
Creating an Effective Fundraising Plan

Steve Lew

Senior Project Director

steveL@compasspoint.org

www.compasspoint.org

Welcome

- 9:30 am – 4:30 pm. 1 hour lunch around noon. A break in the morning and afternoon.
- Come back from break on time
- Sign in & logistics
- Silence mobile phones
- Questions
- Confidentiality

What you will learn today

- Importance of a diversity in your income model
- Conducting an assets inventory
- Identifying funding opportunities
- Setting realistic goals
- Preparing your development plan & calendar

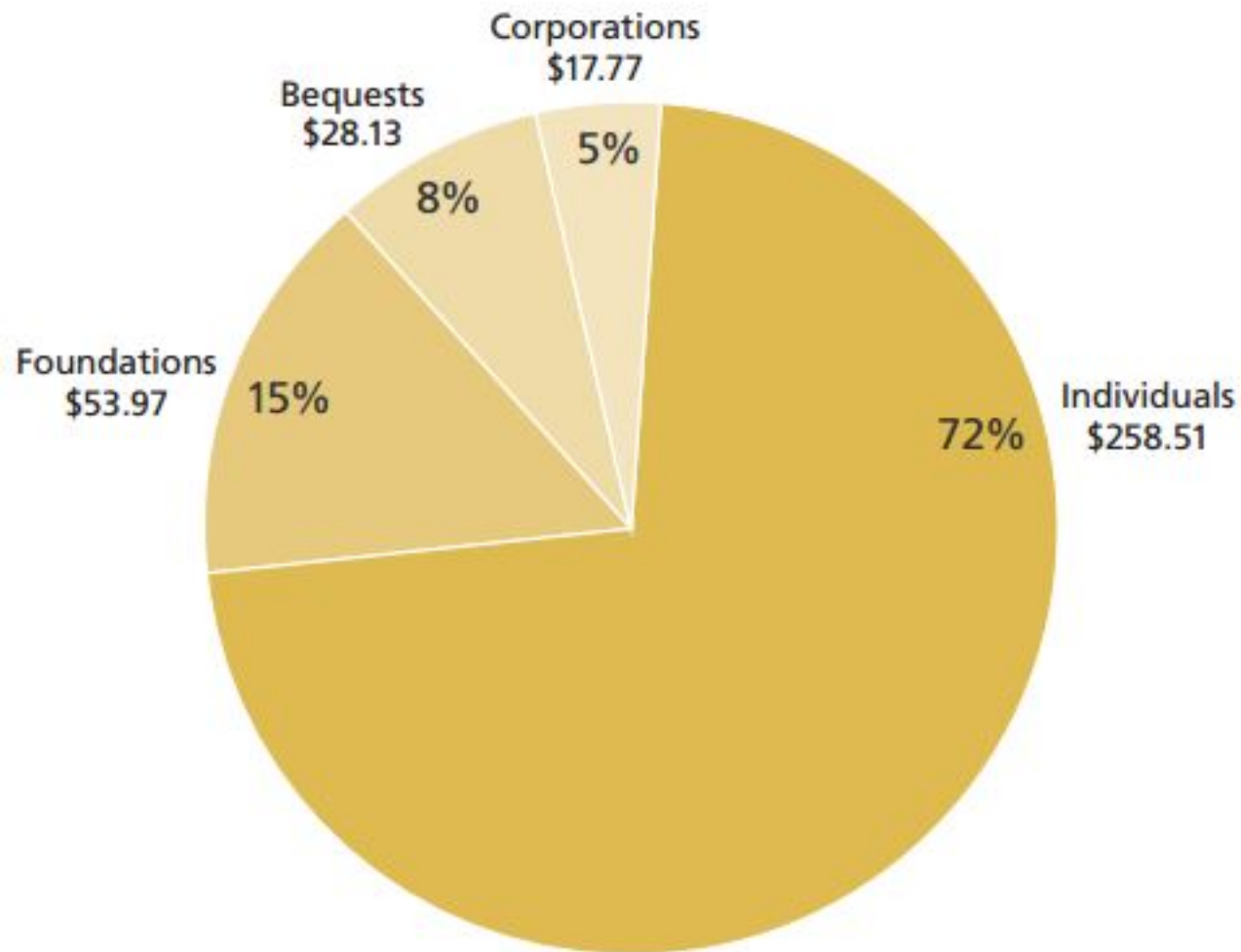
Why plan?

