

Unrealistic expectations set by management have reduced the average Chief Development Officer (CDO) tenure to one to two years.

CDO Confidential

**WHAT CDOS WANT YOU TO KNOW
ABOUT RETENTION**

A National Study on Nonprofit Chief Development Officer Retention

Campbell & Company

Advancement Planning • Fundraising • Communications • Executive Search

INTRODUCTION

Unrealistic expectations from management are the primary reason behind CDO turnover.

ACCORDING TO THE ASSOCIATION OF FUNDRAISING PROFESSIONALS (AFP), the average tenure of nonprofit Chief Development Officers (CDOs) has shortened to two to three years over the past decade. While the opinions regarding the causes of the shorter tenure vary, many nonprofit experts agree that this trend has troubling consequences. Shorter tenure in leading development roles not only leads to difficulty maintaining donor relationships, but also hinders the development and execution of long-term fundraising strategies.

Campbell & Company, a national nonprofit consulting and executive search firm, recently completed a nationwide survey to understand

the reasons behind this trend. CDO Confidential received responses from more than 400 Chief Development Officers and Chief Executive Officers to gain multiple perspectives. The sample included organizations with a wide range of missions, budgets, staff sizes and geographic areas.

Our findings show that unrealistic expectations from management are the primary reason behind CDO turnover. Other factors include a lack of sufficient resources and cooperation between CDOs, CEOs and Boards.

We see this study as an opportunity to start a wider conversation about the issue of CDO retention. We hope you will join us.

KEY FINDINGS

1 Short tenure

Fifty-two percent (52%) of CDOs served one to two years in their most recent position, confirming anecdotal evidence of shorter tenures.

2 Unrealistic expectations

CDOs (75%) and CEOs (61%) cited unrealistic expectations are the number one reason behind CDO turnover.

3 Reasons for departure

Twenty-eight percent (28%) of CDOs cited their organization's lack of understanding of development as a reason for their most recent departure.

4 Inadequate resources

Fifty-eight percent (58%) of CDOs felt they did not have the resources to do their job effectively, and twenty-nine percent (29%) of CDOs indicated professional development as their primary need.

5 CEOs & Board support

Forty-six percent (46%) of CDOs felt they had either "excellent" or "above average" support from their board with sixty-four percent (64%) of respondents citing "excellent" or "above average" support from their CEO.

6 Understanding development

Eighty-two percent (82%) of CDOs felt their CEO had either a very good or general understanding of the role of development in the organization. Fifty-six percent (56%) of CDOs felt the rest of their organization had a similar understanding.

7 Compensation

While thirty-three percent (33%) of CDOs did not feel they were "adequately rewarded," seventy-one percent (71%) of CEOs felt they were offering a competitive salary.

8 No succession plan

Eighty-two percent (82%) of the respondents stated their organization did not have a development team succession plan.

9 Biggest challenge facing the CDO in 2013

Forty-two percent (42%) of CDOs felt "increasing competition for donor dollars" will be the biggest challenge for the role of the CDOs in 2013.

NOTES ON TERMINOLOGY

Executive Director / CEO

The titles Executive Director and CEO both denote nonprofit organizational leadership positions. For the purposes of clarity, we use CEO as a general term for an organizational leader.

Development Director / CDO

Nonprofits also use various titles for the highest ranking development staff position. In this study, the title CDO refers to the development leader of an organization.



KEY FINDINGS

1 SHORT TENURE

Fifty-two percent (52%) of CDOs served one to two years in their most recent position, confirming anecdotal evidence of shorter tenures.

While only six percent (6%) of CEOs expect their CDOs to serve less than two years, over thirty-four percent (34%) of CEOs had to find a replacement after only two years of service. Fifty-two percent (52%) of CDOs served one to two years in their most recent position with twenty-nine percent (29%) working three to five years.

2 UNREALISTIC EXPECTATIONS

When asked about the reasons CDOs leave their positions / organizations CDOs (75%) and CEOs (61%) cited unrealistic expectations by the management team most often. Poor performance and ineffective cooperation with the CEO and Board being the next two most popular answers among CEOs.

CEOs were asked: What are the reasons the turnover rate for CDOs has increased?





