l Volunteer Coord

**MANE Regional Director
Major & Planned Gifts**

**SW Regional Director
Major & Planned Gifts**

**NW Regional Director
Major & Planned Gifts**

**UPM Regional Director
Major & Planned Gifts**

**MW Regional Director
Major & Planned Gifts**

Development Manager - SE

SW Office Admin/Vol Coor

NW Office Admin/Vol Coor .

Office Administrator

MW/NAT Office Admin/Vol Coor

Office Admin/Vol Coord SE

MANESpecial Events MGR

SW Special Events MGR

NW Special Events MGR

UPM Special Events Mgr

MW Special Events MGR

MA-NE Reg Mgr Sponsorship

SW Reg Mgr Sponsorship

NW Reg Mgr Sponsorship

UPM Reg Mgr Sponsorship

MW Reg Mgr Sponsorship

SE Reg Mgr Sponsorship

UPM Development Coord.

Mgr, Child Sponsorship
Operations

Asst. Child Sponsorship
Operations

Child Sponsorship
Correspondence Coord.

Friends of the Orphans
Organizational Chart
Spring 2011

Friends of the Orphans
Raising children. Transforming lives.

SWOT Analysis of Friends of the Orphans	
Strengths	**Weaknesses**
Committed Donors	*Employee Turnover*
Committed Staff	*No Clear Marketing Strategy/Cohesive Communications Strategy*
Diversified Staff	*Aging Donor Base*
Regional Presence	*Donors Restricting Funds*
Secular and Faith-based	*NPH Restricting What Constitutes Part of the Commitment*
Volunteers in NPH	*Impulsive Managerial Decisions*
Sponsorship Experience	*Poor Internal Communication*
Networking Technology	*Excess Workers*
Intellectual Capital	*Organization Becoming Too "Bureaucratic"*
History of Success	*Dispassionate Board Members*
Opportunities	**Threats**
Partnerships	*Competing Organizations*
Returning Volunteers	*Competing Needs*
Board Networking	*Political Unrest*
Prominent National Event	*Unreliable Foreign Postal Services*
Planned Giving	*World Economy*
Staff Development	*Negative View of Nonprofits*
Underdeveloped markets	*Xenophobia/Hostile Political Climate*
Cultivate grants	*Natural Disasters*
Streamlining operations to increase efficiency	

III. Strengths

Committed Donors

Friends of the Orphans' greatest strength is its passionately supportive base of donors. These are donors who are founding members of various branches of Friends of the Orphans, or donors who have visited one or more NPH homes. They are donors who have developed long lasting relationships with children at the NPH homes. The reliance on a large number of individual donors protects it from the economy fluctuations to some extent. Chuck Allworth, Midwest Regional Director, states that, "It is better to have a donor base a mile wide than a mile high." In other words, having a wide base of smaller donors means that Friends is more protected against the risk of a rapid and dramatic donation decline. If Friends had a smaller number of larger donors, it would only take the loss of a few donors to severely impact the bottom line. Unlike organizations that rely heavily on grants from private foundations or funding from the government, Friends of the Orphans can count on its loyal donors to maintain a consistent level of support, even increasing their total annual donations by 6% in 2009 over 2008 in spite of the dramatic effects the recession has had on many nonprofit organizations, according to the Friends of the Orphans 2009 Donor Report (4).

Committed Staff

While turnover is high, the entire staff is strongly devoted to the mission. The awareness of the needs of orphaned and abandoned children throughout Latin America and the Caribbean is a powerful incentive for staff to remain even when internal culture is volatile. Many are child sponsors and most have visited at least one NPH home. Even employees who have quit out of frustration with management continue to vocally and financially support NPH. Consistent

communication with active donors, NPH staff, and the children help to keep the staff mission-focused.

Diversified Staff

Different ages, professional backgrounds, linguistic and ethnic backgrounds combine to make a diverse staff that has potential to learn from each other and develop innovative fundraising and operational strategies. One staff member was a Peace Corps volunteer in Honduras, another volunteered for two years at the NPH home in Mexico. The Manager of Child Sponsorship Operations was born and raised in Honduras. Ages of the staff range from seasoned professionals to recent college graduates. Young employees keep salary costs down and energy high. More experienced employees provide the oversight and wisdom to channel the energy into constructive plans. This diversity offers more perspectives in staff meetings and strategic planning, helping Friends to identify more possibilities to achieve its goals.

