

STRATEGIC FUNDRAISING PROGRAMS



The Fourth Annual Financial Literacy Leadership Conference
October 4, 2011

Session Overview



- What is a strategic fundraising plan?
- Do I need one and why?
- How do I develop one?

About the Panel

▣ Moderator:

- Mikel Koon Smith, President, Mosaik Strategies



▣ Presenters:

- Robert B. Rice, CCS, Senior Vice President and Managing Director
- Kimberly Keller, CCS, Regional Vice President



Fundraising Planning Overview



I. The Five Ws

II. Five Steps of Strategic Fundraising Programs

- 1) Analyze Current Situation
- 2) Identify Fundraising Opportunities
- 3) Establish Goals
- 4) Assemble Plan

III. Elements of the Plan

WHAT?

What Is a Strategic Fundraising Plan?

1. WHAT?

- A road map for your entire fundraising program
- Looks at an organization's assets:
 - Case for support
 - Potential donors
 - Volunteer and staff resources
 - Fundraising programs
 - Budget
- Given these assets, make thoughtful judgments about:
 - Fundraising strategies most likely to be productive
 - Priorities for new or enhanced fundraising activities
 - Additional investment that may be needed
 - Staff and resources
 - A realistic plan and budget



WHY?

Why Should You Have a Specific Plan?

2. WHY?

- It is critical to have a clear picture of where you are going and how to get there
- Sets the direction for fundraising and which opportunities to pursue
- Must make decisions based on the long-term need
- Ensures that key leadership, development staff, and board are on the same page
- Guides ongoing decision making, resource allocation, and organization-wide management



WHO?

Who Should Be Involved in Planning?

3. WHO?

- A successful plan requires active participation from decision makers and those who will carry out the plan:
 - ▣ Board Fundraising Committee
 - ▣ Executive Director
 - ▣ Director of Development
 - ▣ Other professional fundraising staff
 - ▣ Individual, Foundation, and Corporate Donors
- Buy in and ownership at all levels is important
- If outside counsel is hired to guide the process, it is important to remain invested



WHEN?

When Should You Plan?

4. WHEN?

- At least every three-to-five years
- In coordination with your organization's overall strategic planning process
- If circumstances have changed dramatically since last plan
 - New ED or DOD
 - Loss or vulnerability of major funding source
 - Demographic or economic shift
 - Change in need



The planning process doesn't completely end once the plan is drafted – it is an adaptable and changing document.

HOW?

How to Use a Fundraising Plan?

5. HOW?

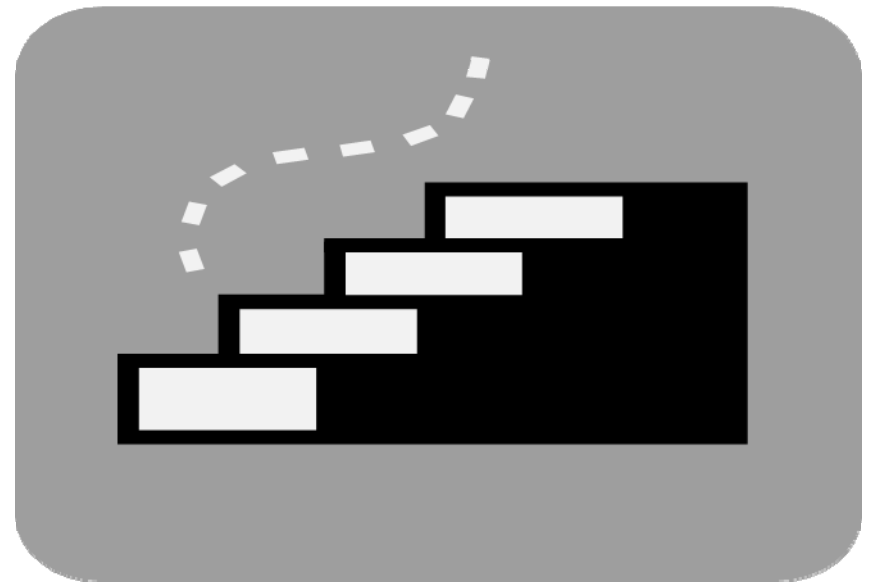
- Use the plan to create focus and generate activity
- Share the plan with development staff
- Use the plan to develop short-term work plans (30/60/90-day priorities) and a timeline or calendar
- Make adjustments to the plan as needed to keep it relevant
- Don't let the plan gather dust! Review and consult the plan often



WHAT ARE THE STEPS INVOLVED IN
THE PLANNING PROCESS?

