

The Changing Nature of Community: Leveraging the Internet to Build Relationships and Expand the Reach of Your Organization

Steven R. MacLaughlin
Blackbaud

THE ESSENCE OF COMMUNITY

The group has gathered together once again from distances far away and nearby. They have come together for the annual gathering on the lake shore; a traditional reunion to renew their connection to one another and to reminisce about days gone by. It has continued more years than one can count. Going by so quickly, can one truly grasp its significance in the moment?

The elders of the group enjoy themselves amid the buzz and activity that surrounds them. Their children are now parents themselves who are caught between moments of relaxation and frenzied activity. The youngest of the group are up early each morning and seem to have tapped the rays of the sun to fuel them through the day. There is food and drink and festivities in full swing, until the sun dips just below the horizon.

As everyone in this budding community draws closer together around a fire, stories are shared from days gone by. The intensity of the fire is rivaled only by the warmth generated by a community brought together by common bonds.

This scene could have taken place 3,000 years ago or three days ago. It is a scene that reminds us of the communal bonds we have between family members. But it also invokes the spirit of community between people. This is the kind of close community feeling individuals and organizations strive to capture.

At its core, the Internet, like any community, is a group of people linked by shared relationships, experiences, beliefs, or goals. Such a broad definition is important to note because communities are all around us whether we realize it or

not. A community is also a reflection of its members and can be very fluid and dynamic. Like physical communities, Internet communities are untethered organic entities that change shape, size, and other characteristics over time.

This in part explains why physical corporations or organizations struggle with understanding and creating communities. Communities often subvert authority not of their own making. This can be a force for good, but obviously there is always the potential for ne'er-do-wells.

Given all of these characteristics, it should come as no surprise that “communities” have taken up root on the Internet. The climate with its nonlinear amorphous space is a perfect new homestead for communities. Over time, the Internet has been settled by different kinds of communities, and it continues to grow at a rapid pace.

Still, some important questions remain for nonprofit organizations. How do we transcend the limitations of distance, geography, age, language, disability, and culture to build an online community among our supporters? How do we rekindle the flame of familiarity and spark interaction for the greater good? How do we stand out in a sea of choices for our constituents? These questions, and many more, will be explored as we seek to understand the changing nature of community. Let us first start with understanding the link between community and philanthropy.

COMMUNITY BUILDING IS CENTRAL TO PHILANTHROPY

A fundamental reality of fundraising is that people give to people with causes, not to organizations. Buildings and brochures may in some ways influence people, but they cannot hold a conversation. People need to feel a personal connection to the causes and initiatives they choose to donate to. The power of personal content, communication, and collaboration all combine to create a sense of community.

In that sense, community building is fundraising—you cannot separate the two. They are intertwined in their creation and growth over time. However, building a community is no simple feat, and there are no magic wands, silver bullets, or shortcuts to doing it effectively. Many organizations believe that their communities will appear spontaneously with little or no effort. This is simply not the case.

The reality is that you have to remind people of the communal connections they have to your organization. Their memories might be a bit hazy. Their vision might be a bit blurry. Their focus might be a bit fuzzy. You need to put the wheels in motion to make these connections more front and center.

Aristotle famously wrote in 328 B.C. that “man is by nature a social animal.” Thankfully, you do not have to be a Greek scholar or philosophy expert to understand the truth in that statement. People have a natural desire to be connected to others. This is true of family members, friends, neighbors, coworkers, and anyone else in their relationship circle.

People connect in part through shared unique experiences and information. That is the common denominator in the equation of their relationships. Perhaps they are family members, attend the same school together, belong to the same club or organization, attend the same events, read the same publications or blogs, cheer on the same sports team, are colleagues in the same profession, or worship together in some way.

People also connect through helping others and making a difference in the world. This connection may be made primarily by an individual, but certainly there is a larger group of other supporters present where there is a connection. Many individuals get involved through volunteering, serving on boards, or participating in events. Their individual contributions of time and talent help both the organizations and the world around them. The people they meet along the way help to build a tight-knit community. These interactions create lasting connections long after they take place.

Finally, people connect by interacting with others in a personal way. This might be in person, in writing, over the telephone, on radio or television, or online. It is this shift to the online medium that is becoming a catalyst for change among nonprofit organizations. Never before have people been able to transcend the physical boundaries of location, language, or other limitations to connect with one another in such powerful ways.

THE INTERNET CONTINUES TO TRANSFORM THE NONPROFIT WORLD

As the Internet continues to change how businesses interact with their customers, it also transforms how nonprofits interact with their constituents. Organizations continue to increase their use of Web content, e-mail, and other Internet communication vehicles to extend their reach.

