



Stanford eCorner

Danger of Chasing the Money

Steven McCormick, *Moore Foundation*

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Video URL: <http://ecorner.stanford.edu/videos/3065/Danger-of-Chasing-the-Money>

Moore Foundation President Steven McCormick explains how the unrelenting pressure to accept funding can cause an organization to lose operational focus on pursuing their mission. Using an example from earlier in his career at The Nature Conservancy, McCormick describes how this slippery slope can also inadvertently exacerbate funding issues.



Transcript

Especially with the emergence of this new generation of philanthropists who have a very strong grounding in entrepreneurially driven enterprises where they've been inordinately successful, generated a great deal of wealth. Frankly figure they kind of know how to do almost anything and see themselves as drivers of change, good thing, but also needed to help non-profits be more sophisticated. And I'll tell you having worked, again for a non-profit organization, the temptation to change what you're focused on in order to get that money is too great. It's overpowering. So, as I said every year I worried about raising enough money for The Nature Conservancy, and we had a strategy driven towards our mission. We thought it was well conceived. We would sell that, and often I would encounter very wealthy people who would say well, that's interesting, that's not what I am interested in. I am interested in this other thing. That you know was close enough. You know I was just thinking about that myself.

I think well that's a really good idea, we're ready to go do that, and I will confess that more than once I was seduced into getting a big contribution not thinking through the implications, and actually ending up taking on more of a fund raising burden. There was one time when we were working with Caterpillar Corporation and they had a strong interest in watershed management. We didn't have a lot of experience in watershed management. We had bought land on river corridors, but watershed management is a much more complex undertaking. And having to understand the users of water, and issues like contamination of water, water rights. But Caterpillar was really interested in that, and they said well they'd be willing to put up \$15 million. What did I hear? \$15 million. So I said yeah, you know we were - that's where we're headed is watershed management. We're going to take all these properties that we bought. We're going to figure out, work in the larger watershed.

And we got into it and realized this is at least a \$50 million undertaking, this was on the upper Mississippi river; it's not a small river. And you know I ended up kind of slogging through, but not really living up to what Caterpillar wanted from us. So philanthropists as entrepreneurs, need to be very thoughtful about the pull that they have on organizations and how they can vary profoundly, disorient or distract organizations from what they say is their mission.