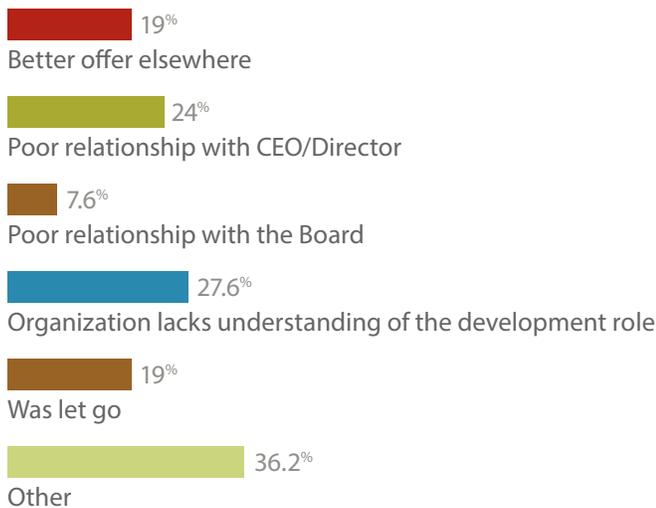
KEY FINDINGS

3 REASONS FOR DEPARTURE

Twenty-eight percent (28%) of CDOs cited their organization's lack of understanding of development as a reason for their most recent departure.

Additionally, twenty-four percent (24%) of CDOs cited a poor relationship with their CEO as the reason for their departure. Thirty-six percent (36%) had other reasons, with the three most common being relocation, restructuring within the organization or a new opportunity.

CDOs were asked: What were the reasons for your most recent departure?

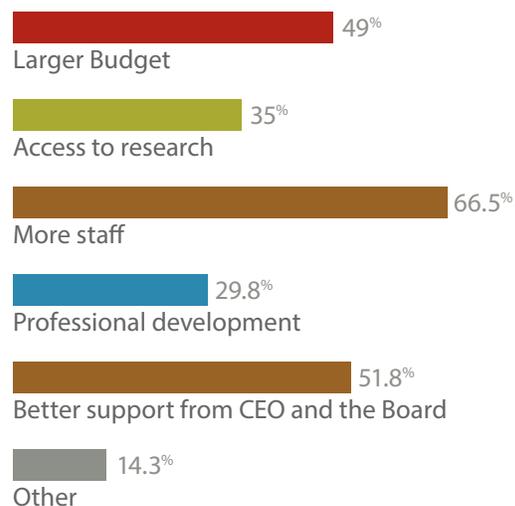


4 INADEQUATE RESOURCES & TRAINING

Fifty-eight percent (58%) of CDOs felt they did not have the resources to do their job effectively, the most common being staffing.

Staff training represents another need. When CEOs were asked to rate the importance of talent development, sixty-three percent (63%) responded that training is very important, with an additional thirty-three percent (33%) indicating that it is important. However, when CDOs were asked about the last time they were offered a development training course, thirty-three percent (33%) responded over 10 months ago.

CDOs were asked: What type of resources do you need to do your job effectively?





KEY FINDINGS

5 CEOs AND BOARD SUPPORT

Forty-six percent (46%) of CDOs felt they had either “excellent” or “above average” support from their board with sixty-four percent (64%) of respondents citing “excellent” or “above average” support from their CEO.

Thirty-three percent (33%) felt they had average support from their board. Twenty-one percent (21%) felt they had below average or poor support from their board.

When CEOs were asked about the level of their cooperation with CDOs, seventy-seven percent (77%) said they worked very closely together, with ten percent (10%) reporting average involvement. Ten percent (10%) reported little to no involvement.

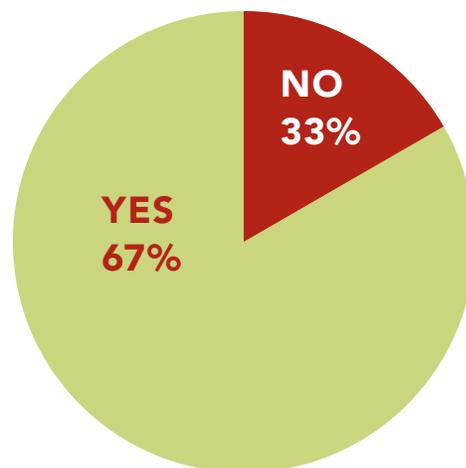
6 UNDERSTANDING DEVELOPMENT

Eighty-two percent (82%) of CDOs felt their CEO had either a very good or general understanding of the role of development in the organization. Fifty-six percent (56%) of CDOs felt the rest of their organization had a similar understanding.

