Giving Growth Podcast - Richard Kostro of Share Our Strength, hosted by Greg Sobiech (full transcript)

Brought to you by Delve Deeper: https://delvedeeper.com/

Greg Sobiech

There is a problem that not-for-profits can't ignore. It feels like the traditional giving pyramid may be cracking. It's starting to resemble an Eiffel Tower with a narrow base and a heavy top.

The count of individual donors continues to decline, according to the latest GivingUSA report. Older donors are aging out, younger generations aren't filling the gap, and fewer donors are being asked to give more. And then in 2025, a volatile economy is squeezing non-profits from all sides.

This is Giving Growth, the podcast where we talk to leaders who are reshaping the non-for-profit world and tackling these challenges head-on. Sign up for the Giving Growth weekly newsletter and learn about one idea worth sitting with by going to delvedeeper.com slash podcast. My guest this week is Richard Kostro, and he is the Chief Information Officer at Share Our Strength, and you may know them from their iconic campaign, No Kid Hungry.

Share Our Strength is a non-for-profit who works to end childhood hunger in the US and abroad. Richard is recognized as one of the top 100 innovative C-suite leaders by the CIO magazine. He has spent 20 years leading large-scale transformations across the for-profit, non-profit, and government sectors.

Richard also serves in the Army Reserve. He has an MBA from Georgetown, and he's had a number of consulting gigs over the years. So in his technology role, he has a very unique breadth of experience that I think will make for today's conversation to be quite interesting and insightful.

And Richard has experience driving digital transformation, strengthening data foundations, and rethinking how non-profits grow their donor bases. Richard, welcome to Giving Growth. Thank you so much for having me.

I'm so excited to be here today. You have done a lot, right? An MBA from Georgetown, Army Reserve right now.

You were in consulting for many years. Right now you're in the charity space. Is there a common thread, a leitmotif that you think can explain who you are today?

Richard Kostro

I think there's lots of different paths for success for people. Some people build from a strong foundation and have a laser focus on who they want to be in life, but that's not me. I am poster child for non-linear growth and circuitous development.

I started out in government. I was a political appointee during the Clinton administration at the end of the administration. When that administration ended, I went into consulting, working through the challenges of the post 9-11 world as the U.S. reorganized itself to fight a very different kind of war than what we had for the last 50 years before then. I took some time off and I joined the Army. And I spent as an Army reservist, combat experience. I led troops in Iraq and Afghanistan.

I spent time in dealing with cybersecurity at Capital One. And now I'm at Share Our Strength doing IT in a broad manner. I would never have planned that career and no sane guidance counselor would have ever told me that's the way to do it.

For me, that is actually a recipe for success. It allows me to follow multiple interests simultaneously. It allows me to do what I think is interesting and cool and needed now.

And as I've gone left and then sharply right and then left again, I have this huge toolkit of leadership experiences from very different industries, from very different mentors, from behaviors that I don't want to replicate that I get to draw from. And when I get to have conversations like this or talk with others, I'm like, I'm able to say, well, in my Army experience, we do it like this, but in my nonprofit world, we do it this way. And I just think that's a really great place to be.

It's a position of strength for me. And I really enjoy it.

Greg
The word that you used earlier was, when we're preparing for this, was multidisciplinary. And I think that that would be one of the themes for this conversation. And also, tell me more about just Share Our Strength.

I think it's very interesting how most people know the organizations for the No Kid Hungry campaign. Just give me a bit of a background so that the audience understands what you guys do and why is there No Kid Hungry as sort of a front-facing kind of brand for the charity?

Richard
Yeah. So the organization itself is about 40 years old. I think this is our 41st year.

Our founders started us right after the Ethiopian famine. Our mission was both in hunger and poverty. But about 10, 15 years ago now, we had a great insight.

We realized that we needed to focus our energies and our donors' energies. And we identified a problem that was big enough to matter and small enough to solve. And so therefore, we focused our energies on No Kid Hungry, which is specifically targeted towards feeding every child here in the U.S. And we chose that because, unlike other parts of the world, where there might be structural problems in terms of not enough food or water or whatnot, here in the U.S., we have enough food to feed every child. It's a lack of political will and priorities that we don't. And that seemed like a problem that was worth solving, a problem that we could solve and which we've dedicated our energies to. We've now expanded.

We're doing more work in India and other places as well. But that's the No Kid Hungry. It was a focused effort here in the U.S. And the way that we do that, I think, is also really unique. We are not the organization that packs backpacks for kids or runs a soup kitchen. There's really great charities that do that and definitely encourage you to support that. But what we do is we look at the structural issues.

So we find solutions that are working well at a local level and see if we can scale them up nationally or at least to the state level. And so therefore, we are binding proven success and growing it. That can take many forms.

That can take the form of advocacy. That can take the form of funding, something that is, like I said, a proven local solution that goes national. It can take the form of providing technical assistance where we are not just providing money, but we're in the schools or in the school districts or in the governor's mansions or at the USDA and saying, this is what's working.

Let's talk about how to make that better. And so it's, again, I love the folks who are out there feeding kids, but we, our mission is to not feed the children one-on-one, but to build the school cafeteria, to replace the walk-in freezer so that they can feed thousands of kids, not just one at a time.

Greg
So I love that you're working on these deeper structural changes. And I want to shift gears and talk about the state of philanthropy, because I think that's a good setup for the conversation. And when we were preparing for this, you said that there's been a cultural decline in philanthropy in the U.S. What do you mean by this? What does this mean to you? Can you just unpack it for me a little bit? Sure.

Richard
So I would say that we're going to deal with some tensions and some conflicting statements here, but that's kind of the nature and the nuance of the situation we're dealing with. The gross number of dollars that is donated to charities is growing, but the number of people who are donating is shrinking. There's a couple different reasons for this, but actually there's some really great work by the Nonprofit Alliance and others that have pointed out that with the 2017 tax cuts that came in, there was a fundamental change in the tax code, which de-emphasized the benefits of donating to charities for the way that people were able to take credit on their returns.

