

AFP Web/Audioconference

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Creating a Successful Fundraising Culture: 12 Tools for Motivating Your Board

Presented by

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Carole V. Rylander, CFRE **Principle** **Rylander Associates**

Carole Rylander has more than 24 years professional experience as a funds development professional, both as staff and in consulting. She offers customized solutions to challenges experienced by not-for-profit organizations. Her highly rated workshops and trainings benefit board and staff leadership as well as corporate executives seeking to be engaged in the not-for-profit sector.

Currently, Carole serves as Past Chair of the Association of Philanthropic Counsel, Inc., a national association of consulting firms and as a volunteer faculty member at the Center for Nonprofit Management in Dallas.

She was named 2006 Outstanding Fundraising Executive by the Dallas Chapter of the Association of Fundraising Professionals, is a past president of the Chapter and has held accreditation as a Certified Fund Raising Executive (CFRE) since 1990. Carole is a member of the International Association of Facilitators and is a Qualified Trainer with the Institute of Cultural Affairs.



Seminar Purpose

- Provide tools (slides & handouts) to:
 - Increase understanding of:
 - Funds development & major gifts
 - Prospect & donor interests / needs
 - Increase comfort level & confidence of staff & volunteers in approaching prospects & donors



Seminar Process

- Notes
 - Key talking points
 - Process

Tools & Activities

1. Giving USA Data
2. Funds Development – Definition
3. Basic Principles of Funds Development
4. Donor Bill of Rights
5. Trustees' Roles in Funds Development



Tools & Activities

6. *Relationship*

7. – 10. Four Basic Steps to Raising Funds

11. Seven Faces of Philanthropy

12. Role-Play-Relay Activity



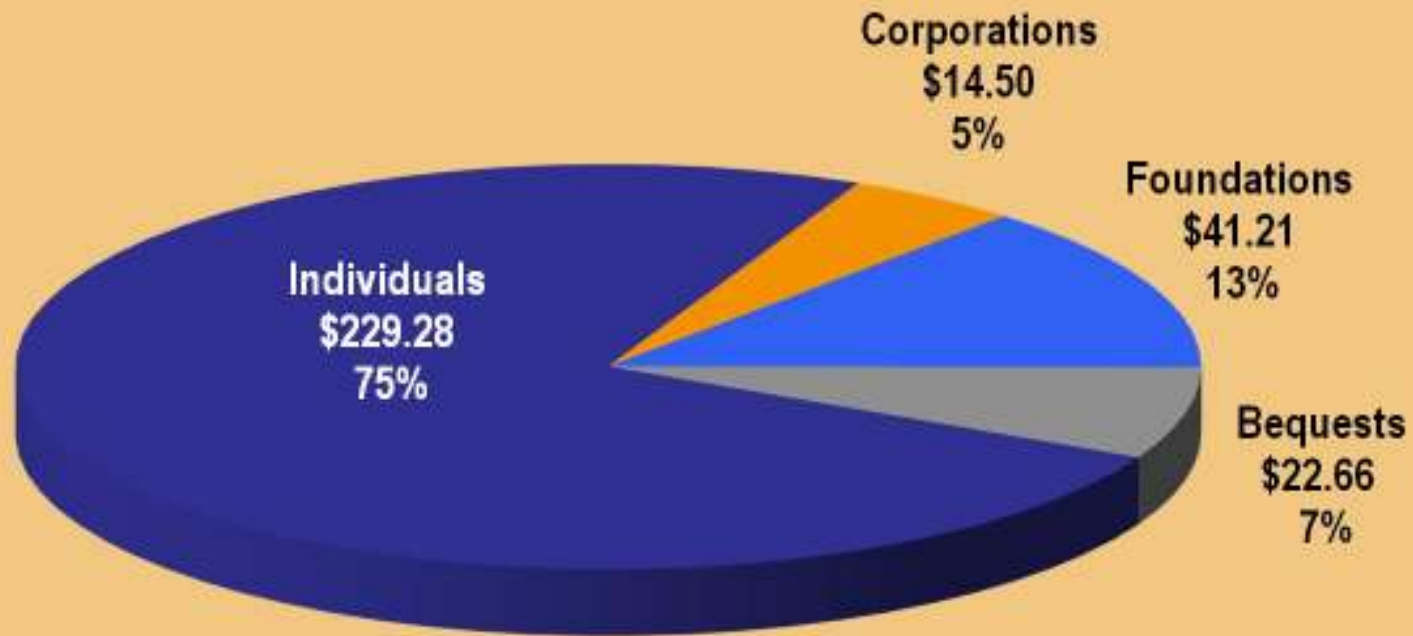
(Tool #1)

Begin with the end in mind.