Online fundraising generated through the online channel also continues to increase steadily. Studies and surveys consistently indicate that online donations are growing at a higher rate than offline giving. Although the dollar amounts do not yet exceed traditional fundraising, they are certainly no longer something to be scoffed at or ignored.

While the use of the Internet continues to grow by nonprofit organizations, their use of more sophisticated online fundraising techniques remains largely under-developed. This slow adoption trend is in sharp contrast to the growth of commercial use of the Internet as a trusted place for financial transactions. Aside from sites such as Amazon.com and eBay, there is a range of services online that includes banking to car insurance, groceries to gaming, in addition to medical sites, computer buying, veterinarian services, zebra safari excursions, and everything in between.

If it is obvious that the Internet is a place where commerce abounds, then the obvious cannot be overstated enough: People have an expectation that the organizations they interact with also offer a host of online services. If Bank of America is doing it, then the local food bank should be doing it too. If Amazon.com can tell me what I have purchased in the past, then groups working to save the Amazon rain forests should be able to tell me how much I have donated to them. Nonprofits may have reason to distinguish the two but your constituents will not.

This is not to say that nonprofits are still Stone Age inhabitants of the Internet. Clearly many organizations have invested countless time, resources, and money to better promote their organization and meet the needs of their constituents. They serve as a beacon of what is possible for other organizations to follow. And there are clear signs that a shift to using the Internet is in full swing.

The State of the Nonprofit Industry 2006 survey noted that 75 percent of the organizations plan to increase their use of e-mail to communicate with constituents and 60 percent plan to increase the use Web content for the same purpose.¹ This is compared with only 32 percent of organizations planning to increase their use of traditional mail and 34 percent planning to increase telephone-based communication. This type of channel switching will only increase over time.

The traditional forms of fundraising are tried and true but can also be very expensive to maintain for many nonprofits. The cost savings of sending 50,000 e-mails versus the expense of sending a printed direct mail piece to the same group are substantial. These kinds of hard cost savings will get the attention of even the most ardent Internet skeptics. This logic extends to other forms of communication that nonprofits continue to use because it is what they have always done. What does it cost to produce an elaborate annual report, mail it out, and store all the unused copies for years and years versus placing it online as a downloadable or interactive document?

Using the Internet for these kinds of activities is a straightforward and effective way to communicate with constituents. And continuing to push the increase of online activities will no doubt continue. Soon just doing the occasional e-mail blast or posting content to the Web will not be enough to meet the demands of constituents. They will expect more frequent, personalized, and interactive communication from the nonprofit organizations they support.

The future of nonprofit communication will involve using multiple channels, both online and offline, to reach constituents. And a single campaign may mix different channels at varying intervals to have maximum impact. This future will also demand more responsiveness to the wants and needs expressed by individuals. This is because constituents expect to have this kind of choice and, perhaps more important, because they expect better stewardship.

This brings us to the important topic of understanding the purpose for your online endeavors. Here, too, we see more basic usage of the Internet to connect with constituents. Many organizations have chosen to limit their perception of the Web at best to a one-way communication vehicle or at worst just a brochure gussied up with spinning graphics and HTML (see Exhibit 1.1).

This is symptomatic of a Web site ownership problem that has plagued many organizations. Traditionally, an organization's Web site has been under the control of either information technology (IT) or marketing. Whereas their goals and objectives may be well intended, it is fair to say that their core focus is not development oriented. Marketing views the Web through a traditional lens focused on the message not the medium; IT views the Web through a different lens focused on another system that must be maintained and supported.

These may be overgeneralizations, but that does not mean there is not a ring of truth to them. Development has been and continues to be shut out from many of the Web conversations. The organization's wide-angle lens should be focused on relationship management, stewardship, and working to secure the capital to serve the organization's mission.

The usage of the Internet is often broken down to the three C's: content, commerce, and community. A marketing-controlled Web presence leverages content to meet its objectives. An IT controlled Web presence relies on commerce to automate information and financial transactions that require little to no attention to

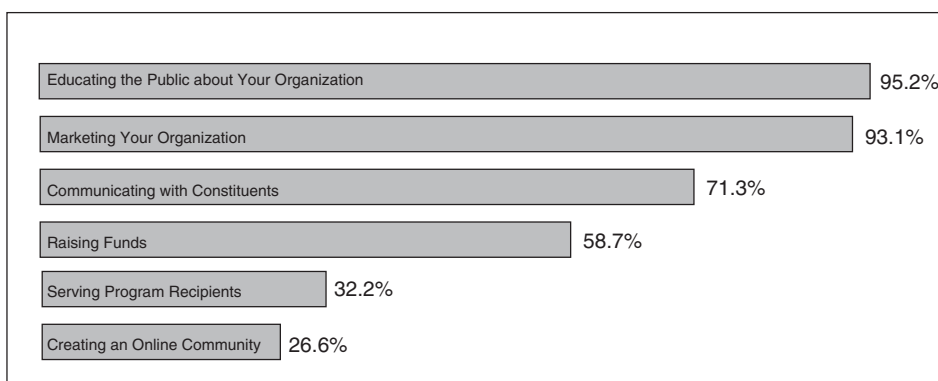


EXHIBIT 1.1 What Purposes Does Your Organization's Web Site Serve?