And we've seen in the data, there's a market difference. There's a before and after moment there of the number of U.S. households that are donating. I think that's one of those big shifts that's happening, and I think that there's an opportunity to rethink that.

We want to encourage families to donate, not just because nonprofits like mine benefit from that largeness and those money, but I think that's one of the things that makes us uniquely American. I think one of the things that I really love about our country is that we're a country full of people who don't just think about themselves. We have the strong independence streak, and part of that independence is, how can I help my neighbor?

And I love that about us, and I want to kind of continue that fundamentally American tradition. And I say it's a fundamental American tradition because we have similar

philanthropies and nonprofits in Europe and across the world, but they don't have that same level of individual giving that the U.S. does. That is uniquely American, and it's driven by our tax code.

It's driven by our churches and our places of worship that come together and say, this is what it means to be a member of this community, whether that's your country, that's your place of worship, or that's your local civic center. We come together and help each other out, and I love it.

Greg
So I love it too. And by the way, I meant to say it earlier, and I forgot. Thank you for your service.

You know, I was actually this morning at the coffee shop. I had another kind of discussion, a podcast recording, and I saw a police man buy coffee, and I walked over, barged in, and I kind of made him allow, and he allowed me to pay for his coffee and his donut, which made me feel really good. And I do my best whenever I someone who's in service to others, you know, wearing a Navy or other uniforms.

I always go over and I shake their hand. I always say thank you. And I think I do that exactly because of what you just said.

I did this because even though I was born in Poland and I came to the States 33 years ago when I was 17, I think I'm pretty much 90 percent American, even though I don't sound like I was born here. And what I love about this country, and I'm deeply patriotic about the U.S., and what I love about this country is exactly because there's like a deeper spirit. There's something communal.

There's something that is very special that connects everyone. Like everyone is nice to each other in the U.S. and looks each other in the eye. And even in Washington, D.C. or New York City, people care to help each other. And there's this maybe discourse about, you know, we're becoming more isolated. And especially when you look at left and right. And we'll not get into politics today, but I can say it.

Yes, there is this apparent division between left and right, but I actually think we're 99 percent exactly the same. So I agree with you that whether it's because of philanthropy or I care about this country being amazing and being the best it can be. And I think America is exceptional in many ways.

And I believe in American exceptionalism. But philanthropy is a wonderful sort of visible example of what makes this place special. So just stating kind of my personal opinion.

In that spirit, if we all agree that it's important for us to continue to contribute and give back, you are in this unique position as a CIO for Share Our Strength, where I think sometimes if I talk to fundraisers and marketers, and that's primarily who comes to the show. And my whole background is in digital marketing right now, digital fundraising for half of what I do. There is something about people who are on the front lines raising money from individual donors, from corporations, from foundations, whether it's mid-mass or major, and everyone who provides the backbone for what they do, coming together.

And you talked to me about this idea of sitting down together. Talk to me about what does that mean to you?

Richard
I think it's the job. I think that is what they pay me to do, which is to not be an expert in my realm, but to be fluent in yours. I think it means getting dirty with each other's language, customs, culture.

I mean, this is change management 101, but let me point it back to you. So you came from Poland, you speak with an accent, you are able to converse in two languages. I think that's what my job requires me to do, is to be the guy who is natively speaking IT.

But if I can't have a real conversation in fundraising-ese, then I'm not good at my job. I would say the same thing about program. If I'm not able to talk intelligently about program in our programmatic mission, then I'm not doing my job.

Now, I'm always going to speak with an accent, just like you always had that accent. It doesn't mean that I'm now, I can pass myself off as a marketer, but it means that I'm more than just the guy who knows about the blinking lights in the dark server room. It means that I know about their business objectives and what they're trying to achieve, and I understand what their industry talks to them about, and I translate that into my own team's language, and vice versa.

I help them translate what I hear at my conferences to them. What does it look like? Tangibly, it means that I spend as much time going to fundraiser conferences as I go to IT.

In fact, I go to more fundraiser conferences than I go to IT conferences, because I get the IT stuff. I understand that, that so much of conferences is learning the basics and understanding, you know, there's a little bit of future trending, but so much of it is like, let's talk about what you should be doing. I need that remedial education in the fundraising world, so I go to the nonprofit fundraising conferences, and I think at this point, I'm pretty conversant in what they're thinking about and how they're thinking about it, and I can have an intelligent conversation about the options that they have, and I can layer in the IT implications of those options, as opposed to just being, tell me what you want to do, and let me figure out how to configure a database to do that. It's a difference between being a service provider and being a partner in a conversation.

Greg
And you're now a member of the 75th Innovation Battalion. Yes, sir. How does that experience and this way of serving connect with what you just shared?

Richard
So just a couple sentences for our listeners on what the 75th is. So in the Army Reserve, we're all weekend warriors, we all have civilian jobs. The 75th was a unit that was pulled together of reservists who have very unique civilian jobs, and these jobs don't naturally fit inside the larger Army picture.

So we are all trained to do an Army job, but we have something a little bit different to offer. So we have hedge fund managers, we have CEOs, there's a woman who's an astronaut in our ranks. And so it's just a different level of specialty, and the number of PhDs in my unit is pretty astounding.

What that allows me to do is, or what I bring from that is, we are bringing our civilian expertise, that native language I was just talking about, and we're translating that into the Army-ese. How can the Army use what the ChemBio botanist is thinking about in order to achieve the Army's mission? But what's also really interesting is it's two-way conversation.

Part of our mission is to go out and go to the Army things, and then bring those back to industry. We have offices of Strategic Capital, which their mission is to understand what the Army's priorities, and talk to Wall Street so that they can think about how to organize capital in support of what the Army's problems are. We're always talking about a profit motive in that manner, but we're translating Army priorities into a very dense, national military strategy, into what a hedge fund manager would care about.