- - Stephen Covey



2008 charitable giving Total = \$307.65 billion (\$ in billions)



Source: Giving USA Foundation™ / Giving USA 2009

Giving USA Data: Key Points

- Giving USA Data is compiled annually by the Center on Philanthropy in partnership with the Giving Institute
- Data is derived from private sector 990s, charitable deductions & estimates of giving to faith communities
- In 2008 over \$307 billion was given by private sector sources



Giving USA Data: Key Points

- In comparison to previous years:
 - Giving decreased 2% from 2007 (down 5.7% when adjusted for inflation)
 - 1st decline since 1987
 - 2nd decline since 1956
 - 1987 decline was because of tax advantages offered for 1986 year-end giving

Giving USA Data: Key Points

- Despite the recent decline, what do you notice about the pie chart? (Individuals!)
- Is this a surprise?
- What is really interesting is that despite the current & past economies & the passing of time, these ratios remain unchanged:
 - 82 – 83% individuals & bequests
 - 17 – 18% foundation & corporations



Giving USA Data: Key Points

- But wait, there's more!
 - Family foundations = 6% of foundation giving
 - So individual giving, bequests & family foundations = 88% of all giving!
- What does this say about where we need to devote our time & energies?

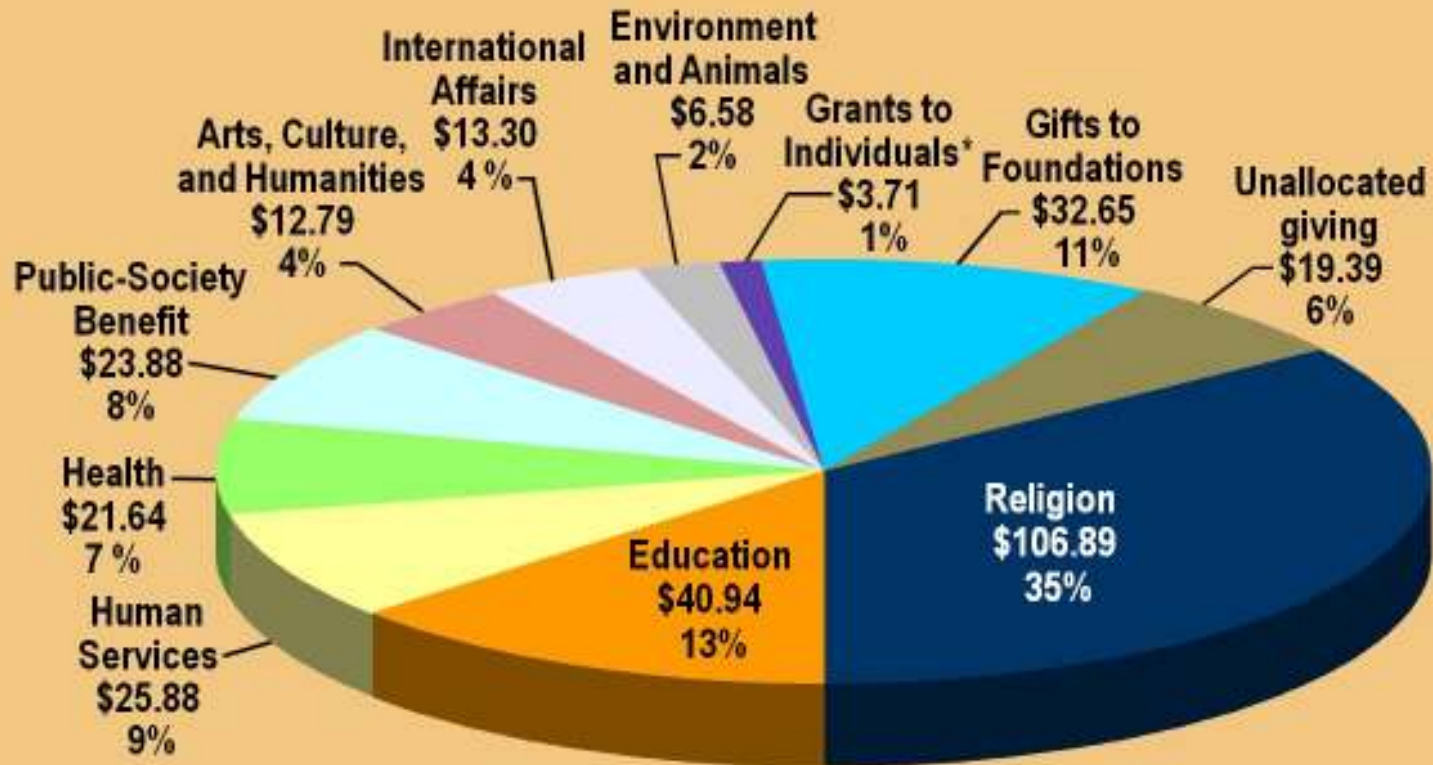
Giving USA Data: Key Points

- There is false security in filling out paperwork
- If we are competing primarily for foundation & corporate support, we are competing in toughest arenas with least funds available!
- Foundation & corporate fundraising is as relational as individual giving
- If we are successful with foundation & corporate giving, we can be more successful with individuals!



Types of recipients of contributions, 2008

Total = \$307.65 billion (\$ in billions)



*Foundation grants awarded to individuals

Source: Giving USA Foundation™ / Giving USA 2009

Funds

(Tool #2)

Development Is About . . .

- Setting focus & direction through mission, vision, and strategic planning . . .

. . . .To ensure organizational activities are aligned with & carry out the mission, and

. . . .To identify specific activities for which funds are needed.



Funds Development Is About . . .

- Segmenting & strategically targeting constituents . . .
. . . to identify sources of funds.

Funds

Development Is About . . .