Source: *State of the Nonprofit Industry 2006*⁴

maintain. A development-controlled Web presence seeks to build online community and affinity to establish lasting and meaningful relationships with constituents. An effective online presence includes all of these elements—an organization that is able to get all three to play well together will be successful online.

Nonprofit organizations need to take a much more holistic focus of who controls and contributes to the overall online presence. Keep in mind that marketing, IT, and development are just three of the contributors. The needs and roles of operations, finance, advocacy, stewardship, volunteers, and staff should also be taken into account. They are important stakeholders in helping to drive both offline and online success.

Getting these elements all to move in the same direction takes planning. It also takes compromise and coordination. The Web site should not be just a brochure or a reproduction of the organizational chart or a combination of unstructured links or poorly designed donation forms; it has the potential to be so much more to your organization and your constituents with the right plan in place. This is another area where nonprofits appear to struggle with taking the next big leap forward.

Only 17 percent of the *State of the Nonprofit Industry 2006* survey respondents indicated that they have a written Web strategy, although 26 percent did note that they are working on one. The fact that neither of these statistics has changed substantially from past surveys is troubling. The importance of a well-thought-out strategy that has the input and buy-in of both stakeholders and constituents cannot be underestimated.

It would also be fair to say that many organizations have focused on more tactical initiatives instead of developing a comprehensive strategy to drive their online efforts. There is merit to getting on with things rather than getting caught up in strategic planning meetings intent on boiling the ocean. But very few nonprofits will venture very far outside their nearby surroundings without an atlas or road map to guide them to where they want to arrive.

This result in part explains why the adoption of more progressive online tools and techniques has been slow among nonprofit organizations. The lack of solid short- and long-term strategies has limited the means put in use toward an uncertain

end. The basic use of Web content, e-mail, and rudimentary online transactions potentially fulfill first- and second-tier status online, but not much more.

A first-tier presence on the Web is limited to one-way communication. Such Web sites are mostly static online presences that communicate content and information to visitors. They may also combine the use of e-mail communication to inform constituents about information that is relevant and meaningful to them. Many organizations have started and stopped their Web site development with this kind of basic presence.

A second-tier presence on the Web adds the element of two-way communication. This means that constituents can not only receive online information but can also interact with different online services. For example, they might be able to choose the types of content they want to view, control their subscriptions to various e-mail newsletter lists, view and update various pieces of key information about themselves, and participate in other online activities that are conversational in nature.

A third-tier presence on the Web adds multidirectional communication. Not only can the organization communicate with constituents, and constituents can communicate with the organization, but constituents can communicate among themselves. These kinds of online community and social networking experiences are much more effective at attracting, retaining, and growing relationships with constituents. They also reflect the direction of where the Web is heading, and most constituents will expect these kinds of capabilities.

The use of e-mail and Web content in more meaningful ways is just the beginning. Much more is possible than many nonprofit organizations have chosen to implement, including the use of online distributed fundraising, online advocacy, recurring giving programs, discussion boards, blogs, and other Web 2.0-type functionality.

“Web 2.0” refers to second-generation Web-based services that emphasize online collaboration and sharing among users.² The term was originally used by O’Reilly Media in 2004 to describe the idea that the Web will become a platform that decentralizes content generation and distribution. This concept has since taken on a much broader scope to include all sorts of social networking, personal publishing, and enabling technologies that drive participation online.

These kinds of innovations are becoming more widely adopted by more progressive nonprofit organizations. Like the adoption cycle of most technological innovations, there are already early adopters using these tools, and each new innovation is trying to cross the chasm into more mainstream use.

What tier does your organization occupy? How long have you been there? What did it take to get there? What will it take to get to the next level? How committed is the organization to getting there? Who are the key stakeholders who can lead or influence change to get there? What is the price of doing something, and what is the cost of doing nothing? These are questions nearly every nonprofit organization has or will face at some point.

THE NEXT MAJOR EVOLUTION IN ePHILANTHROPY

Revolutions happen in an instant—a single moment, event, or breakthrough idea that changes both perceptions and realities in our world. Revolutions are rare, though many happenings are mistaken for revolutionary moment. The Internet is

not revolutionary but, instead, an evolving medium that continues to change over time.