So again, it's that ability to be multilingual, to translate, to be multidimensional in your thinking. You can't do the job by being an expert in yourself and living in your ivory tower. There's plenty of people who do that already well.

Greg
Well, and it seems to me that whether it's the hedge fund manager, or the astronaut, or the CIO, that you're all multidisciplinary, and yet you're all working towards one goal, and you're, again, playing off each other's strengths. In the context of your current role, you talked to me about this idea of getting dirty with me, because it feels to me like getting dirty with me is about being multidisciplinary. What does this mean to you?

Richard
It means sitting down for multiple conversations, often sometimes without an agenda, to understand what they're thinking about, and what am I thinking about. I don't know about you, but sometimes it takes me and my wife a couple conversations to realize that we're not actually, we're using the same words to mean very different things.

Greg
Happens all the time to me.

Richard
You can't have that realization in one conversation, or one strategic planning meeting at the beginning of the budget cycle. You have to be in it all day long, every day, and get to the point where you can say, wait a second, we've been talking about this for six months, but I think I just realized I don't know what you're talking about. That's not only a level of academic understanding of the topic, that's a level of personal comfort to have that kind of vulnerability with someone to say, we need to start again.

That's what I mean when you're getting dirty with someone, that you can have those real conversations, or conversely, you can say, so we've been talking about this for a couple months now, I actually just think you're wrong, and let me tell you why, and let me use your language to talk to you about why you're wrong. Not my language, that the IT geek speak

would resonate with me, but I'm going to talk to you about the metrics that are important to you, and why we're not going to get there. That's what dirtying is.

And what it really feels like when it's working successfully, is when you're sitting there, and you're, I'm the IT guy, and dealing with the fundraisers, when we're dealing with the dirty data, as to why we can't get the report to look like the way we want it to, why we can't pull the data in a way that we want to, and we have a really deep understanding what the raw data means, and why it's structured the way it is, and why we can't just control H, change a couple values, and move on, because it means different things to different people.

We understand that, like to be really nerdy about it, it's understanding data at the field level. What does that field mean? What does it really mean?

I get it that it's donors, but what are we capturing in that element? What does that mean? And when we can have that conversation back and forth, then you can have a really rich conversation about how to get to the outcomes that you're looking for.

Greg
And this really resonates with me personally, because I started, I think I told you earlier, my career back in 1997, actually coding SaaS for a couple of years. And I learned that I wasn't very good at it, but it was actually, in retrospect, a wonderful experience in syntax. And one of my two favorite words are syntax and data taxonomy.

And I know what the metric is and what the dimension is. And back to your earlier point about we're all sitting in our ivory towers, and there's nothing, I think, less impactful than just being in one area. And the thing that I am really passionate about is creating more value by creating more connections with people to have bigger impact, both in the for-profit and non-for-profit world.

And I like how you said earlier when we spoke that, look, if I've just been in one channel, it's hard for me to see other things, right? If I've been in one program. And by the way, it works the other way too.

If I only have been in IT, if I'm the IT guy, or I'm the, that also happens. Because I see only the world as tables and metrics and dimensions. And maybe I don't have any clarity around what is this in service of.

Richard
I think when we're trying to enable collaboration, a big part of that, and this sounds a little bit counterintuitive, is to get out of your comfort zone and honestly to force people out of their comfort zone. Pulling a little bit from my early career and from history, right after 9-11, for those who remember, there was a lot of agita and anxiety in this country. How could we not know that this horrible event was going to happen?

We have all these multi-billion dollar intelligence agencies. How could they miss it? And then there was this whole conversation about connecting the dots.

How come what the CIA knew, the FBI didn't know, that the NSA didn't know? For years, we've been struggling with that. And we're much better at it now.

And it wasn't about getting a dynamic leader on top who could have this mega mind that could ingest all this information from all these beautiful data feeds that are perfectly curated. It actually has to be much more fundamental. It has to be much dirtier than that.

What we did in the national security apparatus is we said, everyone shift right. So the leadership of the CIA now had to leave their comfy job for the only job that they knew and they had to go one agency to the right. And everyone shifted right.

And so they brought with them their understanding and their cultural heritage and baggage of their different agencies. And now they also have this expanded network. So when you had the leadership of the FBI who came from the CIA or from the national security agency or from the defense intelligence agency, and they say, we have this issue, but I know that there's this capability over here. Let me call Joe.

And the ability to call the guy that you know, who's outside the normal network is such a powerful way of collaborating. It's the way that I think all great breakthroughs happen.

It's not by working harder with the people who understand the problem more. It's about working harder with the people who understand the problem differently. And so, so taking it back to nonprofit, I think what we do when we're at our best, as IT weenies and the brilliant fundraisers is when we are shifting right when I'm sitting in the fundraising spaces and thinking of it.

So now let me think about your world. What are you trying to do? And I'm, I'm just invested in your world.

I'm not trying to figure out what it means for me. I'm figuring out what it means for you. And we're trying to use that.

And then we have that reach back capability to say, okay, now that we understand the problem that we're trying to solve, because that's often the hardest part to agree on the problem. Once we agree on the problem, the answer is always generally pretty obvious. But if we can all agree on the problem and you know, the multi-domain aspect of understanding that problem, then we all have our reachbacks to, to the brilliant people who support us.

Greg
Something that I'm trying to lean into this year is to see the world through the eyes of my team and our customers. And it's hard because it's much easier to be wrapped up in my own perception of reality. And that's how I'm hearing what you're saying is that if we were able to see how others make impact, what others are doing through their eyes and have a bit of an empathy for, for, for what they do and understanding, maybe we could be more effective in our roles.

And I think what you're saying is, you know, that's change management or that's collaboration. And I want to talk about some tangible aspects of this process. Like we spoke about co-ops and data hygiene.

