

# **Fundraising: Doing it Better**

**by**

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# Today' Agenda

- **Some Fundraising concepts**
- **Developing a plan – initial steps**
- **Developing a philanthropic culture**
- **Standing out from the crowd**
- **Effective case for support**
- **Choosing fundraising programs**

**“Do what you can  
Use what you have  
Start where you are”**

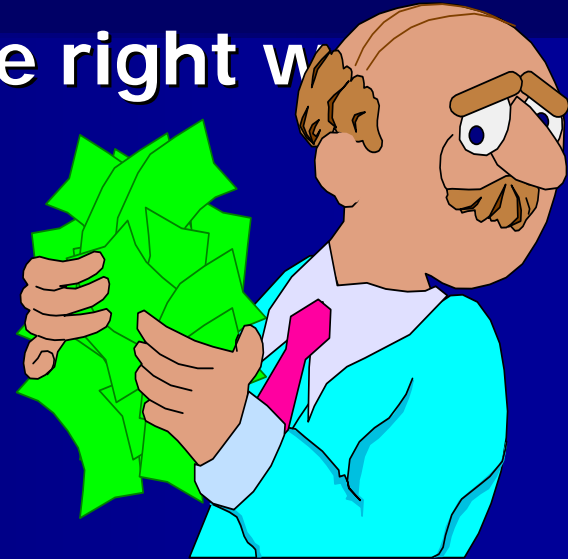
***Arthur Ashe***

# Where the Money Comes From

- **88% from individuals**
- **5% from corporations**
- **7% from foundations**

# Why People will Give to your Organization

- They were asked in the right way
- Connections
- Mission
- Credibility
- Accountability
- Cost-effectiveness
- Results
- Your case for support



# Why People Will Give (II)

- To make a difference
- Good feeling
- Family tradition
- For success
- They owe
- Personal experiences/similar interests
- Prestige
- Moral or religious obligation
- Tax Receipt

# People Give to People

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# Building Credibility

- **Clear Mandate**
  - Mission, Vision
- **Core Values**
- **Solid Track Record**
  - consistently delivers the goods!
- **Financial Accountability**
- **Volunteers**
- **Standards**
- **Code of Ethics**
- **Privacy Policies**
- **Donor/Client Bill of Rights**
- **Effective Communications**
- **“Brand” Value**