Online content publishing was being done before blogs. Online personalized content existed before Yahoo! and Google. Online audio and video existed before podcasts and YouTube. Online gaming existed before the multitude of online poker tournaments or Second Life. Online file sharing existed before Napster and iTunes. Online communities and social networks existed before Facebook, LinkedIn, and MySpace.

This evolving nature of online technology also applies to Internet-based giving. Although online fundraising occurred before 9/11, the Asian tsunami, and Hurricane Katrina, for example, it took one of these events to capture the attention of a mainstream audience. In general, technology races forward, more intent on the journey than any single destination. The speed of this evolution is often controlled by two key factors: cost and distribution.

To understand how online communities have evolved, let us first start by understanding how content publishing has evolved over time. Both content and communities have traveled different paths before combining to transform how the Internet is being used today.

The transformation of content publishing has been a process shaped over several hundred years. The first printed book was published in China around 868. The Chinese later invented movable clay type around 1041. In the 1440s several Europeans, including Johannes Gutenberg, Laurens Janszoon Coster, and Panfilo Castaldi, claimed to have invented the printing press.³

So why do historians give Gutenberg, a goldsmith by trade, credit for the invention? First, because he combined wooden and metal movable type with oil-based ink for his printing press. His approach drastically reduced the cost of setup and printing. Gutenberg's knowledge of the materials he chose also produced highly durable books. Second, his best-known printed work was the Bible, and there was a large community focused on making sure it was widely distributed across Europe and the world. Gutenberg solved the cost and distribution problem, and the rest is history.

Fast forward a few hundred years and there is little conceptual difference between Gutenberg's printing press of the 1440s and Web content publishing. The cost of publishing online is substantially lower and the distribution capabilities are now instantaneously global. No other medium can claim that ability. Coincidentally, one of the most popular software applications for publishing is called Movable Type. Evolution, not revolution.

The transformation of online communities also illustrates that they are not something that appeared out of thin air in recent years. The early days of the Internet were used primarily by government and academicians as a means to communicate and collaborate. This "networks of networks" created to survive nuclear Armageddon quickly become a highly trafficked place for scientists, researchers, and technology tinkerers.

E-mail first appeared in 1965 and initially allowed users on the same system to communicate with one another. By the late 1970s e-mail was prevalent in different governmental, academic, scientific, and business sectors. Around the same time bulletin board systems (BBSs) began to spring up and brought the wonders of electronic communication to a broader audience.

A BBS allows users to dial into the system over a phone line and perform functions, such as file sharing, reading news, and exchanging messages with other users. Some of these BBSs were free, and others were fee-based services. They were tidal pool communities that grew larger or dried up over time. They might be considered the first true online communities because of the discussion forums and other messaging formats that allowed members to interact with one another.

Some of these tidal pools became larger seas throughout the mid-1980s and into the 1990s. Online services like CompuServe, GENie, and Prodigy offered a range of online content and community features through dial-up service for a monthly subscription fee. America Online began as an online gaming service that avoided bankruptcy by switching to a mega-BBS format in 1985. These online communities were just as robust in dialogue and engaging in conversation as anything currently taking place online. The main difference once again was their cost and their limited distribution to users of that particular system.

These communities were highly segmented across a variety of interest groups. You name a topic and it probably had a discussion forum, listserv, or chat room full of active discussion. Anthropology, car repair, comic books, Gaelic football, gardening, politics, religion, toy trains, quilting, and a host of other unique subjects prevailed. The value in these communities came from the active participation of and the shared interests among its members.

As BBSs reached their peak in the mid-1990s, the World Wide Web opened up the floodgates to Internet access. The tidal pools became seas and the seas became an ocean. Suddenly the barriers of proprietary dial-up systems and costly connectivity begin to disappear. Access transforms the size of the Internet's user base and more user friendly tools help nontechnical people engage with one another.

A little-known fact is that the first Web browser, (called WorldWideWeb and later renamed Nexus) could not only browse the Internet but also publish content. The proliferation of desktop publishing software in the late 1980s also helped to fuel the distribution of content online. Suddenly the Web became a vibrant and dynamic place not only to view content but to contribute to the conversation as well. And the cost to produce meaningful content is significantly less than using traditional media.

The blogging, podcasting, and social networking growth that have exploded in recent years are the next steps along the Internet's journey. The value of all of these technologies comes in the information they help share and the number of people that choose to participate. Being able to instantaneously attract large numbers of people from across the globe to an important cause or just for fun has fundamentally changed how we interact with one another.

This phenomenon is often referred to as a "network effect." The theory is that the more people who use a particular resource, the more valuable that resource becomes. The Internet allows for network effects on a massive scale. Think about how the local garage sale has been transformed by something like eBay. Think about how the want ads in the local newspaper have been transformed by something like Monster.com. Think about how grassroots politics has been transformed by the ability for organizations to mobilize supporters online.