Regional Presence

Friends has established deeply rooted local connections to communities throughout the country. This gives it an advantage in that it has a local feel and offers opportunities for donors from all over the country to attend small, local events, while maintaining the resources of a larger, national organization that allow for widespread name recognition and more broad-based fundraising initiatives. When timed right, all regions have benefited from national mailings and email appeals, while the costs of these mailings are kept down by the volume that an organization-wide purchase allows. Regions are able to learn from other regions to increase their own successes or avoid making decisions that didn't work for other offices. One example is how other regions learned from the Midwest and Upper Midwest regions that an annual golf

outing does not yield the donations or donor involvement that would make such commitment worth the time and financial investment.

Secular and Faith-based

NPH has strong ties to Christianity, particularly the Catholic Church. It was founded by an American priest, and all of the homes have a chapel and priest available for the children. However, NPH makes clear that they accept children of any religious background, and it is not their mission to convert children. Friends of the Orphans also makes clear that they are not a faith-based organization, and that anyone is welcome to be a donor or sponsor to the children. This allows Friends to develop strong partnerships with local churches while still remaining eligible for support of secular, governmental, or non-denominational support.

Volunteers in NPH

By offering an international volunteer program similar to the Peace Corps, Friends of the Orphans not only provides reliable, low cost help to the NPH homes, they are in fact creating future ambassadors for the organization. The volunteers, who stay at an NPH home for at least one year, become sources for passionate speakers at fundraising events, and their networks of friends and family become connected to Friends through the volunteer's experience. Often volunteers will return or write home and inform family and friends of a specific need, like when Mexico needed a pump for their fish pond, or when Honduras needed medical equipment for their surgical center. It appears that donors who hear of specific needs from a loved one who has witnessed it first hand are more willing to give to support the needs.

Sponsorship Experience

The chance to sponsor a child at an NPH home through Friends of the Orphans provides a tax-deductible opportunity for donors to connect in a meaningful way to where their donations are going. Correspondence to and from the child they sponsor allows the sponsor to exchange pictures, stories, and experiences that create a relationship between them and their child. Additionally, sponsors are encouraged to visit their child on Friends-organized donor trips, or on their own individual travels. Many sponsors visit when their godchild graduates or experiences other meaningful milestones, solidifying the long-term connection between the donor and their child, as well as Friends of the Orphans in general. According to Friends of the Orphan's 2009 Donor Report, 14% of its revenue comes from child sponsorships, evidence that sponsorship is a compelling way to ensure continued donations (4).

Networking Technology

Friends of the Orphans has networking capabilities between all regions across the country. This allows for immediate file sharing and increased collaborative opportunities. Friends also has an intranet with NPH, which allows current information to be easily accessible between countries. Fundraisers at Friends can identify specific projects that need funding before they meet with a donor, and can provide pictures and details should the donor be interested in learning more. This connectivity is extremely important as international phone calls are costly and many of the countries NPH works in have slow and unreliable mail. Many donors ask about the potential for communicating online with their sponsored children. Unfortunately Friends does not have the resources to sufficiently translate and monitor the correspondence to permit this. Because it is not accessible to all donors, the chance to have an

online video chat with their sponsored child has become a fundraising opportunity that Friends is exploring. Such experiences could be used as a raffle prize or as an incentive to give at a higher level.

IV. Weaknesses

Employee Turnover

One weakness is the high turnover rate of staff since the national merge took place in 2005. According to a recent survey from Opportunity Knocks, the turnover rate among surveyed nonprofits averaged 16% in 2010 (3). Friends saw a roughly 20-25% turnover rate in 2010. While that is not too far from the average for nonprofits in 2010, the reasons for turnover tell a different story. Over 30% of those who left positions in the survey were either fired or laid off (8). Friends terminated only one employee (2.5%). This promotes the idea that the turnover Friends is experiencing might be controlled by better efforts to retain employees.