- Limit crisis fund raising, increase flexibility
- Take advantage of more opportunities
- Increase board & volunteer involvement
- Integrate fund development with other program activities & plans
- Most productive use of everyone's time

Why link fundraising strategies to program?

- Natural opportunities for introducing prospective donors and funders
- Involve volunteers, clients, constituents, participants
- Your work is more accountable to community you serve
- Program staff become more effective at building relationships

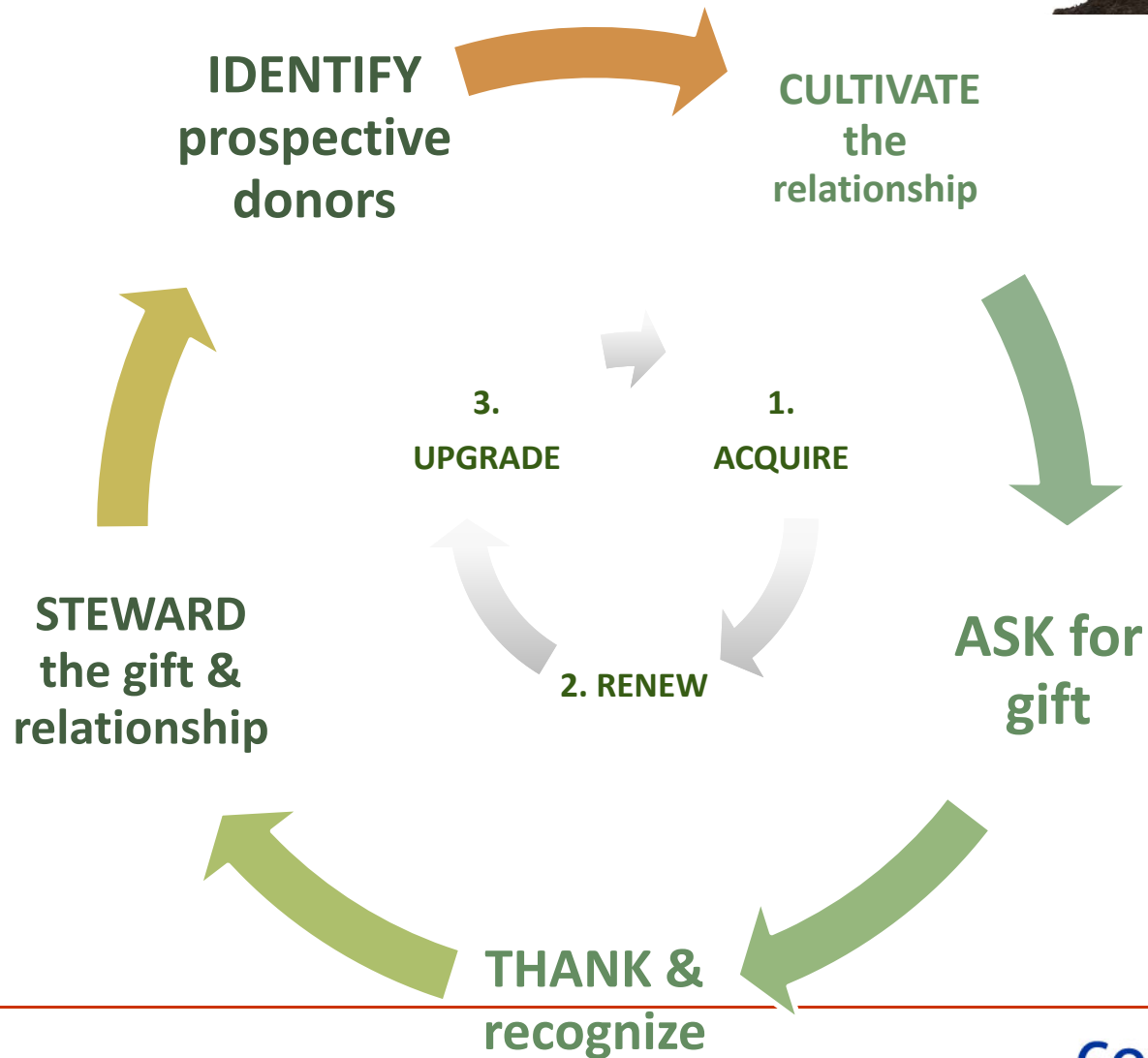
2014 contributions: \$358.38 billion by source
(in billions of dollars - all figures are rounded)