As nonprofits adopt more Web 2.0 kinds of technologies, the value of network effects will become very important to their success online. Organizations that embrace online social networks like MySpace, utilize video-sharing sites such as YouTube, and distribute content via Really Simple Syndication (RSS) can cast a

wider net to reach their constituents. These other online sites are simply nodes on the network: nodes which attract millions of visitors that nonprofits can route back to their own Web sites.

Successful organizations will have a presence on these larger sites to interact with both new and current constituents. Co-opetition, a neologism coined to describe cooperative competition, will be a key strategy employed by these organizations to get themselves present at as many possible contact points on the Internet as possible. Getting people to visit your space is much more likely using this approach.

Communities of all shapes and sizes have this same kind of potential. They have the ability to bring together people with common goals, interests, and motivations for the greater good. Nonprofits that can move beyond static online sites or even basic transactional sites to more dynamic online communities have the best chance for long-term success.

WHAT THE INTERNET MEANS TO NONPROFITS

The Internet is now a ubiquitous presence in our lives. It is in our homes and office buildings, and the miracle of wireless fidelity (WiFi) has brought it to almost every other location. This ease of contact has been extremely helpful for increasing access in the developing world as well as reducing the cost of wiring older structures. Like electricity and running water, the ability to tap into the Internet from almost anywhere changes how we live and work.

This degree of access matters a great deal to nonprofits for a number of reasons, including the abundance of choices made possible by the Internet. Constituents can now interact with organizations at 3 PM or 3 AM. They can use search engines and nonprofit information sites like GuideStar.org or CharityNavigator.org to find like-minded organizations. An abundance of choices also means that one organization's site is just a few clicks away from another one.

This translates into what is known as a low switching cost for constituents. Economists have devoted countless amounts of research into how consumers of goods, services, and information deal with switching costs. Often what prevents people from changing in the offline world are things such as cancellation fees, installation and training costs, or potential financial or social risks for doing so.

The Internet has extremely low or in some cases no switching costs. If an organization's Web site does a poor job of meeting a constituent's needs, then finding and using one that does involves very little effort or risk. This fact reinforces the importance of developing more robust online communities. Constituents have come to expect a better online experience, and nonprofits that can meet or exceed those expectations will be the most successful in the future.

Many nonprofit organizations cite their smaller size as one reason why they have chosen not to build an online community. Do not forget that on the Web size means nothing. The largest and smallest organizations are all made equal. Perception carries a tremendous amount of weight and influence on the Web. Some thoughtful work to present your organization can go a long way toward building your online image and reputation.

What is your organization's story? How are you trying to meet your goals? What are different ways to support the organization? What kind of impact does

someone's financial support make? Your ability to clearly articulate the answers to these kinds of questions can quickly tell a visitor some very valuable information. Never underestimate the importance of getting your message right and getting it in front of the right people.

Other nonprofit organizations may say that their physical location deters them from taking the next big leap online. Location on the Web also means nothing. It doesn't matter if your constituents are down the street, across a border, or around the world. Every Web site is a global destination that doesn't take vacations, doesn't call in sick, and is always open for visitors. Many organizations would be surprised to find just how interested people would be to visit their sites if only they knew they existed.

More than ever, organizations need to expand the reach of their organization beyond their four walls. More than ever, organizations need to find ways to overcome new challenges and seize on new opportunities. This is true across a broad spectrum of organizations focused on different missions. For example:

- Education institutions need to involve alumni more closely, on a more regular and sustainable basis, and build lasting relationships along the way.
- Museums and cultural institutions need to increase memberships, add ticket sales, and make constituents want to renew those commitments on a regular basis.
- Healthcare and human services organizations need to be mindful of privacy and confidentiality concerns but also must be able to connect and communicate with a diverse group of constituents.
- Cause-based organizations need to share information with an ever-increasing critical mass of people and empower them to be advocates.
- Religious and other faith-based organizations need to communicate in more meaningful ways to their constituents without overmessaging them in the process.
- Associations need to provide value-added benefits and services to members in an environment where options abound and retention is a critical factor to growth and success.
- Foundations and grant-making institutions need to provide more transparency and accountability into how they operate.

In a landscape of increased competition for funding and support, all fundraising organizations need to build and strengthen relationships. Many nonprofit organizations do not see themselves as competitors with other groups. This perception by no means diminishes the reality that they are oftentimes courting the same constituents.

The key is greater involvement on a broader and deeper scale—without blowing out the budget. I do not mean to endorse or suggest that purchasing all the latest greatest technology will solve all of these issues overnight. Once again, the need to have a strategy and plan in place is the best way to get things moving in the right direction.