- Listening to & positioning the organization among prospects . . .

. . . to ensure its messages are relevant to their needs.

Funds Development Is About . . .

- Communicating compelling messages . . .

*. . . to engage the passion &
imagination of caring individuals!*



Funds Development Concepts

- Basic Principles of Funds Development (Tool #3)
- Donor Bill of Rights (Tool #4)
- Trustees' Roles In Funds Development (Tool #5)

Funds Development

Concepts: Process

- Distribute documents - 1 or all 3 - depending on time allowed
- Ask discussion participants to read documents & underline or circle specific words & phrases that “stand out” to them
- Ask, “what did you underline or circle?”
- Discuss / comment on words or phrases participants identified

Relationship: (Tool #6)

Revolutionary Fundraising

- By Michael Bassoff & Steve Chandler
- Fundraising's 20 Most Damaging Myths
- A fun, quick read
- Handout: Summary of myths & reality shifts

Relationship: Process

- Distribute document
- Ask participants to read & note the reality shifts they find most surprising
- Ask: So, what reality shifts surprised you?
 - Take responses one at a time & discuss/comment on myths mentioned
 - Mention your favorites if they aren't pointed out

Four Basic Steps To Raising Money

- Prospect Identification & Evaluation
(Tool #7)
- Cultivation or Nurturing of Prospects
(Tool #8)
- Gift Request Presentation (Solicitation)
(Tool #9)
- Gift Renewal (Tool # 10)



Four Basic Steps To Raising Money

**Trustees and staff have
important roles to play in
each of these four steps!**



First, Identify (Tool #7) and Evaluate Prospects!

- In business settings - corporate leaders, foundation staff & trustees
- In social situations - families, individuals

(Board members are more likely to encounter prospects than staff!!!)



Prospect Identification

- Where are major gift prospects?
 - External sources - All around us, in business settings & social situations
 - Best prospects are the people Board members already know
 - Board members are more likely to encounter prospects than staff!!!



Prospect Identification

- Where are major gift prospects?
 - Internal sources - Most organizations' databases are untapped gold mines!!!
 - Loyal, consistent – most often unknown – donors
 - Prestigious people who give small gifts
 - Dispel mythical thinking: “If we could just find that wealthy donor!”