Planning Helps to Diversify Income

Diversity means that you have as many people as you can *coordinate*, raising money from as many sources as *you can manage*". - Kim Klein

Sustainability of donors and gifts



Creating an effective plan

1. Assemble a planning team
2. Identify the assets and strengths
3. Brainstorm, then prioritize fund opportunities
4. Evaluate fundraising strategies
5. Set financial and fundraising goals
6. Calendar and write it up!

Who's on your team?

- Executive Director
- Development Director
- Board Chair
- Fund Development Committee
- Other staff & board who have an interest/experience
- Outside volunteers with experience or connections
- Consultant(s)

Your assets inventory

Evidence of your organization's skills, experience, and expertise:

What attributes make your agency attractive to funders?

Which of these are assets?

- Program(s)
- Staff
- Board of Directors
- Volunteers
 - Money follows involvement: 90% of volunteers give
- Organizational structure and administration
- Funding base
- Community connections
- Clients/customers/audience
- Media accessibility and reputation
- Other? (facilities, publications, name, etc.)

Your case statement is:

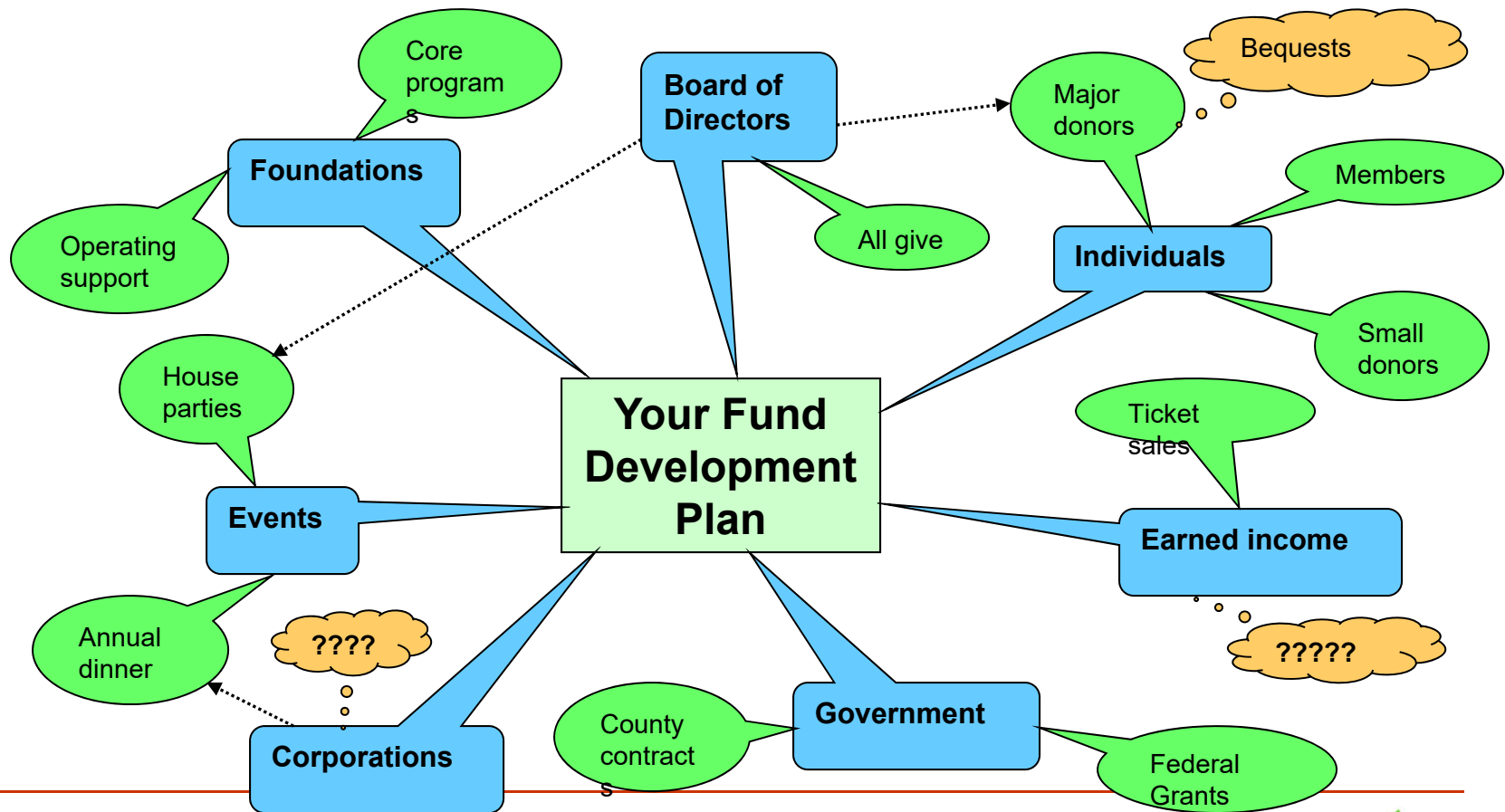
- Provides a compelling argument to support your organization/program
- Internal document
 - Cut and paste from case statement in writing proposals, speeches, publicity, etc.
- 2 - 6 pages long
- Has a sense of urgency & importance