Any amount of strategic planning begins with determining the needs and goals of your organization. It is also important to understand what has kept you from meeting these objectives in the past. Do these barriers still remain? What is different about this situation than in the past? What key stakeholders can help you to move things forward? Which key stakeholders still need convincing?

Incremental improvement can also be just as effective as giant leaps and bounds. Forward momentum can be one of the most powerful forces in the universe. Far too many organizations believe they need to be doing everything immediately rather than just doing something. One way to get moving in the right direction can be through looking at the traditional fundraising model versus the online fundraising model and the online community model (see Exhibit 1.2).

The traditional fundraising model is based on a tiered structure. Prospects are acquired through a variety of acquisition activities including marketing, direct mail, and other initiatives. The sheer volume of constituents in this tier makes it difficult for high-touch and personal interaction. The goal is to get enough mutual interest to convert these prospects into donors, event attendees, or members.

The donors tier allows for more interaction once supporters can be slotted into an annual fund, giving circle, membership group, or other kind of contributor program. Organizations begin to cultivate donors with the capacity and inclination to give. Groups of donors are assigned to fundraisers, which still means little to no personal attention. The goal is to maintain consistent giving year after year while identifying individuals interested in investing in the organization.

The investors tier accounts for individuals that have, or plan to make, a major gift or a planned gift. At this point a tremendous amount of time, resources, and personal attention are put into the relationship. Here we find the culmination of a donor cultivation process that maximizes giving and emphasizes stewardship (see Exhibit 1.3). Getting to this critical level depends on how well the relationship has been built over a long period of time. The goal is to make the constituent a significant investor based on his or her interests and for the organization to show the impact of that gift.

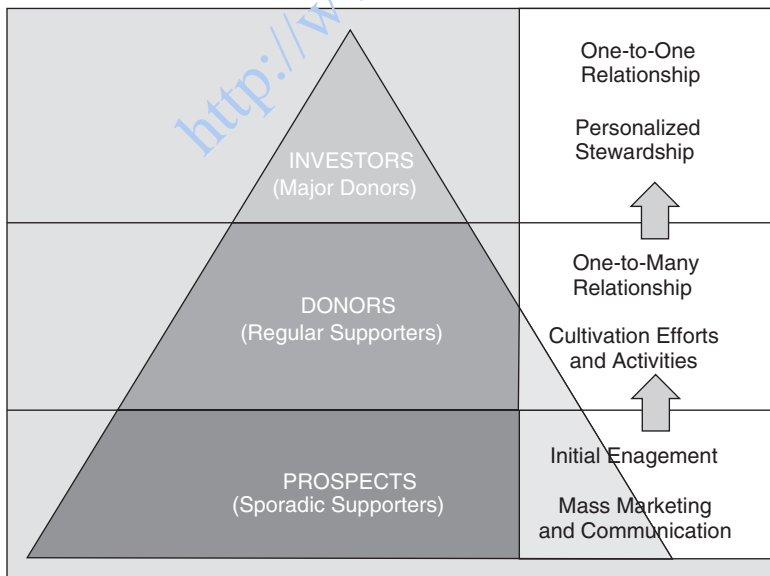


EXHIBIT 1.2 Traditional Fundraising Model

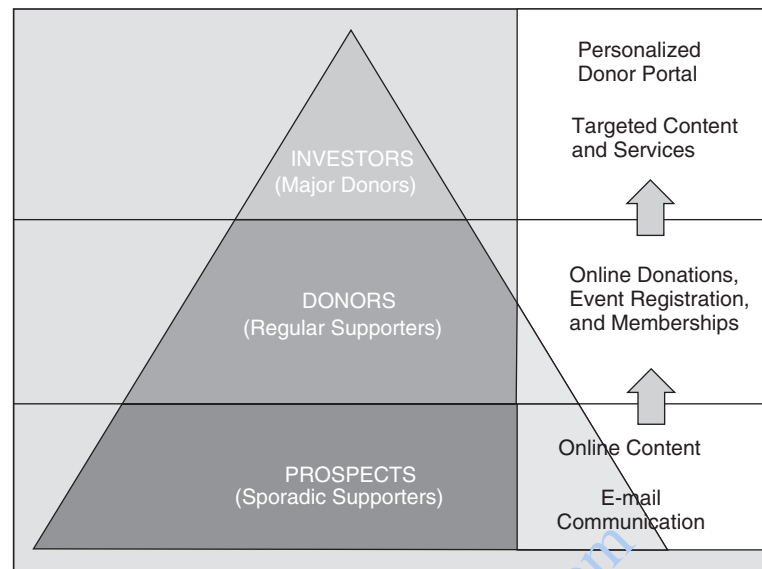


EXHIBIT 1.3 Online Fundraising Model

The online fundraising model can also be based on a tiered structure. Prospects are acquired through lower cost channels such as online content and e-mail communication. A key difference is that the Web can begin to treat them with personalized attention on a mass scale. The goal is to provide a compelling story and multiple ways to contribute to the organization.