I want to touch on that, but why should I care? What is the value ultimately? What are some maybe tangible examples of outcomes of collaboration, of being multidisciplinary, maybe in the context of charities in general, or maybe in the context of Share Our Strength?

Like what are some things that collaboration enables us to accomplish in terms of impact or value or just increasing donations?

Richard
So I'm going to give a real example. And it's one actually that I'm, I'm pretty proud of that we're tackling. We're on the edge of finishing this project now.

And it's what I call, we've identified an original sin in our dataset for reasons that I don't know. And they were probably the right calls 12 years ago when our database was, was first configured. We configured it in one way.

And for the, at least the last five or six years, we've been saying, well, we want to get this information out. And we kept saying, we can't do that. It was our CFO, not our marketing person, but it was our CFO who's like, well, I want to be able to pull a report differently so I can talk to the board about our restricted giving.

So it's the CFO driving a change that the IT guy is going to be implementing about how the marketing data is configured. And we each have our own need for why that is. But because we had that team approach, we've now invested a large sum of money to go back and change 10 years of the coding of data to, so that way we could do historical trend analysis of this data.

But I've been at Share Our Strength eight or nine years. For six or seven of those years, we were throwing our hands up and saying, we can't do it because the data is not right. When we got dirty with each other and we got collaborative and we understood enough about each other's problems, the right answer finally became, well, actually, we just have to recode the data.

We have to reconfigure the database. That's a big project. I'm not saying that these things are easy, but it actually wasn't as big as we had told ourselves it was for the last six or seven years.

It's a big effort, but we also did it in 90 days. Man, what I wouldn't do to turn back the clock and say, I wish I'd done this five years ago.

Greg
You said unrestricted giving. And I mean, obviously, everybody wants to have more unrestricted because for obvious reasons. Can you give me an example of when you get access to this view on donor data, what is that going to translate into as a business impact?

Is there a use case that you can share just to make this more tangible for the audience?

Richard
I'll get nerdy here for a second. I'll pull this out.

Greg
I love nerdy, by the way.

Richard
So what we had configured was in our history, we had very few restricted gifts. Most of our donations were online and from corporate partners. And so therefore, they weren't particularly restricted, but we had a couple for whatever reason.

When one of those few, like literally five or six restricted gifts came in, we changed the coding of where the gift came from to be that donor. So we lost the history of how that gift was asked for.

Greg
Oh, so the prior history was overwritten.

Richard
It was overwritten. It was literally overwritten in the database.

Greg
I see. So all the prior gifts were...

Richard
Not all the prior, but the asking codes. Like, you know, this came in from this channel on this day because of this opportunity. Like, and we just said this gift came from Walmart because there were so few of them.

We knew how the Walmart gift came in or we knew how the Bill Gates Foundation gift came in because it was a big gift and it was known. As we made a strategic shift to say, actually, we want to expand the amount of corporate giving. We understand that the marketplace right now is one that donors want to have more insight into where their gifts are going specifically because we have much more access to information as a society than we did 10 years ago.

So donors have more interest in knowing exactly what's going on. We need to increase our ability to have restricted gifts. So this means that our program team needs to package our work differently into bundles that can be those restricted gifts into a fundable inventory.

This means our fundraising team needs to understand what that inventory, fundable inventory looks like. Our CFO needs to be able to see which packages have been sold and which ones haven't. And me as the IT guy needs to configure the database to do all that.

And the use case then is apparent is what I just said, that once we make this change, we're able to open up the spigot to restricted giving in ways that we never were beforehand. And that then will hopefully allow us to increase donations overall, but also to a new class of donors. Because, you know, instead of just going after the individual unrestricted giving, which is what everyone wants, part of what we talk about is that we want to open up new channels.

And so how do we open up the less sexy, possibly differently profitable, not more or less just differently profitable channels like corporate giving or whatnot that will require us to hold ourselves to different standards?

Greg

What I'm hearing is that first there was clarity at leadership level that strategically there was a need to focus on restricted more. This was important that there were millions of dollars to go after. But your inability to maybe manage those dollars and report on those dollars and understand which programs, for example, are receiving, you know, more, fewer, more dollars was holding you back from actually executing on the strategy.

The data wasn't there.

Richard

I wish I was as clear as you. Yeah, that's exactly that's a great summary of exactly what the situation was.

Greg

Okay. And if that's the case, it almost seems to me that in order to grow impact for an organization, like what you described right now, it isn't about rows and columns and dimensions and clean data, but it's really about the team sitting together to your point and getting dirty with it, defining certain objectives and questions that they want answered because it fits into some vision of the future. It feels like your CFO was really galvanizing because what she or he did is they work backwards from some sort of question.

And I wish that sometimes we all ask more questions about what would be amazing to know or what are some use cases we want to enable with data. In this case, we're talking about, you know, a financial report, a donor report, but there are also examples of user experiences we want to enable or new initiatives, and we just lack the right infrastructure or the right data to provide that.

Richard

Yeah, I think when we think about the change management journey that a leader goes through, it starts out with the I want statement. I want to do this. I think that's where so many of us feel very comfortable.

It's easy to walk around and be the little emperor and say, this is what I want, this is what I want, this is what I want. Many of us are also very good at saying, in order to get what I want, I need your help to do X, Y, or Z. That's also a pretty well-established path.

I think where I see the great leaders, and I see some of them in my organization, some in lots of other organizations, and it's not just our CFO, like it really is a team effort that got us here. When you turn the question to now that we all agree what we want and what we need to do to get there, what can we do to help you get there? I think the difference between articulating your wants to someone else and helping them achieve your ambitions is the essence of leadership.

It's really easy to say what you want, even if you don't know what you want. It's really hard to go through and say, we all agree that this is what we're trying to get to, but we're still having some sticking points. Let's go dig deep.