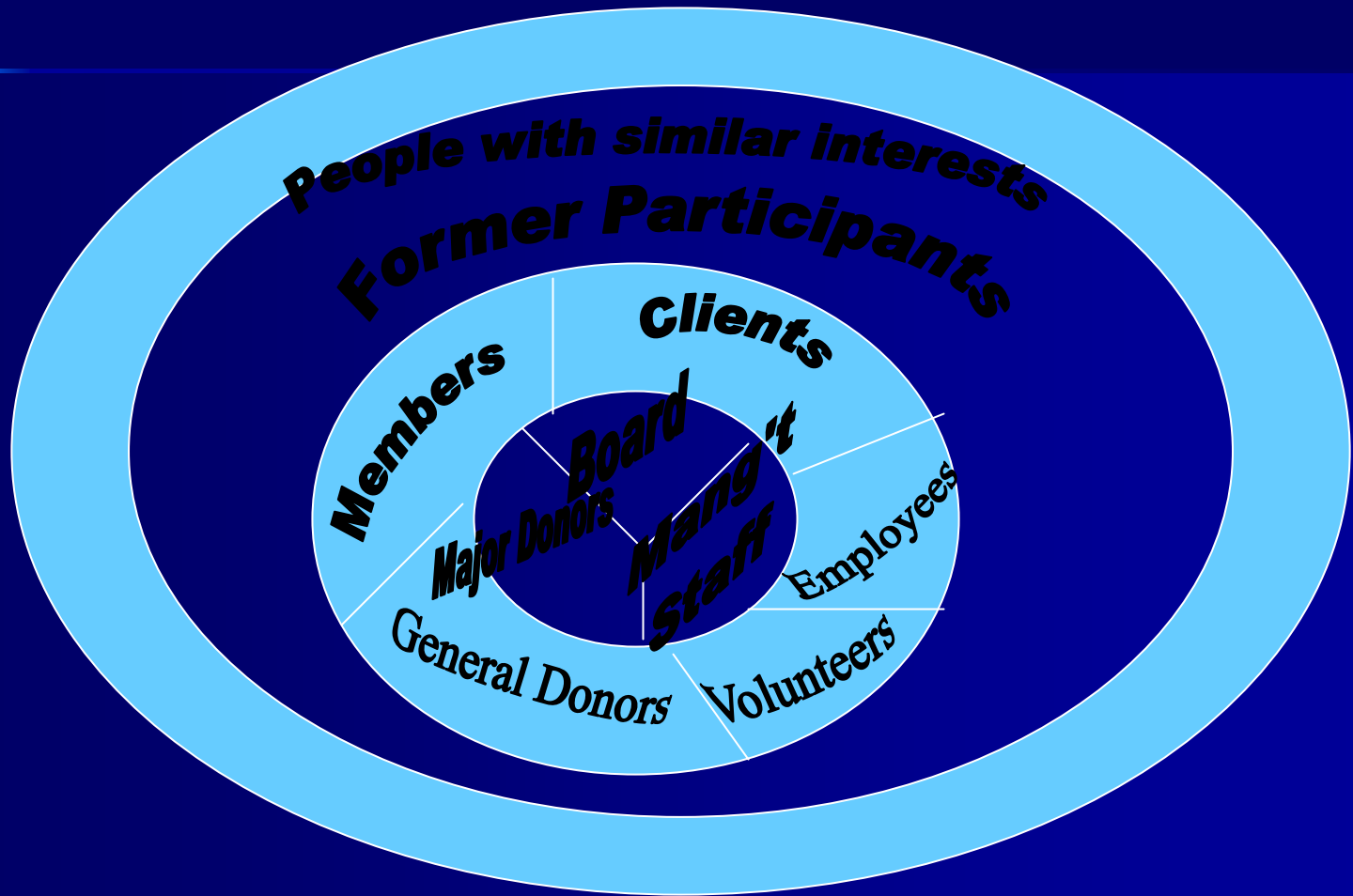
# Accountability

- **Transparent**
- **Open books/budget**
- **Cost-effective**
- **Fulfil donors' requests**
- **Ethical practises**
- **Raised money spent on programs**

# Pyramid of Giving



# Rosso's Concentric Circles



# Fundraising Context

- **Competition-need to “stand out”**
- **Privacy legislation**
- **Harder to recruit volunteers**
- **Greater demand -fewer resources**
- **More sophisticated donors-want to see concrete results from their donations**
- **Corp. employee “involvement”**

# Fundraising Context (II)

- **Changing government priorities**
- **“Big money” wants big impact**
- **Fewer donors, giving more**
- **Strategic philanthropy**
- **Core funding harder to get**

# Individual Challenges

- Time at a premium
- Always on the run
- Always chasing new money
- Onerous grant applications
- Little time to think/dream
- Information overload
- Changing technologies
- Changing environment
- Higher expectations - harder to meet increasing demands

# Keys Success Factors

- Excellent programs
- Commitment, passion, investment
- Expertise/knowledge
- Achievable **strategic plan** with
  - **Cost-effective/time efficient techniques** that work form strength
- **Standing out from the crowd**

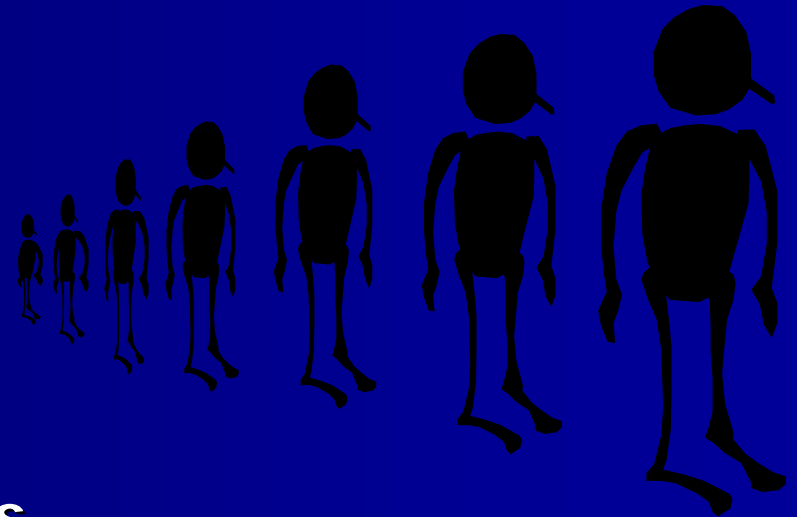
# Key Success Factors (II)