Five Steps of the Planning Process

1. Analyze Current Situation
2. Identify Fundraising Opportunities
3. Conduct Benchmarking Exercise
4. Establish Goals
5. Assemble Plan



1. Analyze Current Situation



- Conduct a review of current programs and operations
 - Overall results
 - Program growth and progress against goals
 - Fundraising by source and method - program balance
 - Costs of fundraising

2. Identify Fundraising Opportunities

Current/Potential Donors

- Individuals
 - ▣ Board
 - ▣ Volunteers
 - ▣ Donors and friends
 - ▣ Public
- Corporations
- Foundations
- Other

Fundraising Vehicles

- Planned giving
- Major gifts (personal solicitation)
- Annual giving programs
 - ▣ Direct Response
 - ▣ Events
 - ▣ Sponsorship
- Corporate & Foundation relations

3. Benchmarking



- Benchmarking is the process of comparing and measuring the metrics from your organization against others.
- How do you choose organizations to benchmark against?
 - Peers
 - Aspirational
 - Highly successful in one area of practice

Benchmarking Examples

Performance Area	Point of Analysis	Metric
1. Overall Results	What is the impact of private support on the institution?	Total Support as % of Institutional Expenditures (5 year average)
2. Program Growth & Consistency	Is total support growing consistently?	1. Average Growth Rate (2002-2006) 2. % Annual Change (2002-2006)
3. Major gifts	Do major gifts represent a significant portion of total support?	1. Sum of 3 Largest Individual, Corporate, Foundation, Bequest Gifts as % of Total Support and 2. Gifts & Pledges of \$100,000+ yield at least 50% of total raised
4. Trustee Giving	Do Trustees and Board members financially support the institution at appropriate levels?	1. Board Giving as % of Individual Giving and 2. Average gift size
5. Alumni Giving	Do alumni support the university at generous levels?	Alumni Average Gift
6. Alumni Participation	Do alumni support the university in sufficient numbers ?	Alumni Participation Rate
7. Corporate Giving	Is the institution securing an adequate level of support from corporations?	Corporate Giving as % of Total Support
8. Foundation Giving	Is the institution securing an adequate level of support from foundations?	Foundation Giving as % of Total Support
9. Planned Giving	Is the institution receiving adequate support from bequests and other forms of deferred giving?	Total # of Bequests and Planned Gifts Received
10. Costs of Fund Raising	Is the institution generating a reasonable return on investment?	Cost to Raise a Dollar

4. Establish Goals

- Consult your organization's strategic plan; the overall plan should drive the fundraising plan
- Review both program need and fundraising potential
- Identify annual goals for the life of the plan
 - Monetary goals
 - Activity goals
 - Operational goals