The large turnover causes lapses in knowledge sharing, hiccups in important processes, and squanders potentially valuable opportunities. Oftentimes when an employee leaves, they do not sufficiently document the opportunities they were cultivating. A potential for a major donation may be lost simply because the new employee did not know there was a donor ready to be asked. Similarly, relationships built with potential partner churches and schools can be lost when the exiting staff member does not tie up loose ends before he or she leaves. Friends should implement a formal exit process in which Friends and the outgoing employee discuss the employee's files, contacts, and open projects.

No Clear Marketing Strategy or Cohesive Communications Strategy

Internal marketing such as new branding strategies or use of a new fundraising model was not appreciated at the beginning of the merge, and has been slow to develop in the past 6 years. Materials are often inconsistently used in different regions, and an effort to develop a nationally recognized brand has been slow in developing. In numerous phone calls I received while working at Friends, dozens of donors have been confused by materials discussing the merger, and are unsure if their local office still exists. Opportunities in national media coverage have been limited and often underutilized. Social media communications have been addressed as an afterthought, perhaps losing a younger potential donor base.

Aging Donor Base

One problem of having a base of donors who have been supporters for years is the reality that in the near future, many of these donors will be lost. Friends does not keep data on the ages of donors, but the fact that many of their supporters have been connected to Friends since its beginning years logically means that they are now 30-50 years older than when they began their philanthropic efforts with the organization. I personally received several calls from donors who asked to be removed from the list because they were moving to retirement homes, and two of the Midwest region's biggest supporters passed away between 2009 and 2010. The need to bring in younger donors is urgent to prevent an enthusiasm gap that dramatically affects incoming donations and future development.

Donors Restricting Funds

Oftentimes, donors know of specific projects needing funding at an NPH home, sometimes through Friends' own marketing materials. This can be a problem if the specific

project is not part of Friends' approved budget for the year. The National Board determines in-budget projects for each calendar year. Out of budget projects will still help NPH, but will not be included as part of the total commitment to NPH for the year. Additionally, restricted gifts can put immense pressure on the general operating funds budget when too many donations are specified elsewhere. Donors are often reluctant or unwilling to donate to general operating funds for Friends, as they think their dollars should all be going directly to the NPH homes. From a national perspective, this problem has grown compared to the pre-merger model, although exact numbers are not available.

NPH Restricting What Constitutes Part of the Commitment

One segment of Friends of the Orphans that is expanding rapidly is in-kind donations like medical supplies, school supplies, and clothing. However, NPH does not consider in-kind gifts to be a part of Friends of the Orphans' annual commitment. Although there is not one, definitive answer, it is perhaps that NPH views the task of quantifying the value of in-kind goods as too time consuming or subjective. Even though Friends donates millions of dollars worth of goods to NPH, they still have to financially satisfy their goals through transferred funds as well.

Impulsive Managerial Decisions

Thorough vetting of ideas that have strong impacts on staff or implications in the budget often does not take place. Frequently, the possibility of a success is enough to move forward without adequate consideration of budgetary implications. Most often overlooked is the cost of staff time to pursue impulsive projects. For example, the CEO saw that her daughter paid around ten dollars a visit to attend baby play groups with her child. The CEO then tasked a regional Child Sponsorship Manager with pursuing the idea of Friends running its own

playgroups as a fundraising initiative, without addressing the basic needs such as a facility, licensing, insurance, and, most importantly, an identifiable network of parents with young children.

Another example of this impulsiveness is seen where Friends' management has put too few staff in a region hoping to gain the benefits of regional exposure without the investment of time and staff to cultivate the area successfully. New regional offices or smaller offshoots have been attempted without funding sufficient to allow a profitable success.

Melissa Hoyt, Midwest Regional Child Sponsorship Manager at Friends of the Orphans, provided the example that Friends is currently trying to hire a National Marketing Director, but had not added any room in the budget for this staff member other than the salary. She is worried that the new director will be ill-equipped to accomplish the goals he or she is paid to achieve.

Poor Communication Between Regional and National Staff

All regional offices have a strong sense of independence that is demonstrated in their desire to move forward with events, donor trips, and fundraising strategies that are not always approved by the national staff. This causes conflict with mixed messaging, inconsistent branding, and potential overlap in communications with donors. Conversely, national management does not consult with regional staff members on policies before implementing them, as has been the case in certain ill-timed mailings. When a national mailer goes out too closely to a fundraising effort that a regional office is initiating, these mailers can then cannibalize the regional fundraising efforts. Often the direct mailers ask for smaller donations

to avoid alienating a potential donor, which may result in a far smaller donation than the Regional Director hoped to solicit from a particular donor.

