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# Who Is Your Customer?

## *Improve Your Grantmaking by Improving Your Focus*

**It's easy to get mired in the way things have always been done, and sometimes it leaves us blind to our customers' real needs. So take a moment and ask yourself one critical question: Who is my customer? In my experience this is a question that most foundations simply don't ask themselves.**

I was talking last week with a client (let's call her Mary) who said that a big lesson her organization has learned is that they should give their applicants more time to respond to a request for proposal. Apparently they had only been giving their applicants about a month; during that month, the applicant had to decide whether to apply and whether to apply jointly with other organizations that were also invited, prepare the application, secure matching funding, and actually apply.

Nonprofits are essentially this organization's clients, and it was obvious to me that they were asking their customers to scramble to do all of this in a very short period of time. Actually, the fact that Mary was surprised to learn that a month was not enough time to make all of that happen was what surprised me. This seems like the kind of learning that one would expect from someone new to philanthropy, or perhaps from a relatively new foundation with little grantmaking experience. But this foundation has been in existence for literally decades, awarding hundreds of millions of dollars in grants every year. As an organization, they have likely issued thousands of requests for proposals over their decades of existence.

When I asked Mary why they had such a tight time line, she explained all the various departments and people within the foundation who had to sign off and approve a request for proposals: communications staff, grant management staff, contracting, finance. There were group leaders and team leaders, and each of them had a week to review the RFP before passing it on to the next person within the bureaucracy.

When you added up all the time they gave themselves internally to approve RFPs, it was significantly more time than the applicants were given to apply. The trouble is they weren't paying attention to their customers. Are they there to serve themselves, or are they there to help nonprofit organizations have an impact on the issues they care about?

By contrast, another client we work with has spent tremendous time and resources to reengineer their internal processes, increase automation, and become more internally lean in order to increase efficiency and better serve their grantees. I believe they do this because they recognize that the grantees are their customers, and they focus on themselves only to discover how they can better support the grantees.

Three questions can help get to the heart of the matter, and I'd like you to answer them:

1. Who is your customer? Your staff, or the nonprofit partners you are funding to meet the goals of your foundation?
2. Are you aware of what your grantees are experiencing in trying to work with you?
3. What steps can you as a foundation take to examine your internal processes and determine whether your focus is on helping yourselves or on helping the communities of the nonprofits that you serve?



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## *Who Is Your Customer?, continued*

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The answers to these three questions should provide insight into your grantmaking practices. I hope you will spend some time considering and discussing your answers, because doing so should provide a clear road map to improved customer service – with the ultimate goal of better grantmaking

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