- **Volunteers/champions**
- **Connections**
- **Case for support**
- **Testimonials**
- **Targeted prospect list**
- **Recognition/stewardship**
- **Evaluation**



# Volunteers

- Define what skills etc you are looking for
- Write the position descriptions
- Advertise: Boardmatch, newspapers, volunteer bureau,
- Use word of mouth
- Interview
- Assign specific task
- Orient and train
- Support
- Recognize their efforts
- Evaluate



# Connections

- Fundraising is more about who you know than what you know.
- Do a “connections” exercise to find out who your board, volunteers know

# Capacity Building - Definition

A process of strengthening organizations in ways that improve their performance and impact to create healthy communities. It can include enhancing skills, systems, and resources that organizations and communities need to adapt and thrive in a fast changing world.

*Ann Philbin*

# Dictionary Definition Capacity

## CAPACITY

- The power to hold, receive or accommodate

## AT CAPACITY

- In service or production with all facilities utilized
- At maximum production

# In a Nutshell

- **Getting more**
- **Getting better**
- **Getting sustainability**

# Exercise: Fundraising Capacity Assessment Tool

- See attachment *Draft Agency Fundraising Capacity Inventory*,
- Take a few minutes and fill it out

# Planning

- **“Thinking ahead, thinking always of trying to do more, brings a state of mind in which nothing seems impossible.”**

*Henry Ford*

# Strategy

- **An organized response to the environment, based upon a particular set of goals, that seeks optimal benefits to the organization members and clients by building on strengths and/or building up weaknesses in order to pursue the greatest possible advantage of opportunities."**

– *Tom Shuler*



# Components of Capacity to be discussed today

- **Planning your fundraising**
- **Philanthropic culture**
- **Standing out from the crowd**
- **writing an effective case for support**

# Planning Process

- **Evaluation/internal audit/consult**
- **External scan**
- **Goals, objectives and benchmarks**
- **Choosing fundraising programs**
- **Policies and procedures**
- **Recognition and stewardship**
- **Roles/responsibilities**
- **Implementation tools**
- **Evaluation**

# Why Plans Fail

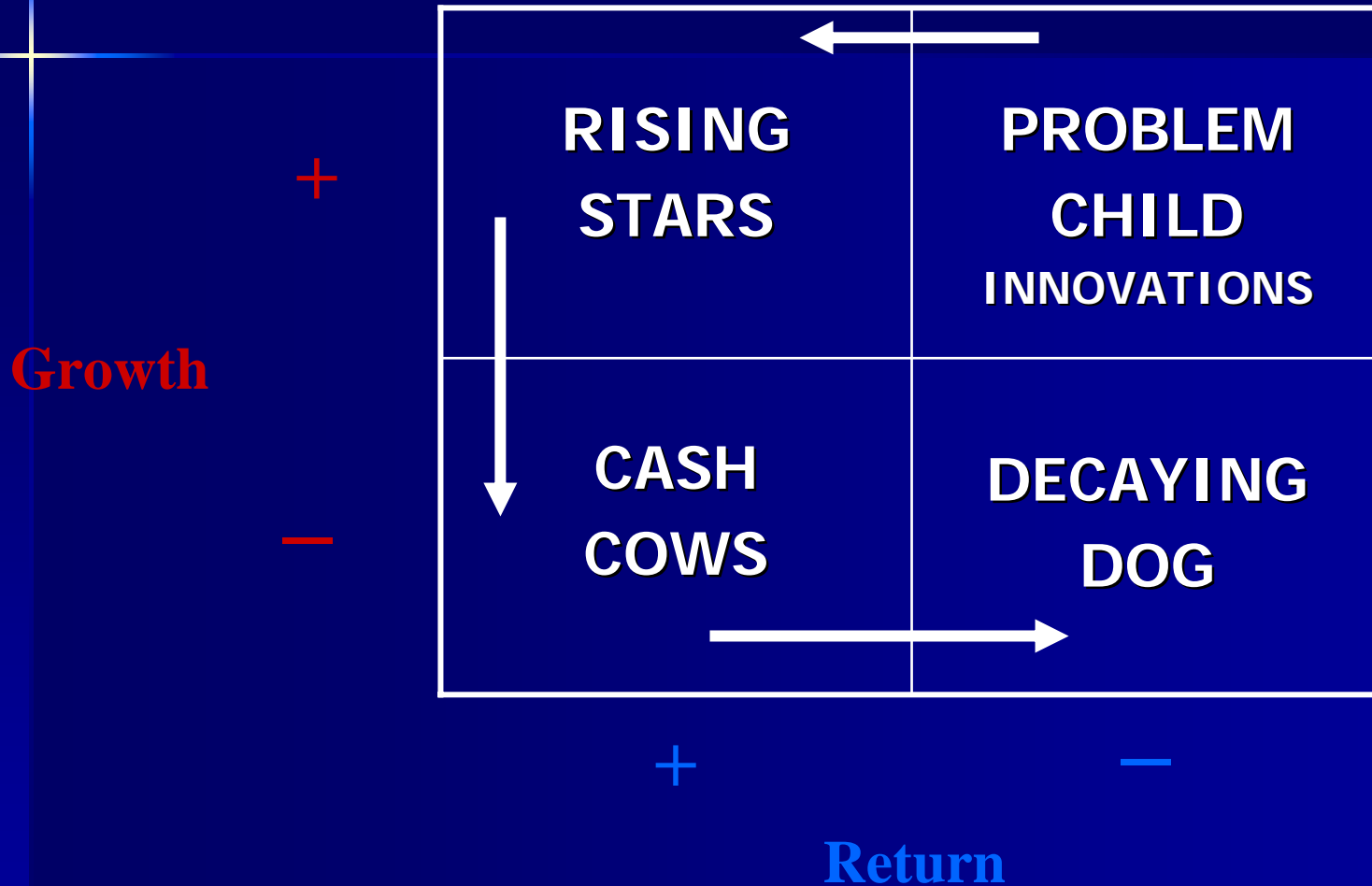
- Did not involve key stakeholders
- Goals unrealistic
- No investment
- Not cost-effective
- Not time-efficient
- Lack of diversity
- Lack of volunteers
- No action plan (concepts only)
- Does not reflect needs
- No of contingency plans