The donors tier can streamline and simplify online giving, allow event registrations, and simplify membership programs for constituents that prefer to use the Web. Giving programs can be targeted based on a constituent's individual interests or suggestions based on their previous giving history. This allows for a much more focused relationship management program that uses donor behavior to help shape the relationship. The goal is to identify their areas of interest and capacity to further personalize their online experience.

The investors tier takes stewardship to the next level (see Exhibit 1.4). Technology allows for greater accountability through online reporting and showing the effect of gifts made than realistically feasible by traditional means. An online donor portal that is driven by historical information, self-reported preferences, and targeted services helps to increase the points of contact with the constituent. The goal is to provide meaningful interaction and guidance during the final steps in the development process, but also to encourage a more robust ongoing stewardship program.

The online community model can work in conjunction with both traditional fundraising and its Web counterpart. Prospects begin their relationship by participating in activities that only require an Internet connection. Online advocacy, viral marketing, and other interactions allow them to build greater affinity with the organization. The goal is to get prospects to take an action that provides enough information to take the relationship to the next level.

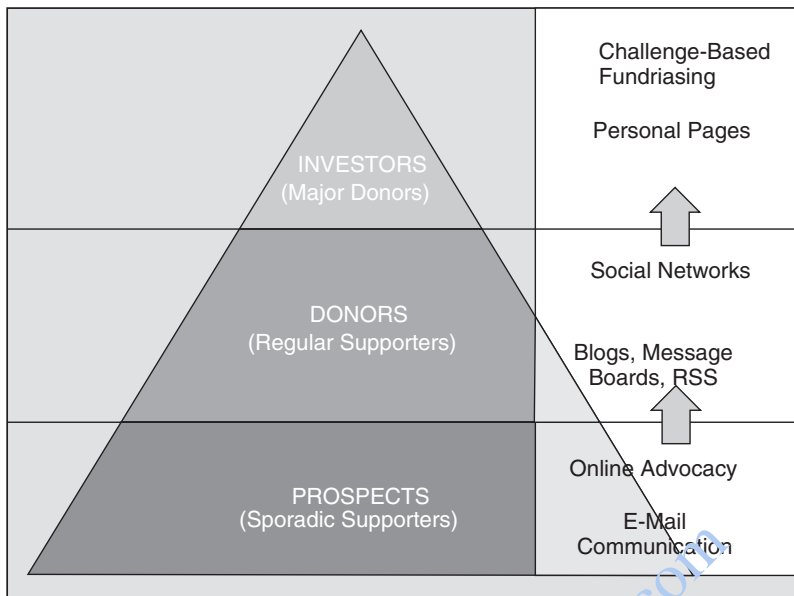


EXHIBIT 1.4 Online Community Model

The donors tier can be enriched by providing more value-added online services. Allowing donors to participate in more social networking, communication channels between constituents and interactive features helps to strengthen their bonds to the organization. The advent of new technologies, such as RSS, can be a powerful tool in keeping in touch with constituents. RSS allows organizations to publish news and information that can be read on other sites and through other software applications. Organizations now have a tool to distribute content besides just using Web pages and e-mail. The goal is to provide an online experience that allows constituents to interact in multiple ways with like-minded people toward the organization's goals.

The investors tier allows these special constituents to extend the reach of the organization in some exciting new ways. The Internet allows these individuals to issue fundraising challenges to other constituents, which can help to increase overall fundraising. This type of approach also allows investors to gain recognition among peers in a more personal fashion. Additional online services that allow investors to get updated personal information about the impact their investment helps with accountability and stewardship. The goal is to give these key constituents a way to remain involved and engaged long after the fundraising process has matured.

Looking at the traditional fundraising process in comparison to online fundraising and community-building activities is an important step in moving an organization's online strategy forward. Examining how current offline efforts are being handled, and how they might be improved through the use of the Internet, is something organizations need to act on.