As a result of the poor communication, intellectual capital is not shared and plans are not set up to succeed. Davis points out that the benefit of communicating effectively with staff "influences behavior to align work with the plan, thereby contributing to the achievement of strategic results" (335). Without attentive communication, staff members are not able to ensure their actions are coinciding with management's larger plans.

Excess Workers

The decision to add a lot of new positions in a short period of time has led some staff to feel that there are positions that are unnecessary or could be rolled into other employees' duties. For example, Friends of the Orphans hired a Human Resources manager to do a job that simply is not a full time position. Other than annual benefit plan renewals and ensuring the payroll provider is sufficient, there is little need for an on-staff human resources department. There is not room in the current budget to expand the roles and responsibilities of this position. The Human Resources responsibilities could be absorbed by replacing the Office Administrator with a higher level Office Manager able to complete both the tasks of the administrator and the small amount of human resources work. Another example is the National Director of Major Gifts and Planned Giving. The purpose of this position was to oversee the group of experienced Regional Directors, but rather than adding that responsibility to the most qualified and experienced Regional Director, the CEO added on another staff member with a six figure salary, few demonstrable responsibilities, and no previous employment as a fundraiser.

This sense of wastefulness is damaging to morale, and the bottom line of the organization is damaged by excessive spending of general operating funds. Additionally, as staff find themselves with too much down time, they "begin to intrude on each other's work and coordination becomes more difficult, complaints increase and operations become less efficient" (Barner 133). This can create a gossipy culture that further erodes confidence in organizational leadership.

Organization Becoming Too "Bureaucratic"

Long time donors to Friends of the Orphans have grown accustomed to an organization with a grassroots, local feel. After the merger, donors have frequently complained of the "corporate" feel of the organization. Based on my experience answering phone calls and receiving Friends' mail, I received dozens of complaints from donors about the new auto-prompt phone system and what they perceived to be a confusing mix of regional and national communications. Some mail is sent with the national office address, and some is sent with the local office address, which further confuses donors. Sponsorship payments and correspondence to the children used to be processed at regional offices. Now, all payments and letters are processed in the national office. Although this was done to streamline the process, many donors feel that it has made it less personal and harder to resolve questions that arise.

Inactive Board Members

Each office has a regional fundraising board. While many of these board members are active and enthusiastic, there are a several board members who do not actively participate or raise funds. These members are often kept on due to a notion that any board member is better than no board member. This sentiment has been implied through conversation with Friends of

the Orphans' staff about the frustrating lack of commitment of some board members. The feeling conveyed was that it is challenging to find new board members, so it is necessary to tolerate the inaction of those who are less involved.

Many times board members are not entirely clear on what is expected of them. Fritschner writes that this lack of clarity causes dissatisfaction in board members who will then "begin to miss meetings with or without notice, and fall away from active participation" (44). This means more staff time spent to track down the board member, more board meeting time spent catching absent board members up to speed, and missed opportunities for those board members to fulfill their fundraising commitments to Friends.

V. Opportunities

Partnerships

Opportunities for growth through partnerships are abundant. Although Friends itself is not a religious organization, its history makes a strong case for partnerships with parishes throughout the nation. The existing relationships between Friends of the Orphans and churches have yielded high returns on both sides. This can be seen is the thousands of dollars Friends has received through a second pass of collection plates during church services and in the cultural experience parishioners take part in when the children of NPH visit. Additionally, many parishioners hear about sponsorship for the first time through these partnerships, and go on to enjoy years of developing a friendship with a child at NPH. Friends has the potential to increase its network of church partners exponentially through careful planning and well executed strategy.

A recent partnership that holds great potential is the teaming up of Friends with Ciudad de los Niños, an orphanage built in Mexico by Michigan State football player John Shinsky. Friends provides the connection to NPH and the expertise of running an orphanage in Mexico. John's connections to famous athletes and his compelling story of overcoming life in an orphanage himself create many opportunities for the two organizations.