Let's get dirty with each other and figure out what's holding us back. It's way down in the code. I've never met a CFO or a chief revenue officer or a CIO who is fluent in the 13 digits of

our gift code, but that's the level that we had to get down into in order to come back up and say, now we will be able to have this strategic level shift in our fundraising because we went all the way down to a 13-digit code.

That's what leadership looks like. It's being micro-interested in the problems in order to achieve the macro results that you're looking for.

Greg
This could take us down several rabbit holes, but I actually have one question and we did not talk about this, and I'm curious about how you see this. What's the role of culture in this equation to actually have these conversations and to be able to see the world through somebody else's eyes? You're talking about really unpacking people's possibilities, right?

Like really leadership being about me wanting great things for others that I work with, me wanting them to succeed, but I have to imagine that culture is an important ingredient to actually making that happen. Or what do you hear?

Richard
I think culture is a big word that I think means everything and nothing, so I'm going to try to focus us a little bit on that because I think an important part of the story that I'd be really remiss if I didn't talk about is this is not a C-suite level transformation. It wasn't all of us just sitting around the round conference table one day and voila, we were there. We actually, each of us had massive teams that we brought to this effort, and I have this one fantastic project manager on our team who's really been the brainchild of how this vision was going to be implemented.

And the reason I talk about that is because the aspect of culture that I want to highlight is trust. It's that the trust between this small group of C-suite executives to continue investing in each other when we did not understand what each other were saying, but I trust you that you're not being obstinate. You're just, we're not there yet.

Let's keep working at it. And that trust happens because we had lots of other conversations about lots of other things, kids and life and love and family and happiness, and you know, you have to be investing in that trust relationship at all times so that way you can pull out from it when you need it. The culture there is about investing in trust at my peer level, but that same trust element of trust in the culture is between me and my colleague who's this project manager that I just think the world of because I didn't tell her how to solve the problem.

I told her that there was a problem that I needed her help to solve, and she came back to me with the recommendation. And so there was a lot of trust there, me and her, and I hope her and me, that we also were able to figure out how to architect, how she architected a fundamental change to our database to resolve an original sin. Those are big deals.

You don't get there by fiat. You get there by the trust. And that's the aspect of the culture that I want to talk about because I think that's what I love about us.

Greg

So let's imagine that I'm working for an organization where we are siloed because that happens a lot. And maybe we have teams who are responsible for mass mid-major that don't really talk to each other. You know, maybe there are different programs.

And what I see a lot is, you know, this donor came on this program, therefore it's my donor. I can talk to this donor. We are siloed within digital fundraising or fundraising in general by channel.

I see this also in my industry, right? I'm a search person, social person, programmatic person, email person, direct mail person. And my industry wants to be audience first, donor first.

And yet we're still talking about how budgets are allocated amongst channels. What would you advise this person to do as something practical to increase trust, does collaboration, does having permission to get dirty with it?

Richard

I think the world runs on coffee. And I think, you know, coffee or your beverage of choice.

Greg

And I loved it, by the way.

Richard

You know, and I think that's how it starts. It starts not with a meeting and an agenda. It starts with a, hey, let's grab coffee.

I think it starts with the first five minutes of every conversation. How's your kid? And then remembering what they told you in the next time.

Hey, how'd that go? I think it's intentionally thinking about the other person first. In the Army, we talk about it as a leader book.

And in the Army, you are every young second lieutenant who leads a platoon, and a platoon is about 40 soldiers, is trained to write down the names of all their soldiers, spouses and kids, and anniversary dates and birthdates, and to walk around and talk to them as people. Because they need to have that personal relationship. So when it comes time and the shit hits the fan, and you got to run towards that machine gun and do the things that no sane person would do, they trust you and know you.

And they know that, hey, LT's got my back, he cares about my family, talk to me as a person. And so now I'm willing to do these things. That same leadership lesson applies to everything.

And you can be, well, I'm sure my CFO will hear this one day and she'll laugh at me, but when she joined us a couple years ago, maybe two or three years ago, I made it my mission every day to make sure to stop by her office and say, good morning, and nothing else. Just say good morning, because I'm the CIO, she's the CFO, she has the money, I have the data. I want to make sure that I'm best friends with her.

Now we are very good friends. But it was an intentional choice, I think on both our parts, to figure out how are we all going to work together. I think if you're not thinking about how am

I going to work with these people, and instead all you're doing is how am I going to get what I need, you're not going to get there.

I think it's a people problem. The business problems follow, and the business solutions come from working with people.

Greg
So what I'm hearing is coffee, the world rounds on coffee, which is really a shorthand for taking a moment to say good morning and to just say hello. And it doesn't have to be formal. And also, I love your example from the army around knowing the names of the people who are in someone else's family.

And I'm just asking this because I'm super curious about your army experience. Any other other tips like that, that we should be taught in the corporate world, that you were taught in the army, that the army is teaching you to maximize your effectiveness?

Richard
We do in the corporate world, we call it management by walking around. In the army, we call it battlefield circulation.

Greg
There's actually a name for this.

Richard
Oh, yeah. I have five teams that report to me. One's in Atlanta, two are in Pittsburgh, one's in Orlando, one's in Boston.

Once a month, I'm in a different location, and I'm circulating the battlefield. And I'm there with each of my soldiers to make sure that I am there, they see me, they have questions. Corporate world, we call it a town hall.

In the army, we call it a sensing session. But what's on your mind? Tell me.

That is an important part of leadership is to get out from your office. Coffee is another. I'm trying to figure out how to put words to this, but I guess it's not shying away from giving bad news.

The happy sandwich is a killer. You know, where you say something happy, and then you slide in.

Greg
Yes, it's called a shit sandwich.

Richard
Yeah, yeah. Whatever way you want to talk about it. But if you can be the leader who is not afraid to say the hard things, they're not going to like you in that moment.