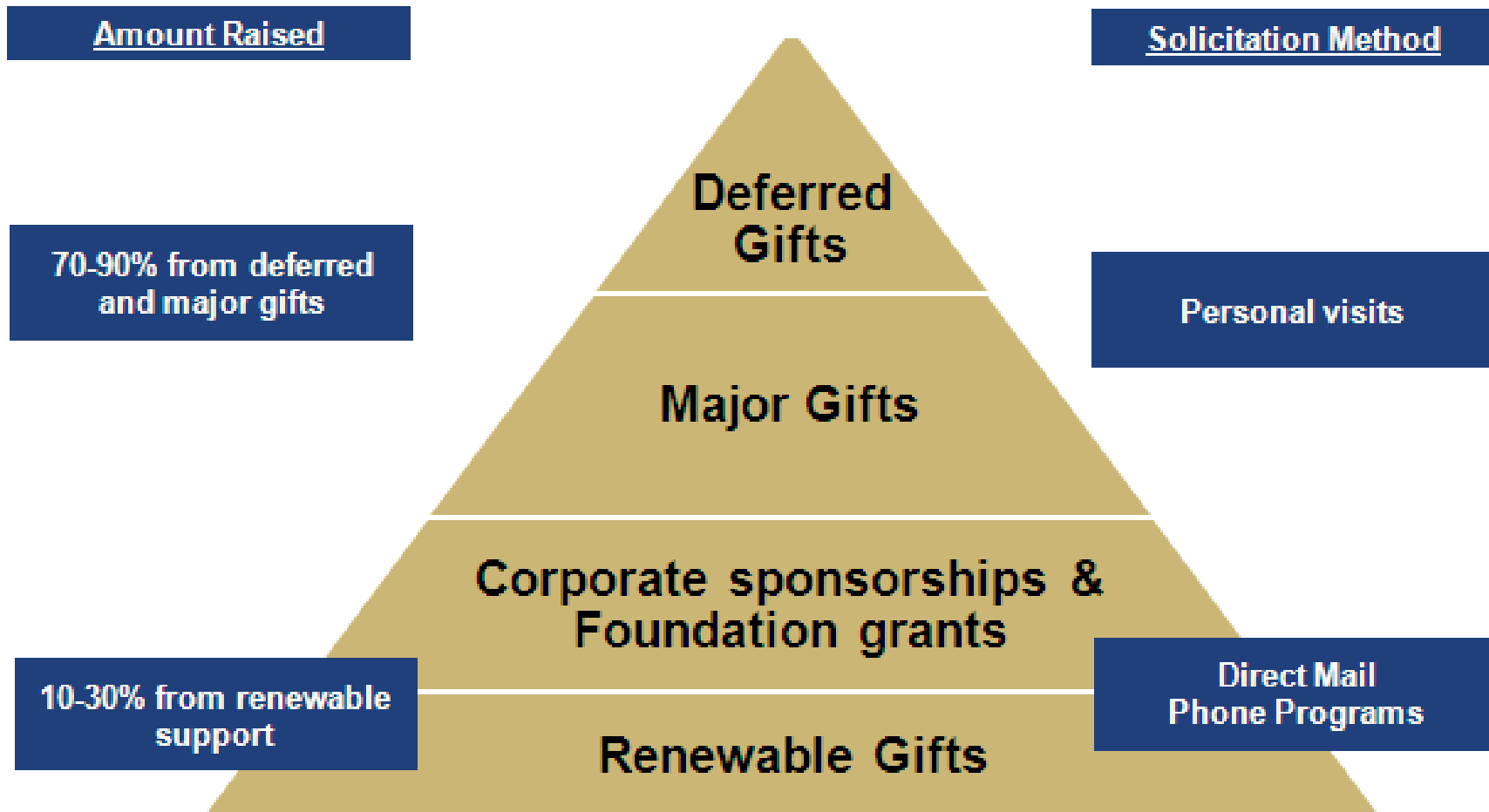
5. Assemble the Plan

- ❑ Strive for balanced fundraising
- ❑ Invest in needed resources - don't chase progress
- ❑ Recognize and map your potential for growth
- ❑ Outline priority goals
- ❑ Read other plans
- ❑ Talk to peers
- ❑ Consider outside counsel