# Planning Process

## ■ Internal Audit

- evaluate fundraising to date-do you have a plan
- do analysis of returns
- what is working , what needs “repair”, what needs to be dropped.
- review materials including case for support

# *Boston Matrix*



# Audit (II)

- Interview clients, Board, staff, volunteers
  - why do they work, volunteer, give
  - SWOT
  - ideas
- Interview donors
  - why do they give to you
  - do you communicate with them well enough
  - do you recognize them well enough

# SWOT

- **With respect to fundraising:**

- What are your strengths?

- Weaknesses?

- Opportunities?

- Threats?

# Questions to ask

- **What is our level of our fundraising expertise/knowledge?**
- **Do we have quality leadership-Board, staff and volunteers? Are they committed, passionate**
- **Are there clear roles, responsibilities and authority?**
- **Do we have fundraising polices and procedures in place?**



# Questions to ask (II)

- **Is your technology adequate and up-to-date?**
- **Do you have a recognition scheme in place?**
- **Are you stewarding your donors well?**
- **Does your organization reflect the diversity of your stakeholders?**

# Questions to ask (III)

- Have to you explored any partnership opportunities?
- Do you evaluate your fundraising programs regularly?
- Do your newsletters, annual accountability reports, websites, brochures all have a fundraising element?
- Do you collect testimonials?

# Questions to ask (IV)

- Do you have naming opportunities?
- Do you have a speakers' bureau?
- Do you have a celebrity chair?
- What is your positioning?
- Do you have services/expertise you can charge a fee for?
- For what exactly do you need to raise money and what is your goal?

# Questions to ask (V)

- **What is your profile in your community?**
- **Do you have connections to “money”?**
- **Who are the key players in your sector?**
- **Do you have a fundraising committee – what is its role?**
- **Do all board members make a financial donation?**

# External Assessment

- **External Assessment**
  - other organizations how do similar ones raise money), fundraisers
  - trends, economy in your community

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# Philanthropic Culture Definition

**“An understanding of and respect for the way philanthropy helps an organization achieve its mission. A culture in which every member of the organization understands the role they can play in achieving fundraising goals.”**

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# 7 Characteristics of a Philanthropic Culture

1. Role of philanthropy in achieving the mission is well-understood.
2. Unwavering support from leaders is widely evident.
3. Accountability is deeply ingrained throughout the organization.
4. Development is recognized as a core function.



# 7 Characteristics of a Philanthropic Culture

5. Donors, beneficiaries, have opportunities to interact.
6. Donors are valued for more than just financial support.
7. Philanthropic success is celebrated.