Returning Volunteers

Former NPH volunteers who have spent long periods of time living at NPH homes possess an amazing potential for increased awareness and fundraising. Reaching out to these volunteers before they leave to volunteer and when they return could help solidify the volunteer's closeness to Friends of the Orphans as well as NPH. Former volunteer, Melissa Hoyt, brings her NPH experiences to the Friends of the Orphans office. Her compelling stories of the big-hearted little boys she cared for in Mexico are always tear-jerkers at fundraising events.

Board Networking

Board members of Friends of the Orphans are often wealthy and connected. They possess great potential in their networks of people. There is opportunity for individual donations, corporate sponsorships, and skilled volunteer services provided by contacts of the board members. Peter Drucker said, "Good boards don't descend from Heaven. It requires continuing work to find the right people, and to train them" (179). This sentiment is important for Friends' leaders to remember. It is important not to become complacent with the board you have, but rather to develop the board you want.

Prominent National Event

Friends has begun developing National Siblings Day as a themed annual event. The opportunity to connect siblings in the U.S. with siblings in Latin America and the Caribbean provides a learning experience for children on both sides, and a chance to develop long lasting pen pal relationships. These events have a higher chance of large attendance because they provide the benefit of a family day that everyone can enjoy, as opposed to traditional fundraising events whose primary purpose is to ask for donations.

Planned Giving

While it is also a danger to Friends' continued success, the aging donor base also means more donors who are thinking about their will or estate plans. Planned giving has given Friends large unexpected boosts of revenue at critical moments, and with continued development of the planned giving program, Friends has opportunity for large gains in the future. It also offers donors a way to feel like their passion for the children of NPH is carried on even after they are gone.

Secular Donors

For years, Friends has worked intensely to cultivate Catholic Churches and the Catholic community. It has been a natural focus, as most of their initial supporters were connected to the Church and thus shared Friends with their spiritual community. While Friends must certainly continue to cultivate this segment of donors, it is important that they are identifying new networks to reach out to next. Cultural groups connected to the countries which Friends serves would be great places to hold informative events, as would public high schools and colleges. This is a relatively untapped market for Friends that holds amazing potential.

VI. Threats

Competing Organizations

One of the largest threats to Friends of the Orphans is the increasing number of similar charities. Similar charities also offer donor trips to meet sponsored children, and several of these organizations are better funded. Perhaps the largest is World Vision. They have a similar concept of child sponsorship, but a much more donor-accessible website that allows donors to choose a child. Their website also offers creative ways to give such as via catalog shopping or through microfinance. Friends of the Orphans needs to position itself with identifying qualities that appeal to donors.

Competing Needs

The influx of donors that responded to the Haiti earthquake are losing interest now that the "story" of it is over. Donors are no longer inundated with news articles and television features on the devastation in Haiti. It is important for Friends to acknowledge and reach out to these donors to keep them connected. The stories featured in the media during the time around the earthquake were compelling, but since then have moved focus onto newer tragedies elsewhere in the world. The recent devastation in Japan is just one example of a need acting as a competitor for donations.

Political Unrest

Political turmoil in the countries where NPH operates poses a continual threat to the success of Friends' mission. Recently in Nicaragua, the president wanted to eliminate orphanages because of the negative connotations, and was trying to force NPH to send children back to relatives who had already given their children up either because they could not afford

to provide for them or because they had substance abuse, mental health, or criminal problems. Luckily NPH was able to retain its orphanage operation because of the strong positive reputation it has earned. Friends needs to be prepared for national crises that can pop up overnight.

Slow Correspondence

Child Sponsorship is marketed as a way to connect with a child in the NPH homes. However, donors often do not understand the long delays in correspondence that can occur because of the mail systems in foreign countries. Friends has little control over the speed or reliability of the foreign mail services, and thus must develop ways to streamline its own operations to offset some of the delay.

Economy

While it is certainly not exclusive to Friends, the volatile economy is threatening the organization's ability to achieve its goals. Children at NPH homes have had to make sacrifices and staff at Friends has lost both benefits and a 10% cut in pay for over a year. Although the impact of the economy has been buffered by the wide base of individual donors, the economy still threatens individual gifts, grants, and child sponsorships. It also poses the threat of increased need in the NPH homes, as more children may be given up when families cannot afford to take care of them. The poor economy not only threatens individual gifts and grants, but also has severely reduced investment income that Friends accounts for in its budget.