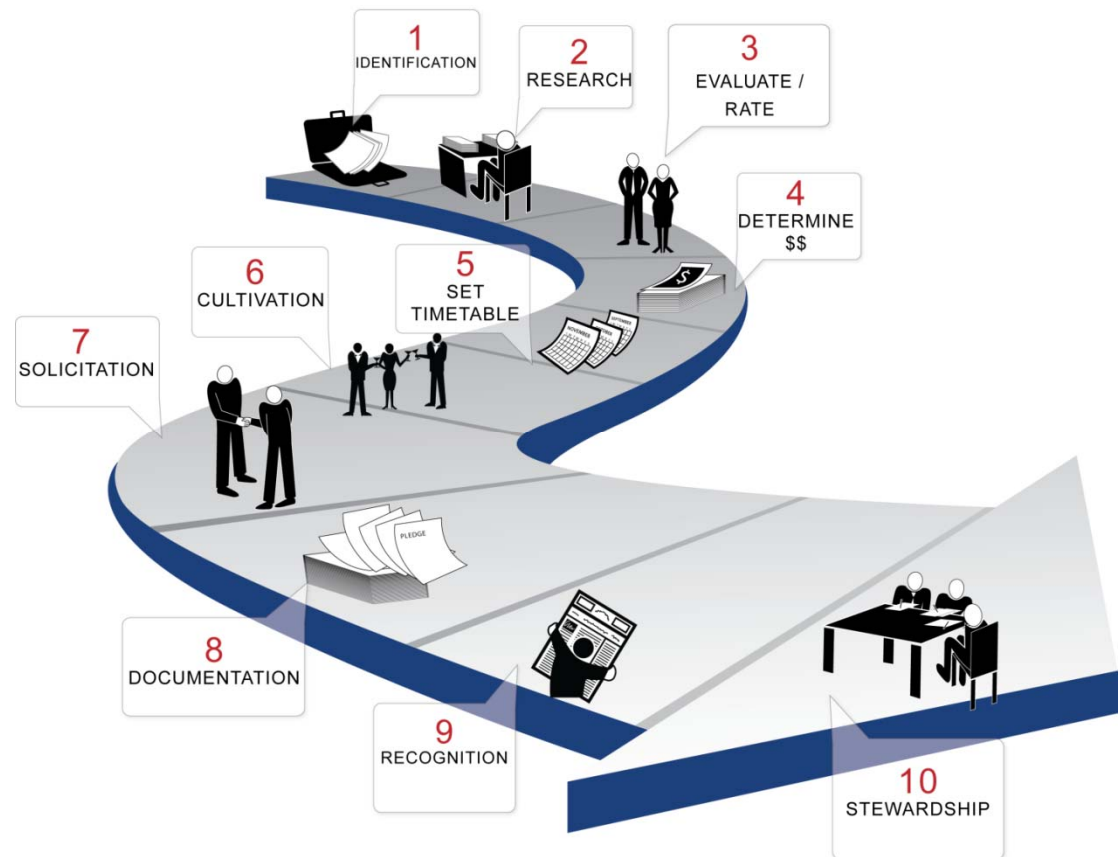
YOUR DONORS AND PROSPECTS

Balanced Fundraising Model



Individuals

- Fundraising Events
- Direct Mail Appeals
- Email Appeals
- Major Gifts
- Planned Giving



Private Foundations



- Conduct research
- Look for connections with Board members and staff
- Try to get an advisory meeting before submitting a proposal
- Take a relationship-building approach
- Keep foundation engaged through reports and stewardship

Corporations & Corporate Foundations

- Know Your Needs and Objectives
- Know Your Value
- Determine the Potential Value from Corporate Relationships
- Understand and Research Corporate Interests and Identify Potential Connections
- Consider the WIIFM for Both Corporations and Your Organization
- Know Your Boundaries and Limitations Around Corporate Relationships

DECIDE IF CORPORATE RELATIONSHIPS ARE RIGHT FOR YOUR ORGANIZATION

WIIFM

What's In It For Me?

Companies

- Potential to expand markets/access
- Develop community
- Increase retention/ strengthen workforce loyalty
- Increase customer loyalty
- Enhance image
- Compliance/manage exposure
- Access to information, networks, experts

Organizations

- Unrestricted funding
- Potential for increased visibility
- Corporate sector perspective/input
- Potential partner opportunities
- Access to mission-supporting products and services
- Corporate sector champion/advocate

WHAT ARE THE ELEMENTS OF A STRATEGIC FUNDRAISING PLAN?

Elements of a Strategic Fundraising Plan



1. Review findings and recommendations

2. Strategic goals and objectives

3. Operational priorities

4. Case for support

5. Potential and current donors

6. Fundraising strategies

7. Board and volunteer involvement

8. Communication

9. Budgeting and staffing

10. Next Steps

Review Findings and Recommendations

1

- Begin your plan with a recap of fundraising review findings
 - Overall results
 - Program growth and progress against goals
 - Key opportunities for growth
 - Operational challenges
- A bulleted overview will provide context for the rest of the plan

Fundraising Review Findings

Performance Area	Point of Analysis	Metric(s)
1. Overall Results	What is the impact of private support on the institution?	Total Support as % of Institutional Expenditures (5 year average)
2. Program Growth & Consistency	Is total support growing consistently?	1. Average Growth Rate (2002-2006) 2. % Annual Change (2002-2006)
3. Major Gifts	Do major gifts represent a significant portion of total support?	1. Sum of 3 Largest Individual, Corporate, Foundation, Bequest Gifts as % of Total Support and 2. Gifts & Pledges of \$100,000+ yield at least 50% of total raised
4. Board Giving	Do Trustees and Board Members financially support the institution at appropriate levels?	1. Board Giving as % of Individual Giving 2. Average gift size
5. Corporate Giving	Is the institution securing an adequate level of support from corporations?	Corporate Giving as % of Total Support
6. Foundation Giving	Is the institution securing an adequate level of support from foundations?	Foundation Giving as % of Total Support
7. Planned Giving	Is the institution receiving adequate support from bequests and other forms of deferred giving?	Total # of Bequests and Planned Gifts Received
8. Costs of Fund Raising	Is the institution generating a reasonable return on investment?	Cost to Raise a Dollar