Identify “Qualified” Prospects

- Must Fulfill All Three Criteria:
 1. Ability - Have resources to give
 2. Interest - Have a significant personal reason to be interested in our organization or have demonstrated interest in the problem
 3. Link - Are accessible to us via a “link” person



Identify & Evaluate Prospects

Without L I A = Suspect

- Find out who knows them or can “open the door” to them
 - Prospect Questionnaire

Evaluate Prospects

- Estimate each prospect's giving capacity to approach them appropriately
- Participate on an evaluation team to provide information
- Individuals who can not help you make calls can provide information

Identify and Evaluate Prospects

- How do we identify and evaluate prospects?
- How can our prospect identification and evaluation be further enhanced?

Second, Cultivate & Nurture Prospects! (Tool #8)

- Listen, listen, listen, listen!!!
- Determine the “needs” of a prospect
- “Match” the interests/needs of a prospect with a particular aspect of your organization’s services

(People give to nonprofit organizations through people!)



Cultivate & Nurture Prospects

**Securing a gift is
to a donor relationship
as a
ceremony is
to a love relationship!**



Process: Talking Points

- A point in time:
 - In a love relationship, the ceremony is simply the public recognition of the relationship, which began some time in the past (hopefully)
 - The ceremony is not the beginning of the relationship!

Process: Talking Points

- A point in time:
 - In a donor / organization relationship, the giving of a gift is simply the more-or-less public recognition of the relationship, which began in the past
 - The giving of the gift is not the beginning of the relationship!

Process: Talking Points

- Annual Recognition:
 - Love relationship = anniversary
 - Donor / organization relationship = a renewed gift
- Special Occasions:
 - Love relationship = 5th, 10th, 25th anniversaries
 - Donor / organization relationship = major, capital and planned gifts!



Cultivate and Nurture Prospects

- Plan the best approach and appeal
 - Prospect Profile
 - Prospect Strategy Worksheet -
Create a cultivation plan with 10 interactions in 12 months
- Insights about the prospect are very important to crafting the right approach!

Cultivate and Nurture Prospects

- How do we cultivate and nurture prospects?
- How can our prospect cultivation and nurturing be enhanced?

Third, Present the Gift (Tool #9) Opportunity!

Never think you need to apologize for asking someone to give to a worthy object, any more than as though you were giving him an opportunity to participate in a high grade investment.

--John D. Rockefeller, Jr.



Present the Gift Opportunity

- Meet with the prospect as a member of a two-person presentation team.
- Be the “acquaintance” of the prospect and “connection” with the association.
- State your “passion,” why you are involved with the organization.



Present the Gift Opportunity

- **What Does “No” Mean?**



Process: Talking Points

- Sometimes “no” means “no” . . . then “bless & release” as Terry Axelrod says
- With a qualified prospect, “no” is most often a roadblock . . . not a deal-ender
 - Not now . . . but maybe later . . .
 - I need to know more . . . need more data or to feel good about the decision
 - In Italy, “no” means “yes!” If I tell you “yes” our interaction is over and you go away. If I tell you “no” we’ve got something going on!

Process: Talking Points

- True story:
 - A well-known philanthropist made multiple, multi-million dollar gifts to a medical institution over many years . . . his loyalty & belief in the institution could not be questioned
 - Yet, the philanthropist told the institution's development professional "no" multiple times before saying yes

Process: Talking Points

- True story: (continued)
 - In fact, our colleague said that the most revelatory moment in his professional life was when he realized that most often the philanthropist told him “no” five times before saying yes!
 - Our colleague had to go back to the philanthropist six times!
 - What if he had given up after visits #1, 2, 3, 4 or 5?



Process: Talking Points

- What would cause this calculated behavior toward an institution he had supported generously over many years?
 - He enjoyed the development professional's attention
 - He was irascible
 - He wanted to be convinced the project was important

Process: Talking Points

- He wanted to be convinced his money was really needed for the project
- He was approached often for gifts & equated the organization's persistence with the need for the project & his money
- He didn't want any organization – even one he had supported generously – to take him for granted & think they could get anything they needed any time



Process: Talking Points

- Our colleague doesn't know exactly why he was told "no" so many times
- But to begin to understand the "nos" we must put ourselves in the philanthropist's "shoes" & think of his world from his perspective – as best we can
- Too often, we focus on the money we need rather than the prospect's perspective

Process: Talking Points

- So our role with a prospect is to help them through their decision-making process, whatever that may be!
- Whether it be by letter, phone or in person, we must keep the prospect's perspective first and foremost in our minds in order to respond to objections & help them get to "yes!"