Negative View of Nonprofits

The past several years have seen countless news stories about nonprofits large and small who have misused funds and misled donors. One anecdotal example used by DePaul

Professor, Rebecca Lindsay-Ryan, was how the Red Cross solicited donations after 9/11 by using images of the terrorist attacks, but was actually not designating that money for 9/11 recovery efforts. There have also been numerous stories about nonprofits set up to support the troops that are really not much more than fronts for scam artists. As a result, donors are becoming increasingly reluctant to give and often put more restrictions on their donations. Prominent news stories about misappropriation of funds at nonprofits strongly discourage donors from giving, even to organizations that have garnered no bad press coverage.

Xenophobia/Hostile Political Climate

The immigration debate has created a subgroup of people with hostile feelings towards foreigners, especially those from Latin America. It has increased the sense of "we should help our own people first." This sentiment has made its way into donors who have given for years. I was astonished to receive letters echoing this sentiment from longtime donors. In one letter, a woman wrote that her grandchildren couldn't get jobs other than babysitting, so she wouldn't support Friends until her grandchildren received the jobs she felt they deserved. While Friends cannot singlehandedly stop racism, it can counter it with positive success stories of the children of NPH and how their lives are transformed.

VII.   Current Management of SWOT

Currently, Friends of the Orphans leadership does not have any publicly stated interest in conducting a SWOT nor have they given any indication that a SWOT has been conducted. They have undergone intense strategic planning sessions, with mixed results.

Good ideas that came out of the strategic planning included a comprehensive written plan with goals, target dates, and responsibilities. Additionally, staff members were allowed to

openly suggest what they believed to be important focus areas in the years to come. After a long discussion, the entire staff voted on the suggestions to determine what priorities were widely shared.

The results of the voting process became problematic when leadership realized the results did not line up with what they saw as important priorities for the strategic plan. They decided to override the vote and instead base priorities on their expertise. While leadership making executive decisions is certainly good practice, the act of voting on priorities first made staff feel that they were not respected or taken seriously. The vote should not have been a part of the strategic plan because not adhering to the results caused increased skepticism of the strategic plan by staff members.

This collaborative strategic planning process took place in 2009, and has not been repeated. There has not again been a meeting of all staff members to participate in strategic planning. Instead, team meetings are used to determine team goals and then Friends leadership determines how best to address the teams' ideas.

VIII.   Recommendations

Utilizing Competition

Friends needs to take great care to differentiate itself to its target audience. Friends can utilize competing organizations by identifying their strengths and weaknesses. A thorough study of similar organizations should be conducted, perhaps by graduate students to keep costs down. Benchmarking itself against other organizations, Friends can narrow in on a niche that allows it to separate itself from the competition.

Brainstorming Meetings

Keeping employees focused only on their own daily tasks is a business practice that is rapidly becoming obsolete among competitive businesses and nonprofits. Covey states, "Intellectual and social capital are key to leveraging and optimizing all other investments" (255). An organization that takes advantage of its intellectual capital is one that has an edge on competitors. Sometimes the staff who are in the midst of the day to day functions of the organization can provide profound insight and innovative solutions to make the organization more efficient and more successful. Management should encourage and facilitate cross-departmental brainstorming meetings to encourage creative thinking throughout the organization.

Cultivate Grant Opportunities

In the past, Friends of the Orphans temporarily contracted a part-time grant writer. The fact that she was part-time and working remotely inhibited her from becoming intimate enough with Friends to fully understand the organization's potential. For an organization as large as Friends, that seems like an incredibly insufficient investment in grant solicitations. Friends has a compelling mission and a long history of success that would be appealing to many foundations, trusts, and endowments. By sporadically investing a minimum amount of time and resources to this revenue segment, Friends is potentially missing out on tens of thousands of dollars in grants.

Grant writing needs to have a dedicated staff person who is focused on requests for proposals, deadlines, and grant requirements. This person needs to be able to concentrate on writing grants, developing fundable projects to make grants more appealing, and to outreach

and research on potential funding organizations. Axelrod suggests that for every grant writer you have, "you ought to have seven or eight full-time staff working on individual giving" (20). Friends has over 20 people working on individual giving, so it would make sense to have at least one grant writer to focus on this untapped potential income.

