

HOW TO POSITION YOUR NONPROFIT FOR FUNDRAISING SUCCESS: THE 5-SHIFTS MODEL

Massachusetts Nonprofit Network Conference

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TODAY'S LEARNING OBJECTIVES

- The critical importance of **planning**
 - How to **define roles** and **expectations**
 - Where you need to **invest** your time and resources
 - The key elements of your **case for support** – the crux of all fundraising
 - Tactics for successful **relationship cultivation**
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ARE YOU EXPERIENCING THE FOLLOWING?

- Struggling to get your **Board** to raise money?
- Hesitant about **asking** people for a gift?
- Unsure how to make a **compelling case** that people should support your organization?
- **Lacking time** to dedicate to fundraising?

OR MAYBE YOU ARE...

- Not clear how to **hold on to the donors** you have or get them to give at higher levels?
 - Nervous about having **other people** try to raise money for your nonprofit?
 - Feeling **budget-constrained** so don't want to spend money on development?
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Do you feel like you will *never* be able to raise the amount of money necessary to substantially achieve your goals and attain your mission??

THOSE ARE JUST THE *SYMPTOMS*...

None of those things are the problem. **The real problem is that you haven't made the essential "shifts."**

ONCE YOU MAKE THESE SHIFTS...

You will be well-positioned to raise sufficient revenue to:

- Recruit and retain quality staff, **who will...**

- Implement innovative programs, **so you can...**

- Serve more clients better, **which will enable you to...**

- Achieve your organization's goals!

DISCOVERING THE 5 SHIFTS...

After working with many nonprofit leaders, I realized the **most successful fundraisers were doing these 5 things.**

THE 5 SHIFTS

1. Plan More
 2. Lead the Charge
 3. Invest More Money and Time
 4. Commiserate and Differentiate
 5. Relate and Cultivate
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SHIFT #1: PLAN MORE

“If you fail to plan, you plan to fail.”

When you don't plan, you are simply shooting from the hip with no realistic goals, no buy in and disengaged stakeholders.

When you take the time to plan, the implementation becomes purposeful, easier and **reaps better results**.

PLANNING AREAS

1. Strategic Plan
2. Fund Development Plan
3. Communication Plan
4. Board Engagement
5. Logic Models
6. Potential Investors Research & Prioritization