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# Developing a Philanthropic Culture

- **EVERYONE** has to be aware of plans and has to understand the need
- Board training in roles and responsibilities and basic concepts
- Support as able
- Receptionists can answer basic questions
- Internal updates-communication
- High priority on Board agenda

# Exercise

- **List ways in which members of your organization can play a role in achieving fundraising goals:**
  - Receptionist, support staff**
  - Program staff**
  - Board member without connections**

# Components of Capacity to be discussed today

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# Standing out from the crowd

- ❑ **Good stewardship**
- ❑ **Thank donors quickly**
- ❑ **Send mid-grant reports**
- ❑ **Send a welcome package for new donors**

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# Writing and Effective Case for Support

- Critique current versions
- Interview donors
- Interview program participant
- Develop your positioning statement
- Talk about impact
- Use testimonials
- Use catchy headings
- Use statistics

# What makes a good letter

- Write a two-page letter (or three IF you have something to say!)
- The content must explain why you deserve support — IMPACT.
- It is a personal letter so indent the paragraphs.
- Make it sound like it is being written to one person only.
- Count the “number of times you use the word “you”—there should be many more than the sum of “we”, “I” , “the campaign”.
- The person who signs is very important—is it the Executive Director, President, a “client”, a celebrity?



# A good letter (II)

- There must be a PS - which basically summarizes the reason for the letter.
- Use short sentences and paragraphs.
- You must ask for a specific amount of money or an range. If you can segment your list into potential giving ranges this range can vary—the response coupon needs to match, of course.
- Convey a sense of urgency/emotion.
- Print on both sides—environment.
- Show you have widespread support.
- Use a font that looks like a typewriter – courier 12.
- Use bullets.

# The Rest of the Package

- The response coupon
- Give the option boxes —the amounts should be quite close together.
- You can send different ranges of options to different people by segmenting your list according to history
- Collect name, address, phone and email on the coupon
- Have a first statement like: Yes! I want to support .....

# The Package (II)

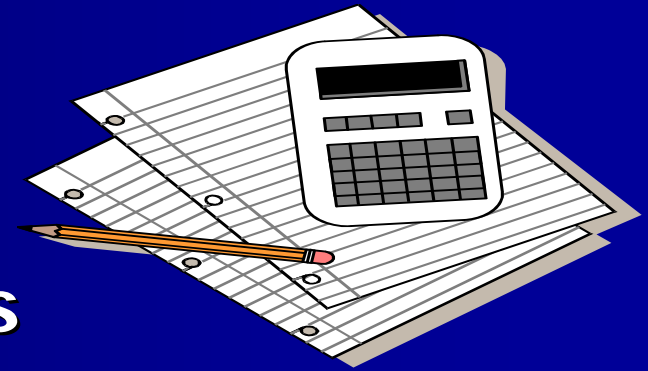
- Outside envelope
- If using a well-known personality to sign the letter, put their name on the outside of the envelope in top left hand corner.
- Enclosure
- Enclose for example a "cases study", a note from a "client"
- Reply envelope
- include a self-addressed return envelope.
- Consider putting a stamp on any potentially high donors

# Exercise

- Critique letters/packages
- Turn to handout “The Copywriter” re-the letter

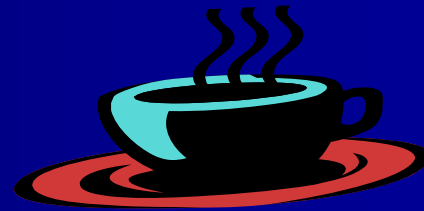
# Elements of a Successful Proposal

- Introduction
- Issue/need
- Those who benefit
- Programmes/services
- Benefits/Impact
- Achievements
- Partnerships
- Request



# Tips on proposal Writing

- ❑ Start with the important things
- ❑ The opening should grab them
- ❑ Write in the 3<sup>rd</sup> person
- ❑ Avoid jargon - write in plain language
- ❑ Avoid use of words like unique, innovative unless true- which is rare



# Proposal Writing (II)

- **Work in a couple of one sentence testimonials**
- **Be brief**
- **Be positive -- *XYZ will* do..... As opposed to *XYZ would like to*....**
- **Use simple sentences**
- **Ensure spelling and grammar are correct**
- **Ask for a specific amount**

# Sponsorship

## Sponsorship:

- Cash and/or in-kind fee to event, facility, organization in return for access to exploitable commercial potential.
- Used by corporations to drive sales of products/services, generate brand awareness and build brand loyalty among customers and stakeholders