Nonprofits need to look at how they currently interact with constituents and how that interaction could be enhanced in more meaningful ways. Every organization

Vertical	Key Business Drivers	Online Tools
Associations	<ul style="list-style-type: none"> ■ Promote the organization and benefits of membership ■ Offer services that allow for greater scalability ■ Reduce costs through online communication 	<ul style="list-style-type: none"> ■ Member services on a fee or free basis ■ Communication through Web and e-mail content ■ Access to resources, documents, and shared tools
Cause Based	<ul style="list-style-type: none"> ■ Raise awareness for a cause ■ Reduce costs through online communication 	<ul style="list-style-type: none"> ■ Advocacy and volunteer capabilities ■ Special online membership and giving program levels
Cultural	<ul style="list-style-type: none"> ■ Maintain and grow membership ■ Promote interest in performances, exhibits, artists/personalities ■ Reduce costs through online communication 	<ul style="list-style-type: none"> ■ Ticketing and special offers for community members ■ Membership benefits that can be used online ■ Express event and exhibit preferences and interests
Education	<ul style="list-style-type: none"> ■ Maintain and deepen engagement with alumni ■ Provide channel for a variety of constituents to interact with one another ■ Reduce costs through online communication 	<ul style="list-style-type: none"> ■ Class notes and news published by alumni ■ Online chapters and clubs ■ Directories and social networking capabilities ■ Student, parent, faculty, and staff communities
Faith Based	<ul style="list-style-type: none"> ■ Communicate with members ■ Provide an alternative channel for communication ■ Reduce costs through online communication 	<ul style="list-style-type: none"> ■ RSS feeds to syndicate events, announcements, and blog posts ■ Event registrations and calendars ■ E-mail communication and newsletters
Healthcare	<ul style="list-style-type: none"> ■ Provide information and resources ■ Connect members with specialists and other members ■ Support mission of the overall organization by providing care and supporting research 	<ul style="list-style-type: none"> ■ Blogs and message boards—interactive, asynchronous communication ■ Resource directories and online chat ■ “Care Pages”—allow grateful patients and caregivers to post and share information

EXHIBIT 1.5 How Companies Leverage the Internet

has a community of constituents who have a vested interest in the success of the mission. Recognize that the strength and reach of the community can be greatly enhanced by leveraging technologies such as the Internet. Seek to find and engage the community of stakeholders for the long-term success of your organization.

ONLINE COMMUNITIES IN ACTION

One proven way to help understand ways to leverage the Internet is to look at how other organizations have been successful (see Exhibit 1.5). Often looking at the common threads between similar organizations reveals a deeper understanding of the possibilities.

CONCLUSION

Communities are an essential part of our lives. They have existed throughout the course of human history. They are powerful drivers of connectedness between people and groups that share common bonds. Communities are emotion-driven groups that make a meaningful impact on the people, places, and organizations they interact with.

They are also an essential part of fundraising. Building communities is all about the personal relationships that organizations build over the course of time, and these are person-centered sets of activities. Nonprofit organizations spend countless amounts of time, resources, and finances to turn these constituents into investors. The convenient reality is that many of the tried-and-true concepts of traditional fundraising apply on the Internet.

Communities continue to be an evolving way that people use the Internet. The Internet is a personal medium and continues to exhibit this development in many new ways as communities and social networks continue to become a larger part of people's interaction on the Web.

Nonprofit organizations also continue to increase how they leverage the Internet to meet their organization's goals. Their level of online sophistication largely depends on who in the organization controls or influences the Web site and whether a clear strategy has been defined.

People have much greater expectations than in the past. They expect both businesses and nonprofit organizations to offer a variety of online options. They do not make a major distinction between the two when it comes to meeting their needs but want rewarding online experiences. They also want more rewarding online experiences with the organizations they support.

When it comes to the organizations they interact with, people have a multitude of choices. Those choices will continue to be influenced and shaped by how accessible, interactive, and transparent these organizations are online. Technology is no longer a limiting factor in the ability to develop thriving and successful online communities.

Communities and the people that drive them blur the lines between online and offline. In many respects there is no difference between how both places are perceived, with the exception that on the Internet space, distance, size, and location no longer matter. Nonprofit organizations that embrace the opportunity to build an online community for their stakeholders and constituents will be making a valuable investment in their own future. The organization they help may be their own.

ABOUT THE AUTHOR

Steven R. MacLaughlin, is the practice manager of Blackbaud *Interactive* and is responsible for leading how Blackbaud delivers Internet solutions for its clients.

Steve has spent more than a decade building successful online initiatives with a broad range of Fortune 500 firms, government and educational institutions, and nonprofit organizations. Steve earned both his undergraduate degree and a Master of Science degree in interactive media from Indiana University.

NOTES

1. *State of the Nonprofit Industry 2006*, Blackbaud, Inc., Available at: www.blackbaud.com/files/resources/industry_analysis/12-06_NonprofitIndustrySurvey_Results.pdf
2. http://en.wikipedia.org/wiki/Web_2.0.
3. John Man, *Gutenberg: How One Man Remade the World with Words* (Hoboken, NJ: John Wiley & Sons, 2002).

<http://www.pbookshop.com>