FUND DEVELOPMENT PLAN

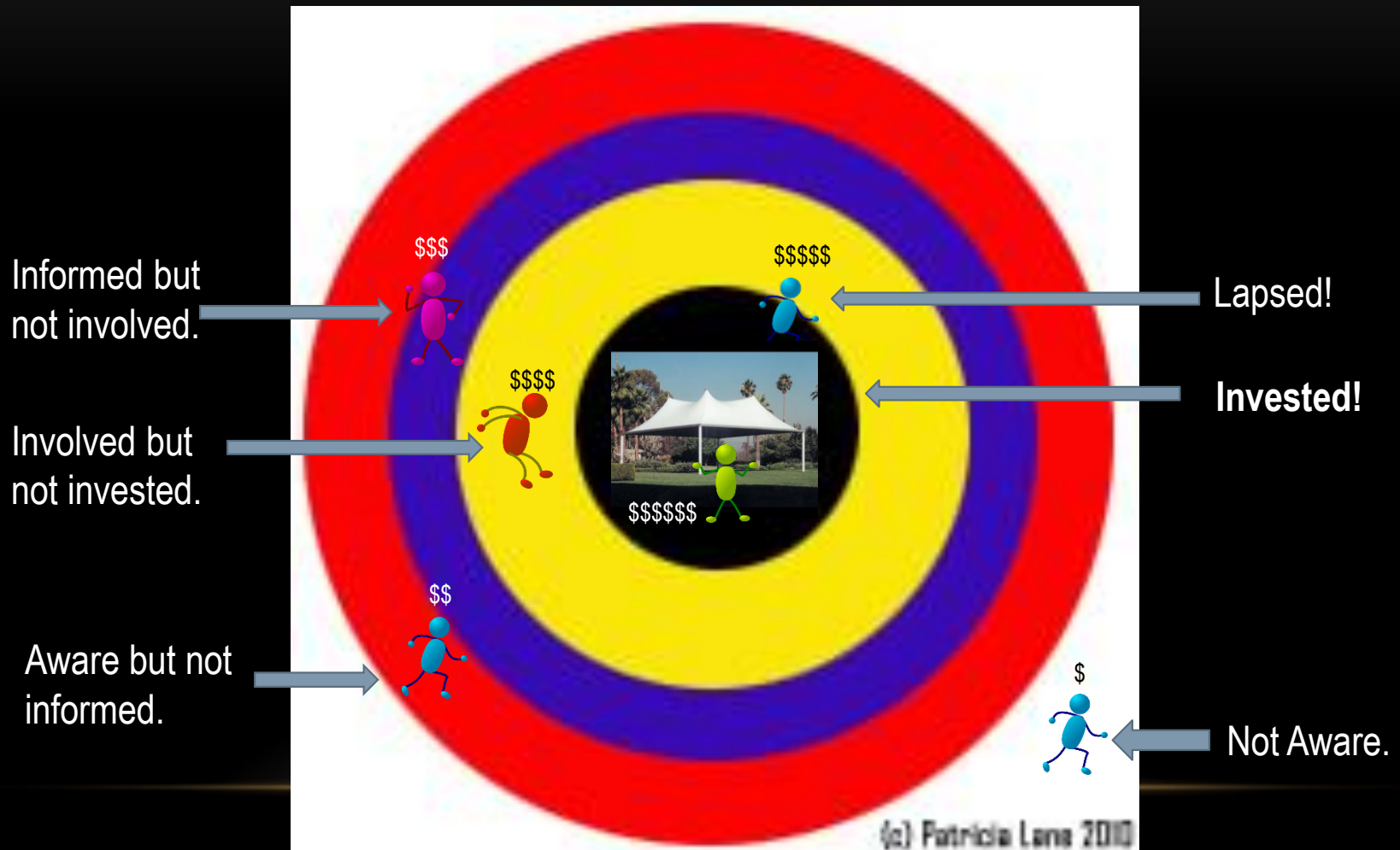
Third Space Studio study (2015):

- **Key Finding #1:** For organizations that have a fundraising plan:
 - For every \$10,000 investment an organization made in the salary of their fundraiser, they saw \$42,500 increase in individual donations. *For those organizations without a plan, there was no correlation between salary and fundraising results.*

FUND DEVELOPMENT PLAN

- **Key Finding #2:** For organizations that have a fundraising plan:
 - Each full-time person working on individual donor fundraising raised an average of \$280,000. *For organizations without a plan, there was no correlation between staff time and fundraising results.*

POTENTIAL INVESTORS



DONOR ATTRITION

- Median 2014 donor retention rate: 43%
 - First time donor retention rate: 19%

(2015 Fundraising Effectiveness Survey)
 - “Retention is the new acquisition”
-

PLAN HOW YOU WILL **RETAIN** YOUR CURRENT SUPPORTERS

- Say “Thank You” (a lot)!
- Demonstrate impact of their donation
- Recognize them
- Provide updates, opportunities to get involved
- Invite them to events

PLAN HOW YOU WILL **RETAIN** YOUR CURRENT SUPPORTERS

- Pay special attention to your large donors
- Convert smaller donors to sustainers
- Don't ignore your steadfast, low \$ supporters!

PLAN HOW YOU WILL OBTAIN *NEW* SUPPORTERS.

Who *already* knows about us? **Who:**

- supported us in the past?
- are our volunteers?
- are our vendors?
- are our other stakeholders?
- comes to our events?

PLAN HOW YOU WILL OBTAIN *NEW* SUPPORTERS.

Who *needs to* know about us? **Who:**

- does our Board, staff, current supporters and other “Ambassadors” know?
- is supporting “like” agencies?

WHAT DO YOU LOOK FOR IN A POTENTIAL DONOR?