*WAM*



# Research

- Declared interest in your activities
- Overlapping target audiences
- Values alignment
- Connection
- Look for new product launches

# What makes a Good Sponsorship Package?

- Basic details of the property and the organization
- Fact sheet-demographics/reach etc
- Opportunities for customer “rewards”
- Clear levels and benefits
- Category exclusivity
- Opportunity to give “samples”
- Lots of lead time

# Exercise

- Critique sponsor packages

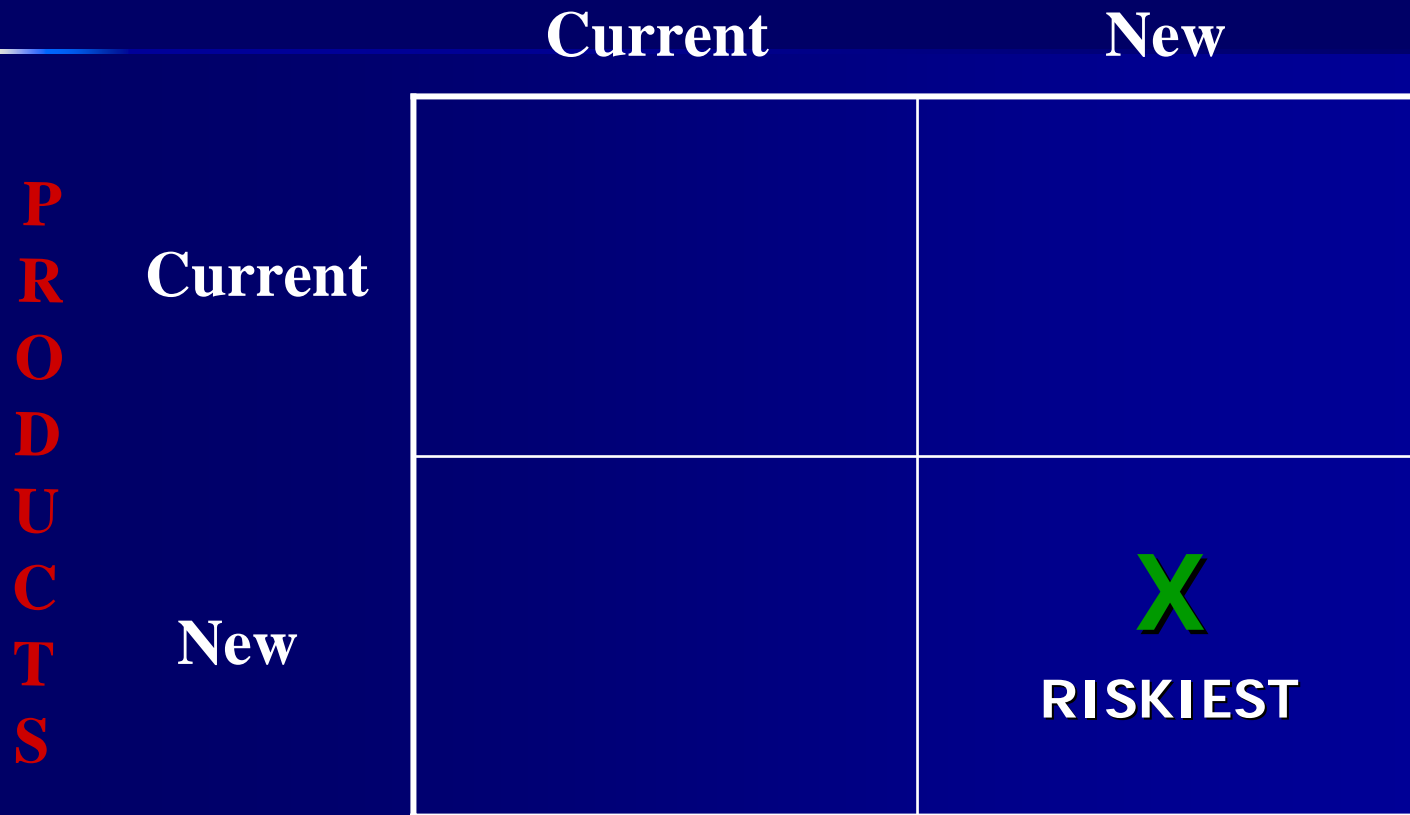
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# Ansoff Matrix