Elevator pitch

We believe that...

We address this by...

Mapping your funding universe



With Your Team...

- Supplies:
 - Room with large white board or chalk board
 - Supply of different color markers
- Procedure:
 - Place your organization at the center of the map
 - Identify where your funding has been coming from
 - Start with income type, then move out to specific sources
 - Brainstorm new ideas
 - All ideas are listed – no editing yet!
 - Prioritize which efforts will have the best payoff

Identifying Gaps

- Attach dollar amounts to the current funders
- Are those amounts meeting current needs?
- Will they continue to meet your needs in the future?
- How much are you coming up short?
- Is it realistic to expect larger amounts from the current sources?
- How diversified is your base?
- Are enough new sources identified to make up the difference?
- Are your new ideas truly new, or “more of the same”?

Assess sources through the Matrix

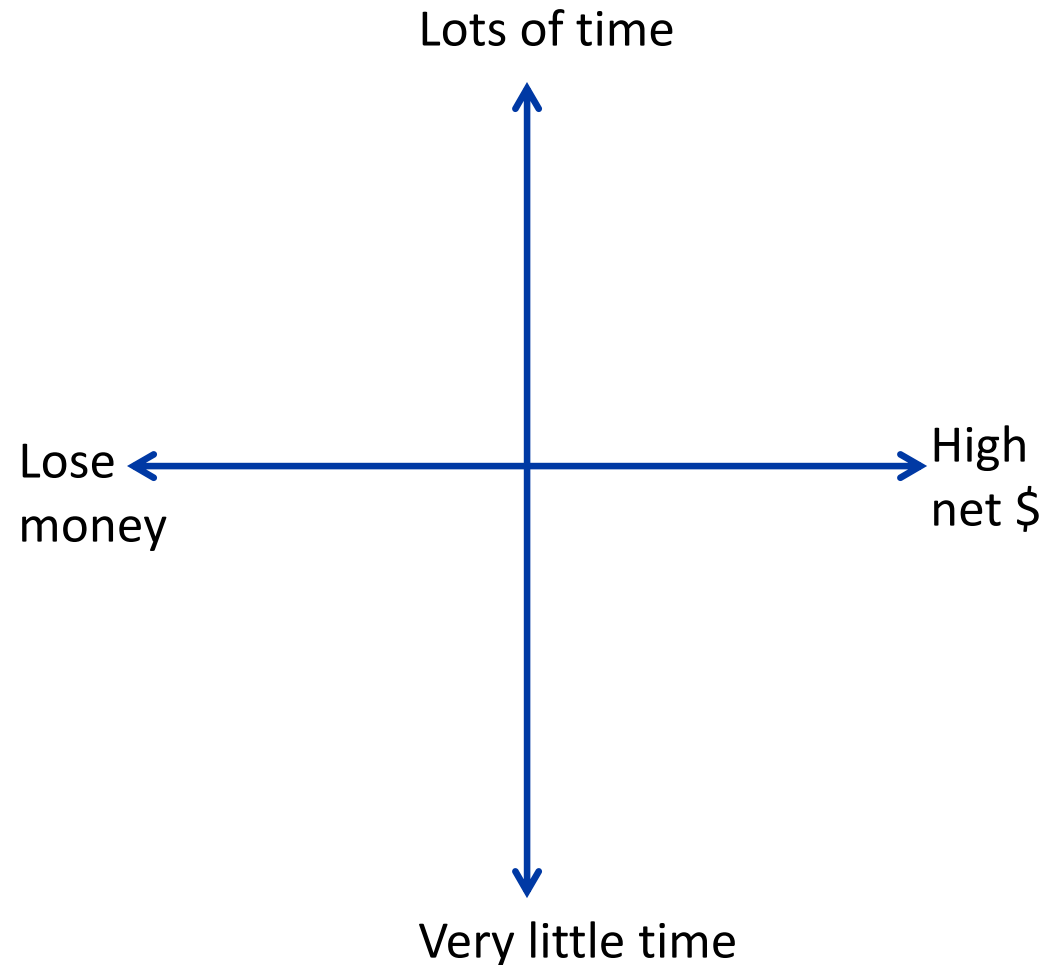
- List the main funding categories first
- List each of the specific ideas under the proper category
- Put a mark by those strategies already in use
- Use a rating system to evaluate which ideas to pursue