But they're going to like you that you are not afraid to tell them the real deal. In the same way that I talk about trust, you can't establish trust when you need it. You have to draw from it, and you have to draw from an account that you already established.

I think the same is true for integrity and being a straight shooter. Tell them when they're not meeting the numbers. Tell them when we as an organization are not meeting our numbers.

Tell them why they're not getting promoted. Tell them why the bonus pool is the way it is. Tell them why the project was good, but not great.

Talk about then why it wasn't great. And I right now at Share Our Strength, we're going through our performance review cycle. I had a mentor one time at Capital One.

He told me feedback is a gift. All you're doing is telling the people that work for you and that you work with all the great things that they're doing, and you're never stopping saying in the Jim Collins sort of way, the difference between the good that you're doing and the great that you could be is this. If you're not having that conversation, then you're as good as you'll ever be.

And I think leaders have to push their teams to be great.

Greg
So Patrick Lencioni has this framework of five dysfunctions of the team. The base of that is trust, and then you have healthy conflict, commitment, accountability results. And trust is a really tough one in that framework because it's something that we know and exists, but it's hard to really know what trust is.

And the framework trust is described as risk-taking and speaking my truth. So I think speaking my truth is integrity in some ways, but it's also having the courage to speak my truth. And risk-taking is having the courage to actually say things the way they are.

And it doesn't have to be negative or hurtful. It's just real and kind. And the way you just described it, I love your kind of Jim Collins good to great, right?

You're saying it's not about the person. It's also, this was good, but it could have been great. And in general, I do think, and I think that's what you're saying, that trust is built when I'm just sharing feedback.

And it's wonderful if it can be mostly positive because we all want to be praised. We all want to hear great things, but there's also a negative side of feedback because we're all work in progress. And maybe that's all trust.

So what I'm hearing you say is that culturally that's important and just showing up and giving a damn for five minutes to say good morning is important.

Richard
Yeah, I think that's right. And I think it's eating your own dog food is the other one is that if you're willing to be that leader, who's going around and saying, this is what the difference between good and great is. You damn well better be asking, how can I go from good to great?

If you're not having that same conversation, if you're not normalizing feedback up the chain, as well as down the chain, then you can be just the jerk. But if ever, if you've normalized the

behavior of feedback that we're always asking each other, regardless of rank or position, what is the difference between good and great? Then you've created everyone being invested in that process that, hey, we're all doing this to be great.

But if you're just spewing out wisdom without receiving it, then you're the one who's not being great. And I'm not good at that every day, but I definitely try.

Greg
Now, this is not a podcast about change management or organizational psychology. And for me to pretend that I am an expert at change management, or maybe this applies to you too, right? It would be a little, maybe a little inauthentic.

I do think we're both, what I'm perceiving is on this journey of leadership and making change and really getting to our goals through others and of being of help. And I think that describes how I think about my philosophy. But I want to shift gears for a second to something that you told me a while back, which is, and this idea that if I think about kind of just zooming way out, right, just looking at the industry now, when you said this crisis of philanthropy, right, the 2017 changes in the tax code, the fact that what makes America, and you said this at the very beginning, special is that we give a damn.

I think Americans are deeply patriotic. Again, that's just like, I love that about the States. I'm actually reading a book right now about how US Rangers were created.

Like, where did that come from, right? It was commandos in Europe and back before 1940, before 1939. And the amazing things they did on D-Day and it makes you want to cry when you hear what was actually happening that day.

And actually one of my goals is to go to Normandy. And I'm pretty sure I'm going to break down when I'm on one of those beaches, right? Paying homage to the men and women who died there.

It's not helpful when there's crisis of philanthropy. And I think also it isn't just about macro. I don't know that it's just about the tax code.

There are things that we can't really honestly control that. I don't know that I can control that. Neither can you.

But there are things that we can control and I like to focus on what I can control. And you spoke to me about co-ops. What's your take on what's happening with co-ops and what's the impact on the donor ecosystem when charities use co-ops?

Richard
I think, first of all, data co-ops are extremely powerful and fundamentally a positive tool in our world. And I think we all know what a data co-op is, where non-profits pull together their donor data and then find like donors from other non-profits to go after. So fundamentally data co-ops are a good thing, but we need to understand that tool in order to how to optimize it.

I think the challenge with data co-ops, and this is more of a long-term challenge across the industry, not with any one non-profit's usage of them, is that over time, as we all start

indexing against who that most profitable donor is, we're all going to start going after the same 55-year-old white woman who is generally the most profitable donor. And so, yes, for your dollar spent, that's the highest level of return. But if everyone's going after it, I don't even know if we're going to compete all that much.

I'm just saying that everyone who's 1, 2, 3, 4, 5 standard deviations from that index point is also a donor. And the makeup of our donor portfolio is hugely important to each one of us. So if you're just going for the optimized index value, it's a good investment for the small non-profits.

For the medium non-profits, it's a good investment. But for large non-profits, a great investment to stay with the Jim Collins here is to also, not instead of, but to also now start thinking about those standard deviations 2, 3, 4 points away from that index point. And I think there's a lot of value that's being left that could potentially be left on the table.

Talked about an example already in our own world where we want to now go after corporate partners. And so, therefore, we need to think about our restricted giving. That is going to another part of that donor pool.

I think when we used to all talk about a year or so ago, it's a little bit out of vogue right now with the current administration, but we talked about increasing the impact of DEI on our donor pool and how we could go after donors of color in a much more intentional way than we had been. I was recently educated that Indian Americans are possibly the most philanthropic minority group in the U.S. I had never heard that from an Indian American in my army reserve unit who happens to work in non-profit. It's a hugely untapped resource, but you need to talk to them in a way, you need to talk to that profile slightly different than you talk to another one.

But there's a lot of money there. There's a lot of opportunity there. There's a lot of insight and cultural trust that could be received from those different segments.

And so, how do you go yes and? What are the other, again, standard deviations from that index point? I think there's a lot of opportunity there.