**MARKETS**

# Goals and Objectives

- **What are your financial goals? Are they realistic?**
- **Designated or undesignated**
- **Timing -when do you need the money by?**
- **Raise awareness?**
- **Others?**

# Constraints and Capabilities

- Staff time
- Number of volunteers
- Connections
- Image/profile
- Upfront money available
- Competition
- Technology



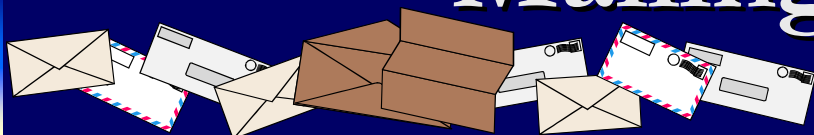
# Choose a Mix of Techniques

- **Based on:**
  - **constraints and capabilities**
  - **goals and objectives**
  - **income projections**
  - **future growth**
  - **cost-effectiveness**
  - **risk**
  - **repeatability (special events)**

# Cost to Raise a Dollar

- Face-to-face 10-20 cents
- Direct Mail renewal 20 cents
- Direct mail -prospecting 90-1.25 cents
- Special events 50 cents
- Corporations 20 cents
- Foundations 20 cents
- Products 35 cents
- Planned Giving 25 cents
- Gaming 23 cents

# Mailings - Pros



- Cost-effective
- Time-efficient
- Repeat requests
- Fairly personal
- Measurable
- Education element
- Good for small/mid level donors
- Growth possible
- Segmentation leads to more personalization
- Can be used for "political" work
- (un)designated money
- Can test
- Fairly quick response

# Mailings - Cons

- **Low response rate**
- **Need upfront money**
- **Increasingly competitive**
- **Donor fatigue**
- **Cost ratios going up**
- **Potential mail strikes**
- **United Way organizations need to watch timing**

# Personal Solicitation - Pros

- High success rate
- Cost-effective
- Dollar raised per hour is high
- Raise large gifts
- Most personal
- Most under-utilized method
- Growth is there
- Get loyal donors
- Good way to involve volunteers
- Can be designated or undesignated
- Can upgrade donors

# Personal Solicitation - Cons

- Takes time to develop relationships
- Well-trained volunteers
- Well-developed kit
- Time to develop list of prospects
- Staff time upfront to develop kits, train and so on

# The Underlying Principle

- Get the right person
- To ask the right person
- In the right way
- For the right amount of money
- For the right reason
- At the right time

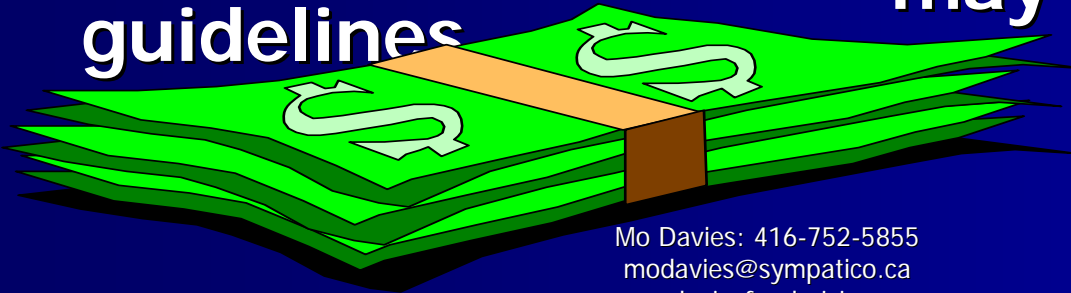
# Foundations

## Pros

- Cost-effective
- Time-efficient
- Operating, project, programme funds
- Can get large gifts
- Mostly clear guidelines

## Cons

- A few may not fund United Way orgs
- Deadlines may not coincide with yours
- Response time may be long





# Corporations

## Pros

- **Cost-effective**
- **Time-efficient**
- **In-kind, volunteers**
- **Credibility**
- **Potential for annual support**
- **Designated or undesignated funds**

## Cons

- **Conservative giving patterns**
- **Chances of success - low**
- **UW restricted lists**
- **Potential control issues**

# Bequests

## Pros

- Big return on investment - very cost-effective
- Easy to get going
- Little financial investment
- Time-efficient
- (Un)designated



## Cons

- Pay back long term
- Predictions hard
- 70% - no wills
- Contested wills
- Best with loyal base
- Technicalities
- Morbidity