Streamlining Operations

As a national organization, Friends has not yet developed a smooth and efficient process for many areas. Regional offices still prefer to do many things the way they always have, and National has not taken time to invest in organization-wide standards. It is recommended that Friends of the Orphans begin developing Quality Assurance standards for work flows, financial processes, communications, and human resources policies. ISO standards are too complex for Friends of the Orphans' needs, but could be used as a starting point for developing organizational policies.

Staff Development

One item lacking from Friends' annual budget is staff development. Occasionally it is important for staff to network with peers and learn what has been successful for other fundraisers, administrators, and event planners. Most staff members could benefit from at least one training session or conference a year to keep them abreast of new ideas, technology, or management strategies. Davis suggests using a "rigorous, continuous, and highly selective system for testing, selecting, training, and developing leaders, managers, and functional experts in the competencies needed to succeed in the long term" (286). Friends should invest in its employees in order to increase staff retention and to increase the intrinsic value of the staff.

Board Expansion

Friends of the Orphans needs to conduct a SWOT analysis on its boards. Both national and regional boards have many strengths and weaknesses that need to be identified for targeted board recruitment. One recommendation by Kaki Friskics-Warren is to develop a chart or grid that lists the various categories or attributes needed for the board. Each member or potential member can be added to this grid to ensure that they each fulfill at least a few of the roles needed by Friends.

Friends then needs to utilize current data they possess on companies and cultural organizations in order to identify potential board members that they would like to recruit. Friends has already developed a list of potential companies they saw as potential partners for fundraising purposes. By first recruiting employees from some of these companies to become board members, Friends will increase its chance of corporate donations, partnerships, and wider recognition within new networks.

Marketing Recommendations

Friends of the Orphans' year-long volunteer opportunities have an appeal similar to the Peace Corps, but there are so few positions available that qualified volunteers are often rejected. It is recommended that Friends diversify the offer to reach these young college graduates. By offering shorter volunteer opportunities that focus on completion of a specific project, more students could participate. These opportunities could be experiences like summer internships or week long mission trips. When volunteers return from a home, they become invaluable sources of word-of-mouth testimony to the organization. They can then be asked for help raising funds for projects, encouraging sponsorship to their family and friends,

and speaking at fundraising events. By increasing these kinds of supporters, Friends would be creating a large network of volunteer marketers ready to promote the message and influence people to support the organization.

Another recommended marketing initiative would be to emphasize the value proposition of the relationship built with your sponsored child. Based on information from an internal Friends of the Orphans sponsorship survey, it is likely that younger sponsors are motivated to continue because of the connection they form with their child. Marketing this to young people interested in mission trips or volunteering could shed new light on the sponsorship program, which is more often marketed to an older population of sponsors. Additionally, highlighting the low cost of thirty dollars a month to sponsor a child is a way to show young people they can feel like they are making a difference without needing to donate a large amount of money.

Friends of the Orphans is currently searching for a National Marketing Director. This person should focus on the development of a marketing knowledge system (MKS) to better control and utilize the information Friends of the Orphans already has and continues to obtain. Centralizing these efforts would allow for more relevant information to be gathered efficiently. For example, the sponsorship survey could have included some questions about planned giving to get research data for that fundraising initiative without having to spend money on a completely different survey. For a national organization with several regional offices, this central MKS would make the marketing efforts much more cohesive under the national brand, and regional offices could benefit from the shared data collected from other regions. A

consistent and streamlined MKS would provide Friends of the Orphans with a vital resource for becoming a truly target audience centered organization.

IV.   Conclusion

This SWOT analysis of Friends of the Orphans reveals an organization that has amazing potential. For any of the recommendations to be successful, Friends first needs to repair and enhance its internal communications and work flows. This starts by focusing on getting staff on board with the leadership. Only after the leadership has strong support from the staff will successful integration of the recommendations be possible.

It will be important for Friends to identify options for both quick results and long term solutions and goals. One cannot be done without the other. Immediate results will boost cash flow and reserves, which enables long term planning to be tangible. Where possible, Friends should strive to find ways to quantify success to report to donors, potential grantors, and its own employees. Internally, Friends should aim for a qualitative return on investment in its employees. Addressing the items identified in this SWOT analysis will empower Friends of the Orphans to become a reputable nonprofit powerhouse among competitors.

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