Present the Gift Opportunity

- How do we present gift opportunities to prospects?
- How can our gift presentation opportunities be further enhanced?

Fourth, Renew Gifts! (Tool #10)

**A donor is not a donor
until he or she has
given twice.**



Renew Gifts

- Report on the change the gift caused well before asking for a renewal
- Recognize and appreciate gifts – multiple times and ways
- Make donors feel like an insiders
- Strengthen donors' involvement

Renew Gifts

- How do we recognize gifts and strengthen donors' involvement?
- How can our gift recognition and donor involvement be further enhanced?

Marketing: per Peter Drucker

“The aim of marketing is to know and understand the customer so well that the product or service fits them and sells itself.”

(Tool #11)

Seven Faces of Philanthropy

- Research-based, systematic study of donor motivations
- Authors: Prince & File
- Publisher: Jossey-Bass
- Published in 1994
- Demographics may have shifted, but the concepts still hold true today!



Seven Faces of Philanthropy

Profile: Process

- The Seven Profiles
 - Prepare & write on chart paper key descriptors for each philanthropic profile that respond to the following:
 - Who they are
 - Their key words
 - Motivations for giving
 - What they want



Seven Faces of Philanthropy

Profile: Process

- Review & discuss each philanthropic profile
- Ask the group to think of person who would fit the description – well-known locally, nationally or internationally
 - Devout is the hardest because they are least known
 - A “Mother Theresa-like” attitude



Seven Faces of Philanthropy

Profile: Process

- Quotes from the book
 - Read one quote representing each profile and ask participants to name the profile

Seven Faces of Philanthropy

Profile: Process

- After profiles have been discussed & quotes identified, ask participants:
 - With which profile, or combination of profiles, do you identify?
 - Think of the people you spend the most time with – professionally and/or personally. What profiles are they?



Seven Faces of Philanthropy

Profile: Process

- Which profiles are represented among our donors?
- Which profiles do we want to attract that we aren't attracting now?
- Do we have opportunities for engagement that are appropriate for the profiles we attract and/or want to attract?



Seven Faces of Philanthropy

Profile: Process

- Do our engagement & acknowledgement programs provide our donors the types of interaction they want?
- Or, do we have “one size fits all” engagement & acknowledgement programs?



Seven Faces of Philanthropy

Profile: Process

- Do our communications materials provide the information each of the seven profiles are seeking?
 - Are we communicating only facts & figures?
 - Are we communicating only warm, fuzzy stories?
 - Are we stating outcomes & reporting our metrics?



The Four Basic Steps to Raising Money & The Seven Faces of Philanthropy



Identify and Evaluate Prospects: “Faces” Process

- Charity Networks
 - Affluent prospects can be identified within charity networks of current supporters
 - Frame appeals from the philanthropic personality of the referring donor, who tends to be the same philanthropic personality
 - Charity networks, page 117

Cultivate and Nurture: **“Faces” Process**

- Crafting the Vision with Positive Images
 - Identify Philanthropic Personalities – understanding motivations & giving history
 - Create Bridges of Understanding – using positive images
 - Positive Images by Philanthropic Personality – page 139



Present the Gift Opportunity: **“Faces” Process**

- Identify Appropriate Giving Strategies
 - Different philanthropic profiles have differing levels of awareness, knowledge, and interest in various giving strategies
 - There is significant opportunity for educating prospects about giving options
 - Donor Familiarity with Giving Strategies, page 153



Renew Gifts: Faces Process

- Increase Participation to Increase Involvement & Commitment
 - Recognize and attend to donors' philanthropic personalities by creating opportunities for individual involvement
 - How could we better engage our donors through strategies that are meaningful to them?



Seven Faces of Philanthropy: Process

- Throughout “Faces” discussion, chart responses to questions
- At the end, review responses
- Create list of strategies / actions
- Prioritize strategies / actions
- For each strategy / action, determine person responsible for follow up

(Tool # 12)

Role-Play-Relay

- **Scenarios**
- **Instructions**



In Summary:

People give to people.

The best way to secure a contribution is a face-to-face request by the right person at the right time in the right manner for the right project and the right amount.



Q & A



Thank you!

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Coming Next –



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***Prospect Research:
How to Use Philanthropy Data for the Most
Effective Fundraising***

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NOZA**

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