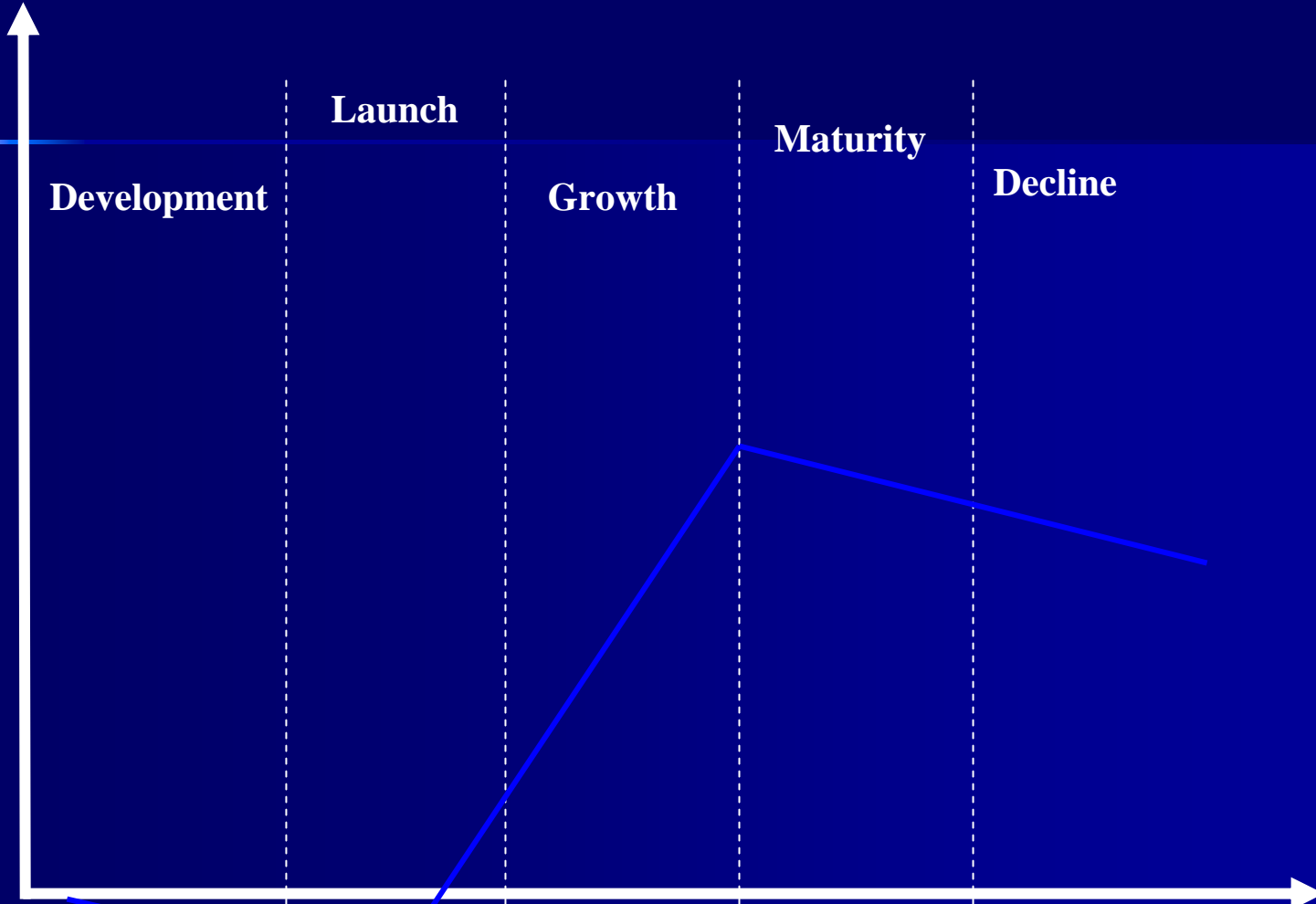
# Special Events - Pros

- Fun
- Potential new donors
- May increase public awareness
- Can target donors
- Mobilizes volunteers
- Ways to find new volunteers
- Source of undesignated money
- Can raise money
- Opportunities for sponsorships

# Special Events - Cons

- **VERY labour intensive**
- **Not cost-effective - 50 cent dollar**
- **Risks**
- **Profit/person hour small**
- **Lots of planning**
- **Can lose money**
- **UW members may have restrictions**

**PROFIT**



**Development**

**Launch**

**Growth**

**Maturity**

**Decline**

**TIME**

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