Prioritizing Ideas

- **Potential payoff-** financial, new relationships
- **Investment required** - money and time
- **Targeted audience** – Ability, Belief, Connection
- **Matching to your needs** – restricted or flexible \$

Evaluate your Results

- What fundraising activities require lots of volunteers & staff time?
- What fundraising activities generate a high net or barely break even?
- Mail appeal? Gala event? Bowl a Thon?

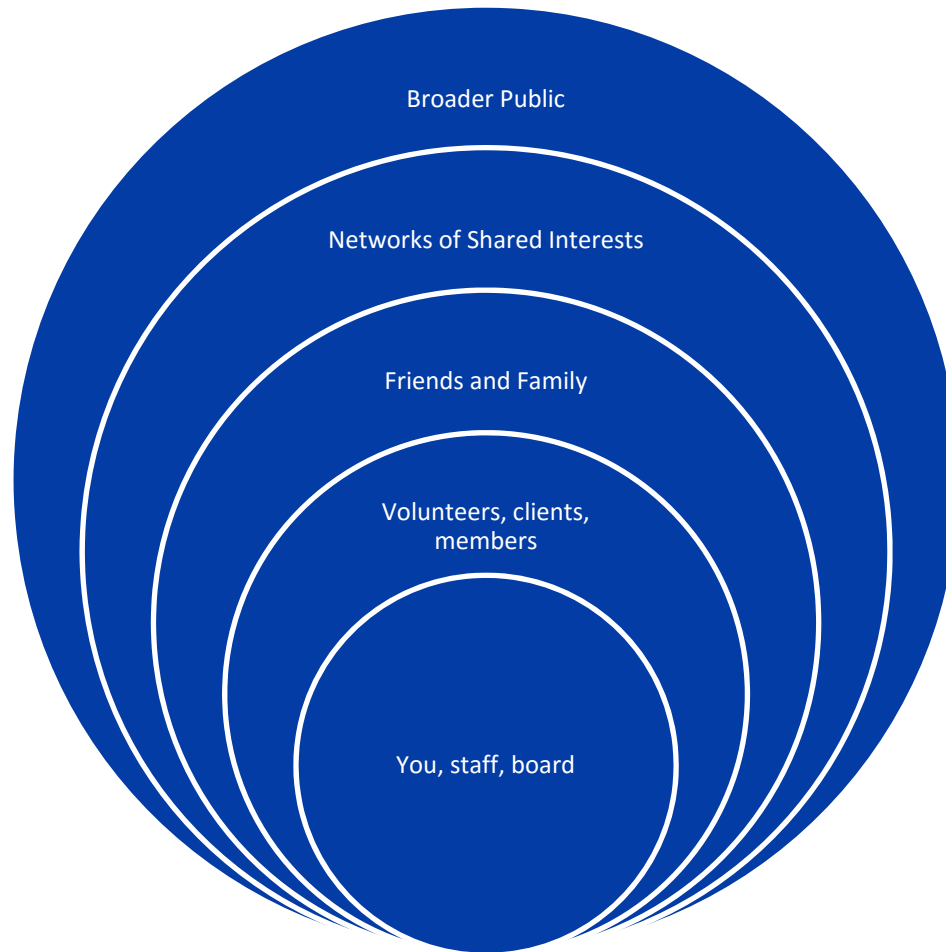


Funding source matrix

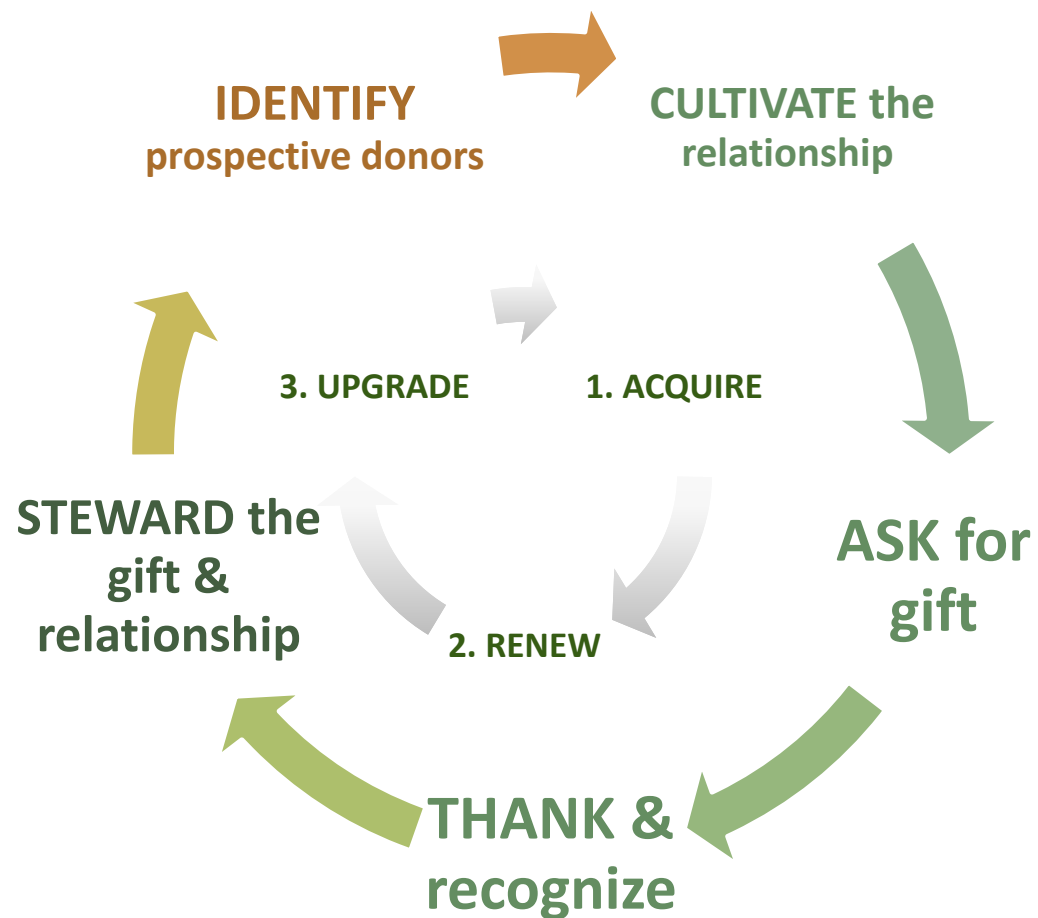
	In Use	Possibility		
		↑	↔	↓
Individuals				
Foundations				
Events				
Corporate / Business				
Government				
Earned income				

Sample only: Your matrix will have lots more detail!