7 SATISFYING REWARDS

Sixty-seven percent (67%) of CDOs felt they were adequately rewarded for their work. Seventy-one percent (71%) of CEOs felt they were offering a competitive salary to the CDO.

CDOs were asked: Do you believe you are adequately rewarded for your job?





KEY FINDINGS

8 NO SUCCESSION PLAN
Eighty-two percent (82%) of CEOs stated their organization does not have a development team succession plan.

9 BIGGEST CHALLENGE FACING THE CDO IN 2013
The majority of CDOs (40%) felt their biggest challenge in 2013 would be increasing competition for donor dollars. An unstable economy was the next most common answer.

CDOs were asked: What is the biggest challenge facing CDOs in 2013?



Methodology

Campbell & Company distributed two email surveys targeting CEOs and CDOs from November 2012 through December 2012.

The surveys yielded 418 responses, 260 from CDOs and 158 from CEOs, which were collected and analyzed by Campbell & Company in Chicago, IL.

The survey sample was a sample of convenience, and did not include all nonprofit organizations listed in the IRS master file, meaning that some nonprofit sectors may be underrepresented.

About the Sample

Respondent Demographics

The following charts include details on the sample of chief executive officers and chief development officers and their organizations.

CDOs

A total of 260 CDO respondents. Eighty-five percent (85%) had previous experience as a CDO.

Arts and Culture **14.4%**

Environmental **4%**

Foundations **4%**

Health Care **14.8%**

Higher Education **18.6%**

Human Services **17.6%**

Independent Schools **7.6%**

Professional Association **2.8%**

Other (including Faith-based, Youth Development and International) **15.3%**

Annual revenue:

Less than \$100K **0.4%**

\$100K - \$499K **2%**

\$500K - \$999K **2.4%**

\$1M - \$2.49M **16%**

\$2.5M - \$4.9M **12.8%**

\$5M - \$9.9M **13.6%**

Greater than \$10M **52.8%**

CEOs

A total of 158 CEO respondents. Sixty-eight percent (68%) had previous experience as a CEO. Over thirty-two percent (32%) held an alternate title, including President, Executive Director.

Arts and Culture **10.4%**

Foundations **8.5%**

Environmental **0%**

Health Care **17%**

Higher Education **11.3%**

Human Services **21.7%**

Independent Schools **0.9%**

Professional Association **9.4%**

Other (including Animal Welfare, Faith-based and Community Change) **20%**

Annual Revenue

Less than \$100K **3.8%**

\$100K - \$499K **16%**

\$500K - \$999K **14.2%**

\$1M - \$2.49M **15.1%**

\$2.5M - \$4.9M **13.2%**

\$5M - \$9.9M **14.2%**

Greater than \$10M **23.6%**

CONCLUSION

The average CDO tenure has reduced to between one and two years, due to unrealistic expectations from management, a lack of resources and a shortage of staff. After being onboarded, which can take between eight months to a year, CDOs have much less time to drive meaningful change. As a result, nonprofits will find themselves continuously

challenged on a number of fronts: from maintaining strong donor relationships to developing longer-term fundraising strategies.

Campbell & Company plans to hold a series of conversations to discuss strategies to lengthen CDO tenure. We hope you will join us!

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Campbell & Company's Executive Search team connects organizations with visionary leaders who can drive continued growth. We pay careful attention to the nuances and complexities of each client and draw on our extensive networks to find the ideal fit. Campbell & Company maintains offices in Chicago, Portland, Los Angeles, the San Francisco Bay Area and Washington, DC. For more information, please call toll-free (877) 957-0000, email info@campbellcompany.com or visit campbellcompany.com.

Follow the Conversation

Monday, April 8 from 1:15 - 2:30 PM PST, [Marian Alexander DeBerry](#), Director, Executive Search, presented qualitative and quantitative findings from a nation-wide survey at the 50th annual conference on fundraising at the [Association of Fundraising Professionals](#) (AFP). Learn more [here](#).

Listen In

Wednesday, April 24, at 12:00 PM CST [Andrew Smerczak-Zorza](#), Consultant, Executive Search led a panel discussion regarding the results of the survey during a Campbell & Company [webinar](#).

Join the Conversation

Wednesday, May 22, from 8:00 - 10:30 AM CST, [Marian Alexander DeBerry](#), Director, Executive Search, together with [CompassPoint](#), will discuss the findings of two independent surveys, *CDO Confidential* and *UnderDeveloped*, during a luncheon at the [Donors Forum](#).