Strategic Goals and Objectives

2

- Annual fundraising targets
 - ▣ Based on need as well as potential
 - ▣ Realistic, but challenging goals
- Activity goals
 - ▣ Apply for x grants per year by 2012
 - ▣ Solicit xx and secure x six-figure gifts
- Strategic fundraising methodology
 - ▣ Existing fundraising strategies to enhance
 - ▣ New or expanded fundraising methods to pursue
- Other high-level goals that require institutional focus
 - ▣ Board development
 - ▣ Prepare for a capital campaign



Operational Priorities

3

- Operational challenges to address
 - Database
 - Gift processing
- Additional support structures that may be needed
 - Board support and development
- Additional staffing or staff restructuring
- Targeted investment goals for your fundraising program



Case for Support

4

- Evaluate the major points and language of your case
 - ▣ Is it a lucid argument for why to give?
 - ▣ Is it compellingly written?
 - ▣ Does it address your donors' priorities prominently?
 - ▣ Is it representative of the work of the organization?
- Does it make the case for what you need most – unrestricted dollars?



Potential and Current Donors

5



- List your donors by constituent group
 - Individuals
 - Corporations
 - Foundations
 - Other
- Note current revenue by source and your target revenue mix
- Evaluate potential among these groups and where additional priority must be placed
- Address who and how these donors will be managed
- Create a plan to upgrade donors

Potential and Current Donors

2009 Table of Gifts		
Gift Amount	Total Number of Gifts	Providing
\$250,000	0	\$0
\$100,000	1	\$100,000
\$50,000	7	\$350,000
\$25,000	8	\$200,000
\$10,000	15	\$150,000
TOTALS	31	\$800,000

Targeted 2010 Table of Gifts		
Gift Amount	Total Number of Gifts	Providing
\$250,000	1	\$250,000
\$100,000	2	\$200,000
\$50,000	10	\$500,000
\$25,000	16	\$400,000
\$10,000	25	\$250,000
TOTALS	54	\$1,600,000

Fundraising Strategy

6

- Each constituency should be matched with one or a combination of fundraising strategies
- Outline a comprehensive, integrated strategy for both existing and newly formed fundraising programs
- Approach fundraising strategy with a focus on program balance



Board and Volunteer Involvement

7

- The role of your board is critical to success
- Outlining the role of the board in your plan will help motivate efforts down the road
- Make room for volunteer participation in fundraising
 - Gift solicitation
 - Donor/Volunteer advisory committees
 - Recruitment of other volunteers
 - Public ambassadors for the organization
 - Fundraising program chairs
- Consider strengthening/growing Board for added fundraising capacity

Communication

8

- Outline a communication plan that:
 - ▣ Makes intentional use of development specific communications pieces tailored to various donor groups
 - ▣ Ensures that organizational communications further development goals
- Make sure that messaging is consistent with your brand, case and across the organization



Budget and Staffing

9

- Allocate appropriate resources to achieve strategic goals
 - ▣ Invest upfront, don't chase progress
 - ▣ It is possible to spend too little on fundraising
 - ▣ With proper management, investment will yield results
- List staff roles and responsibilities tied to each element of the plan with clear job descriptions
- Address staff reorganization as needed, include future positions



Next Steps

10



- List strategic goals and operational objectives on a timeline or calendar
- Establish benchmarks
- Prioritize based on immediate impact and prerequisites
- Create 30/60/90-day and 1 year priorities
- Be reasonable, don't frontload too much

Summary

Steps of the Planning Process

- 1) Analyze current situation
- 2) Identify fundraising opportunities
- 3) Establish goals
- 4) Assemble plan



Elements of the Plan

- 1) Review findings and recommendations
- 2) Strategic goals and objectives
- 3) Operational priorities
- 4) Case for support
- 5) Potential and current donors
- 6) Fundraising strategies
- 7) Board and volunteer involvement
- 8) Communication
- 9) Budgeting and staffing
- 10) Next Steps

Discussion

Thank You!



Fundraising • Development Services • Strategic Consulting

Robert B. Rice

SVP and Managing Director
CCS

rrice@ccsfundraising.com

800.249.2680

Kimberly Keller

Regional Vice President
CCS

kkeller@ccsfundraising.com

888-451-4080

www.ccsfundraising.com



Mikel Koon Smith

President
Mosaik Strategies

mikel@mosaikstrategies.com

703.516.0040

www.mosaikstrategies.com