And I'd love to see more conversation inside the space as to how we go after those.

Greg
What I find interesting is that we forget about the standard principles behind investments and risk profile. So if I go to a CFO or anyone that deals with money, I would never expect high return for low risk. It's always high return, high risk.

And then maybe low return or steady return for low risk. And when I think about co-ops and this idea of both ends, I think co-ops offer fair return for fair cost. And that's like your blue chips, right?

Or S&P 500 index. But then if I want to also find some new opportunities, I need to spread my bets. And you spoke to me a while back about investment portfolio and you said it now too.

So I would love to encourage charities to, like you said, there is nothing wrong with co-ops. We should do that. But is that enough to help us to grow the size of the addressable market?

Do you see charities being willing to lean into high risk, high return? Or is it difficult? Because in my experience, it's a little difficult sometimes to see risk as a lesson.

I think sometimes it's seen as a failure and I think it's short-sighted.

Richard
So I mentioned that my own career path is a little bit nonlinear. And someone, as you were talking, reminded me of a conversation I had years ago where someone described me as a little bit more risk loving than the average bear. And I think that's true.

I don't think you get to be number one by being risk avoiding. But you certainly get to be number three. And so the question is, where do you want your nonprofit to be?

Do you want to go be really, really successful with a very comfortable life? Be number three. You can do great with a strong risk avoidance philosophy.

If you want to be number one, and I leave number two blank intentionally because I don't know, I think there's some gray space. If you want to be number one, you got to dare to be great. You got to be willing to try something new and try something different.

And I think not all of us are cut out for that. And that's okay. We can't all be risk loving like me.

God knows my, you know, it takes a portfolio of personalities in my family to get us where we are. It takes a portfolio of personalities inside every organization. But I think where, and I'm going to now put my CIO hat on, I think actually AI is offering some really interesting opportunities out there.

I'm not sure that they're 100% mature just yet. But one of the big arguments of, sure, I'd love to do more, hire me the staff to do it. You know, so that, we start the conversation from a mentality of, I could definitely do this if I had more.

But I think, you know, AI and technology is, in the next couple years, going to pave a way for us. There's some really interesting tools out there where you could have a virtual agent start taking over a part of your portfolio that could go and, you know, announce themselves as a virtual agent and say, but hey, I'm here to answer all your questions, not just in a, you know, ask me question A and I'll give you one or three answers, but in a true generative AI sort of way, I'll tell you what we know about ourselves and happy to answer all your questions.

And they've proven to be profitable. The challenge that some nonprofits have is that there's a weirdness to it. Like, do I want to be talking to an AI agent or not?

I think society's going to take care of that problem for us. I think we're all becoming much more comfortable talking to the androgynous AI agent than we were two or three years ago. We're only going to become more into that.

And I think the price point will come down as that happens. So I think there's opportunity there to expand your portfolio in a non-HR intensive sort of way. I think that there's other opportunities out there to increase the ease at which you're going after grants, not by having ChatGPT write out all your grants, but it certainly can help in doing that first draft or helping you brainstorm out what should be writing.

And there's, I mean, it's well-documented that you can, you know, people who took six weeks to write a grant proposal can bring it down to a couple of days just because those first couple words on a piece of paper are always the hardest, but it's so much easier to edit than to author. So let's do that. Again, there's risk here that suddenly all our grant proposals could start looking the same if we don't humanize them.

And so if you're being lazy with your ChatGPT and just hitting print and send, then you're going to run into problems. But if you're using it as inspiration, I think there's a lot of opportunity to increase your throughput. I think there's other opportunities out there like this.

I mean, P2P was big for a little bit, so was gaming and esports. I think a nonprofit's ability to be agile with the good ideas is a key to success. One of the things I really love about us, if we have a senior manager on staff who's revenue innovation, her and her team's job is to think about the next big thing.

She has a vanishingly small revenue target. Her job is to not be afraid to be wrong, is to try something different. And success looks like when that turns into a million-dollar campaign.

She's batting Babe Ruth style, not 50%. She's batting at the 300 level. But Babe Ruth was the all-star that we all point to.

Her team has had some really great wins, and it's because we're not afraid to try something new. And it's not fail. It's try, and maybe it's there, maybe it's not.

Greg
Is there one use case, just in the spirit of AI, in the spirit of, because I think that there are, with a degree of creativity and just maybe getting dirty with it, like you said earlier, I think there are opportunities now to come up with some very obvious ways to use data to maybe increase relevancy or deliver better experience, to engage more donors, and to increase actually how much money is being raised. Are you guys having any conversations internally around a use case that you can share, that it's okay to share, of something that you would love to enable that actually does translate into raising more, specifically from individual donors?

Richard
I haven't read the report yet, so I might be fact-checked on being wrong on this, but I believe in the latest MIT review there's an article that's talking about, I saw a snippet on LinkedIn, 95% of AI projects right now are failing.

Greg
Yes, that doesn't surprise me.

Richard

I think that doesn't mean you shouldn't try, but I think one of the things that's coming out of that article is that having a good idea is not enough. It is also about making the investment in the team, in each other, in understanding that. And actually, so when it comes to the fundraising side, where I would encourage the investment in AI is on our for-profit colleagues who are enabling us.

Nonprofits should focus their AI investments right now on the operations side, how do we manage our internal operations, not the fundraising, and how we should really start dabbling in on the programmatic side, where there's not going to be a for-profit motive to figure out how to feed kids better with AI. But there's absolutely a marketplace on the for-profit side of all the agencies, such as the one that you run and others. I want you to carry that risk for me as a non-profit.

And I want you to make those investments because you have a profit motive and you will be much harsher in your assessment of good to great than I will be as a non-profit. That's where that risk should lie in the non-profit space.

Greg

I kind of, I know what you mean and it resonates and just wearing my kind of agency hat and I try not to bring that to these conversations. But you know, for me, the big motivation here is just to truly see the space through the eyes of the people who actually are in the space. Then we all win.