- Tina Cincotti's ABCs of Prospecting:
 - Ability
 - Belief
 - Contact

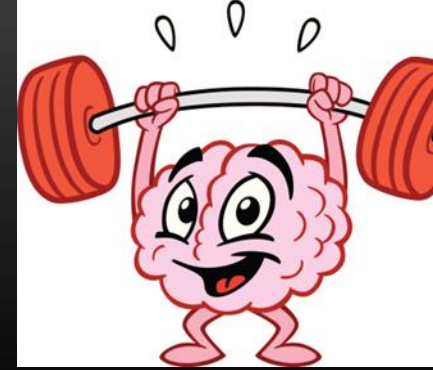
DONOR PRIORITIZATION

Rank based on various criteria, e.g.

"Umberto"	Score (1-5)	Weight (0-1)	Weighted Score
Ability/Capacity	4	0.75	3
Belief/Inclination	5	0.5	2.5
Contact	3	1	3
Geography	2	0.25	0.5
		Total Weighted Score:	9

"Joanna"	Score (1-5)	Weight (0-1)	Weighted Score
Ability/Capacity	3	0.75	2.25
Belief/Inclination	5	0.5	2.5
Contact	5	1	5
Geography	2	0.25	0.5
		Total Weighted Score:	10.25

EXERCISE: DONOR PRIORITIZATION



Rank (and Compare) Your Donor Prospects!

	Score (1-5)	Weight (0-1)	Weighted Score
Ability/Capacity		0.75	
Belief/Inclination		0.5	
Contact		1	
Geography		0.25	
		Total Weighted Score:	

PLAN WHICH GRANT FUNDERS TO APPROACH

- Do your homework! Invest in research and outreach now, so you don't waste time later.
 - Are you aligned?
 - Who else do they support and at what levels?
 - Who knows who?

NONPROFIT–FUNDER ALIGNMENT

1. Constituency
 2. Geography
 3. Issues
 4. Strategy/Approach
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FUNDER PRIORITIZATION

Rank based on various criteria, e.g.

"The Good Foundation"	Score (1-5)	Weight (0-1)	Weighted Score
Constituency	5	1	5
Geography	5	1	5
Issues	5	1	5
Approach	2	0.25	0.5
Contact	2	0.75	1.5
Comps	3	.5	1.5
		Total Weighted Score:	18.5

By spending more time engaged in thoughtful **planning**, you will save yourself significant time and money on unfocused and ineffective fundraising strategies.

SHIFT #2: LEAD THE CHARGE!

If you do not define and communicate fundraising **roles and responsibilities**, nobody will step up, act and be held **accountable**!

SETTING BOARD EXPECTATIONS

- ✓ Obligations of Time, Talent and Treasure (*Jean Block*)
 - ✓ Roles and Responsibilities
 - ✓ Starts with Recruitment, Onboarding!
 - ✓ Continues with Bylaws, Trustee Manual
 - ✓ Re-visit Annually
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THE FUNDRAISING ROLE OF THE BOARD OF DIRECTORS

- Ensure the Board Chair “gets it”
- Sign off on fundraising goals and expectations
- Give **and** Get
- Know the case statement

THE FUNDRAISING ROLE OF THE BOARD OF DIRECTORS

- Cultivate, solicit, steward
 - Open up network
 - Get trained
 - Ensure sufficient staff resources
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HOLDING THE BOARD ACCOUNTABLE

- ✓ Board Member Sign-Off on Annual Expectations, Goals
 - ✓ Board and Board Member Performance Tracking, Assessment
 - ✓ Role of the Board Chair
 - ✓ Role of the ED
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Annual Board Fundraising Expectations - Sample

As proposed by ORG'S Board Development Committee and approved by the full Board, the following are expectations for your Fiscal Year 2016 fundraising roles and responsibilities as a Board member.

FY16 Board Goal: \$50,000 (\$25,000 individual gifts; \$25,000 special events)

Required Activities:

- ✓ Attend and personally invite at least 1 potential donor to at least 1 ORG fundraiser.
- ✓ Make an annual cash donation within the first month of the fiscal year in an amount that is personally meaningful.
- ✓ Write a personal note on at least 20 hard copy appeal letters.
- ✓ Follow up with a handwritten thank you card to any of the 20 who provide a donation.
- ✓ Follow up with a phone call (and handwritten card) to any of the 20 who provide a donation of \$200 or more.
- ✓ Commit to memory the ORG "elevator pitch."

Additional Activities (select at least 2):

- ☐ Speak about ORG at at least 1 community or business event.
- ☐ Host or co-host a house party fundraiser.
- ☐ Invite at least 1 major donor prospect to attend a coffee meeting with CEO and yourself.
- ☐ Recommend 1 person to join the Board or a Board committee.
- ☐ Provide at least 5 names with contact information to be added to the Annual Appeal mailing list.
- ☐ Join the Development Committee.

Signature

Date

Print Name

THE FUNDRAISING ROLE OF THE **EXECUTIVE DIRECTOR**

- Guide, support Board, Development Committee, staff
- Hold Board and staff accountable
- Invest in development infrastructure, training
- Create organization-wide fundraising culture

THE FUNDRAISING ROLE OF THE **EXECUTIVE DIRECTOR**, CONTINUED

- Speak and network
 - Meet with funders and donors
 - Position self and organization as “**thought-leader**”
 - Know what don’t know – and seek out mentor
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THE ROLE OF THE FUNDRAISING COMMITTEE

- Set revenue goals (with staff, Finance Committee)
- Hold Board accountable: Build FR expectations into Board onboarding, orientation
- Review/analyze revenue, expense, other data

THE ROLE OF THE FUNDRAISING COMMITTEE, CONTINUED

- Craft/update the Fund Development Plan
- Create subcommittees, e.g. donor retention, event, major gifts, young professionals, fund development plan
- Serve as “Ambassadors”

THIS REQUIRES **LEADERSHIP!**

By clearly defining who is doing what, then communicating out those **expectations** - including who will hold whom **accountable** for carrying out their assigned role - your organization will rise to new heights in fundraising success, guaranteed.

SHIFT #3: INVEST MORE MONEY (AND TIME)

If you are not looking at cost-effectively investing in your development function, you are looking the wrong way.

WHERE TO INVEST \$?

- Staff/Contractors
 - Staff Training/Mentoring/Travel
 - Board (Training/Travel)
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WHERE ELSE TO INVEST \$?

- Collaterals, e.g.
Leave-Behind Case
for Support
 - Long-Form
 - Brochure
- *Integrated Tools*
 - CRM
 - Website
 - Social Media
 - Software
 - Grant Search Engine

WHERE (ELSE) TO INVEST TIME?

- Donor Retention
 - Training
 - Codification of Policies and Procedures
 - Developing Case for Support
 - Relationship Development
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TRACK YOUR FUNDRAISING EXPENSES

Create **development budget** and **monitor** development-related expenses in light of revenue.

Be sure to include % of non-development staff time dedicated to fundraising!

RETURN ON INVESTMENT (ROI)

Example:

FY16 Operating Budget = \$1.3M

Of that, Fundraising Expense = \$125k

FY17 Strategic Plan requires additional \$300k, so FY17 Operating Budget = \$1.6M

To raise additional funds needed, hire a part-time grant writer for \$25k, so Fundraising Expense = \$150k.

If the grant writer successfully raised \$100k in new funds, positive ROI **but** did not nearly achieve goal of \$300k.

THE SHORT AND LONG OF IT

- When considering ROI, take both a **short-term and long-term view**
 - Look to invest in certain strategies that will bring immediate returns, i.e. the low-hanging fruit.
 - Understand that some investments will take longer period of time to reap a positive return, so plan for that.

SHIFT #4: COMMISERATE & DIFFERENTIATE

If you can't respond to the question,
“Why should I give you money?” in a
compelling way - then you will *not* attain
your fundraising goals.

Remember: the donor or funder is giving
through your organization...
...or through another nonprofit!