I win and my team wins and the client wins, the charity wins. And we are starting to see a number of opportunities. They're very actually quick and cheap and high impact in using AI to increase understanding of what the donor needs.

Richard

And I would add on top of that, most non-profits, our N is too small. The number of use cases that we have to learn and experiment is too small to get to success. Either the data size, because our data files aren't big enough, or I convinced the boss to make the investment once.

It didn't work out. So now I don't get to do this.

Greg

I see.

Richard

But you have a bigger N because you have multiple clients. So you can try with Share Our Strength. Didn't work out, but now you're going to go with a world food program.

Oh, it actually worked a little bit better. Now you're going with Nature Conservancy. Hey, it worked out really well because they had a large enough file and, you know, and you've, you've iterated and experimented.

We don't have enough repetitions in our learning cycle to get to success on the fundraising side. I think on the programmatic side and on the operation side, it's a different story.

Greg
What are you most excited about when it comes to the next several years? Like if you think about the next several years, what is something that you would love to be proud of having accomplished?

Richard
I think that it's trite to say the AI revolution is going to change everything, but for sure it is. And I think it's too early to say how. What I'm proud of is the tremendous strides that my team is making to get us ready for that.

Where for a long time, we had the luxury of having dirty, duplicative data, have ill-defined audience segments in our data tools that didn't necessarily talk to each other, but we're really good at what they did, but they didn't share back to that 360 view of that donor. We had that luxury of living in that world. AI won't allow us to live there.

What I'm going to be proud of in five years is that when it comes time for us to be agile and to jump on that opportunity, we're going to be ready for it because our data has been cleaned. We've built a data lake. We've integrated our tools.

We are going to have really great conversations here soon about cleaning up our audience definitions. We're doing all the hard, unsexy work now. I get excited about the unsexy, so that way my chief revenue officer and my CEO and my CFO can be really excited about the big numbers that they put up on the screen.

And I know that their success is built on the foundation of mine today.

Greg
I mean, that resonates because even though I am in digital fundraising, but because I used to code, I appreciate the value of clean data. And we won't have time today to talk about clean data, but what I hear you say is that you're creating a clean data environment within Share Our Strength and metrics and dimensions are connected across the tables. Is that true?

Richard
It is, but I think everyone would always say, of course, clean data. I think where I would push on it, and I would say integrated data, that's what we're going for because any individual tool, you know, plus or minus the data is clean enough. What's hard is when you start integrating data across tool sets together.

That's where you need to start using things like data lakes and be really intentional and thoughtful about how your coding structure works. So it's not enough to be clean. It's important to be integrated.

That's harder. That's more fun. That's going to be the foundation that my successor will be like, yeah, of course, we've always had it that way.

Greg
Well, and because I'm just purely geeking out right now, is it about creating almost like a side-by-side data-like environment where everything is integrated?

Richard
Yeah, we do nightly backups of more and more tools every quarter into our data lake, fully integrated, and not just on the fundraising side, on our finance side. So that way we can do reporting in ways that we couldn't dream of before. But now we have our invoicing in the data lake.

We have our general ledger in the data lake. And when those two things are together, together with our donor file, we will be able to say this mailing cost us this much for this return, and this is the lifetime of that donor.

Greg
This is basically the data nirvana.

Richard
We're hoping for it.

Greg
I mean, it's basically being able to talk about inputs and outputs, being able to talk about what was done to drive the business in, to get donors in, and then what was the lifetime value of those donors.

Richard
And because we're nerding out here, and then tying it to our granting portal where we give the money out and say, that's where that money went to, to reach how many kids got fed because of that.

Greg
So all the way downstream to impact.

Richard
End-to-end. That's the nirvana we're going for. That's why I did it.

So that was the fundamental driver, again, of that recoding so we could do that restricted giving. So now our grants flow into our data lake in the same way that our donors flow into our data lake, and we can pull that thread. That's the vision that we're driving towards.

Greg
Well, that sounds like a topic for another podcast. I would love it. But I love the vision because I can see it.

It's basically a value chain from the very beginning until the very end. And if you can see the whole value chain across, then you can just manage it better, right? You can manage it.

And then you talk about using AI in the future, if you have that all mapped out. And of course, that will take, I would imagine, years to get done. Absolutely, you're ready for whatever it is that will be coming.

But you'll be ready to take advantage of that.

Richard
That's exactly right. And there's going to be new technologies, new opportunities, new channels that are going to come on. And we're looking forward to it.

Put me in, coach. We got it.

Greg
Final question. I always like to ask this one. I'm curious what people will say.

What is something you wish you had known when you started on this journey? Oh, and whatever part of the journey that speaks to you the most. What is something that has been a valuable lesson that you wish you had known when you started, let's say, working at Share Our Strength or in the NFP space?

Richard
I would say what I've really come to appreciate is, so as a good soldier, you go to war with the army you're given. But I've really come to appreciate the value of the best team on the planet. And I've been at Share Our Strength, like I said, now for eight or nine years.

I've now hired every person on my team. They're the team that I want. They're the team that I want to go to war with.

And they are amazing. If I had appreciated that, the value of being patient in my hiring to find the team that I want, I wish I had a little bit more patience at the start of this journey, because the return has been amazing. And it's my team's return.

They're just the best.

Greg
Richard Kostro, SVP and Chief Information Officer, Share Our Strength. Richard, thank you so much.

Richard
This has been a lot of fun. Thank you so much.

Greg
And by the way, if you want to hear from others like Richard, people who truly care to change the industry and to maximize impact, go to DelveDeeper.com slash podcast. Sign up for our email and you'll get a weekly one idea worth sitting with that you could implement tomorrow. Again, Richard, thank you.

It was really just a pleasure to have you on Friday afternoon. Thank you so much. Thank you.