COMPONENTS OF A COMPELLING CASE FOR SUPPORT (LONG FORM)

- Mission/Vision
- Scope of Problem Trying to Solve
- Positioning – Why your organization is best positioned to solve this problem
 - How your approach is evidence-based
 - **Differentiation** – How your approach to solving the problem is unique
 - Track Record

COMPONENTS OF A COMPELLING CASE FOR SUPPORT (LONG FORM), CONTINUED

- Why you need support
 - Areas of planned growth
 - Urgency – why need support **now**
- **Impact** of support
- “WIIFM” - how you will recognize their support
- Human Interest – testimonials, **stories**, photos
- Other opportunities to get involved

EXERCISE: MAKE YOUR CASE!



See Handout: “Map Out the Flow of Your Case!”

Share It!

CASE FOR SUPPORT: MESSAGING

- Ensure **message is consistent** across media, messengers - and with brand
 - Long version – leave-behind, major donors
 - Collaterals – event leave-behind

CASE FOR SUPPORT: MESSAGING

- Ensure consistent message
 - Website and social media – broad appeal
 - Talking points & elevator pitch
 - Grant narratives

LET'S TAKE STOCK

- You have a compelling, powerful **case for support**
 - You've identified your **potential investors**
 - You have an actionable **fund development plan**
 - Everybody knows their **roles and responsibilities** vis-à-vis fundraising and are being held **accountable**
 - You've made smart, cost-effective **investments** of **money** and **time**
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SHIFT #5: RELATE AND CULTIVATE

If you think about fundraising as strictly asking for money, you will not position your organization to succeed.

Fundraising is really all about **relationship development**.
About getting people **emotionally invested** in your mission.

Remember: once they are emotionally invested, they will be much more likely to **invest money**!

RELATING TO FUNDERS

- What funders **really** want to know:
 - *Does your program directly address our funding priorities and further our philanthropic agenda?*
 - *Are you the best possible option with a high likelihood of success?*
 - *Can we trust you to do the right thing with our money?*

RELATING TO FUNDERS

- Don't apply cold...Fundraising = Relationship Development!
 - Speak to funder
 - Give the “skinny” to your ED, Board
 - Invite for a site visit / tour
 - Invite to an event
 - Attend TA session / Bidders' conference!

RELATE TO DONORS DIFFERENTLY, REGULARLY AND FOR LONG-HAUL

- Relate differently
 - Segment your lists and target your appeals.
 - Vary your communications and media.

RELATE TO DONORS DIFFERENTLY, REGULARLY AND FOR LONG-HAUL

Relate **regularly**. The appeal is only one step in a continuum.

- Don't only ask for money.
- Provide updates and share client success stories.
- Invite them to stuff.
- Ask their advice.
- Recognize them and describe impact of their support.

RELATE TO DONORS DIFFERENTLY, REGULARLY AND FOR LONG-HAUL

Relate **for the long-haul**.

- Your 2 goals for existing donors:
 1. Keep them.
 2. Increase their gift size and/or frequency.
- Turn donors into *sustainers*.
- Never too small to offer planned giving options.
- Create, execute a plan for major donors.

USE YOUR AMBASSADORS!

- Who are your “ambassadors”?
 - Board and committees
 - Staff and volunteers
 - Current funders and donors
 - Partners and other stakeholders

USE YOUR **AMBASSADORS!**

- Board members are rarely professional fundraisers!
- It's about sharing the passion!
- Enables exponential growth in # folks you can relate to.

USE YOUR **AMBASSADORS!**

- Provide Toolkit to Make their Job Easier
 - Train and Support
 - Thank and Reward
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What can you do tomorrow to begin to shift *your* nonprofit into position to make greater strides in fundraising?

THANK YOU!

- Email me! kweill@kweillconsulting.com
- Schedule a call with me! meetme.so/KennyWeill
- Sign up for my free e-newsletter, “3 for Thursday!”
kweillconsulting.com/stuff-for-you.html
- Join my Facebook group!
facebook.com/groups/fundraisingsuccess/