Who Makes Up a Typical Base of Support



Segment donors for effective communication





ACROSS 84 NONPROFITS IN 2014:



2,463,594,725 emails sent to → 37,028,854 subscribers

6,413,006 online gifts

\$412,803,101 dollars raised

7,480,285 advocacy actions



EMAIL FUNDRAISING

Open Rate: 14%



Open Rate: 16%

Click-through Rate: 0.48%



Click-through Rate: 3.3%

Response Rate: 0.06%



Response Rate: 2.9%

Drop in Response Rate from 2013: 12%



Drop in Response Rate from 2013: 18%

EMAILS SENT PER MONTH, PER SUBSCRIBER

6.2 Environment

17 International

20 Health

34 Rights

44 Animal Welfare

45 Hunger

NET EMAIL LIST GROWTH

110%

EMAIL LIST CHURN

100%



Increase in Online Revenue

Increase in Number of Gifts:

Percentage Of Gifts From First-Time Online Donors

13%

13%

20%

AVERAGE GIFT

One-Time:

\$82



Monthly:

\$22



0.8%

of website visitors made a donation

For every 1,000 website visitors, nonprofits raised



\$612

For every 1,000 fundraising messages delivered



\$40



FOR EVERY 1,000 EMAIL SUBSCRIBERS, NONPROFITS HAVE:



285

Facebook Fans



112

Twitter Followers



13

Mobile Subscribers



1.1

Facebook Posts Per Day



42%

Facebook Fan Growth

5.4

Tweets Per Day



37%

Twitter Follower Growth



58%

of groups invested in Paid Search Advertising



66%

of groups invested in Display and text ads (Facebook, reward/incentive sites, mobile ads.)



50%

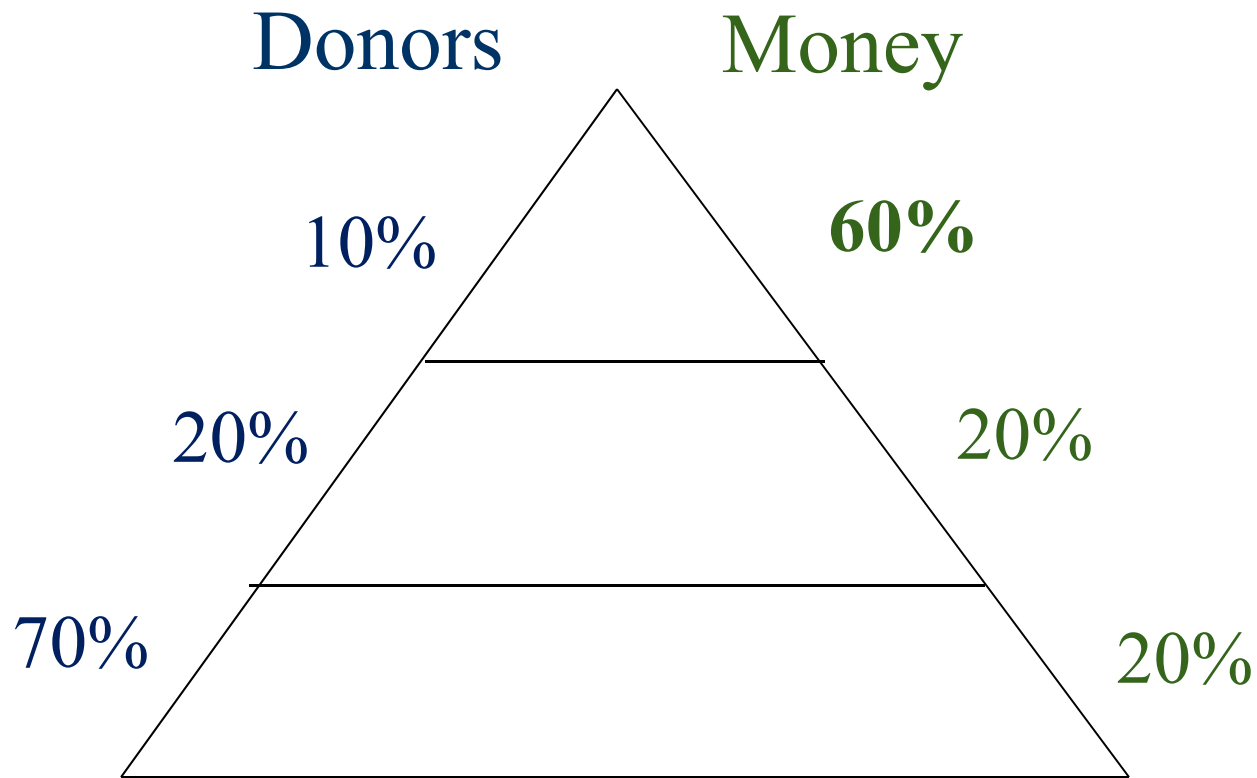
of groups invested in Retargeting Advertising



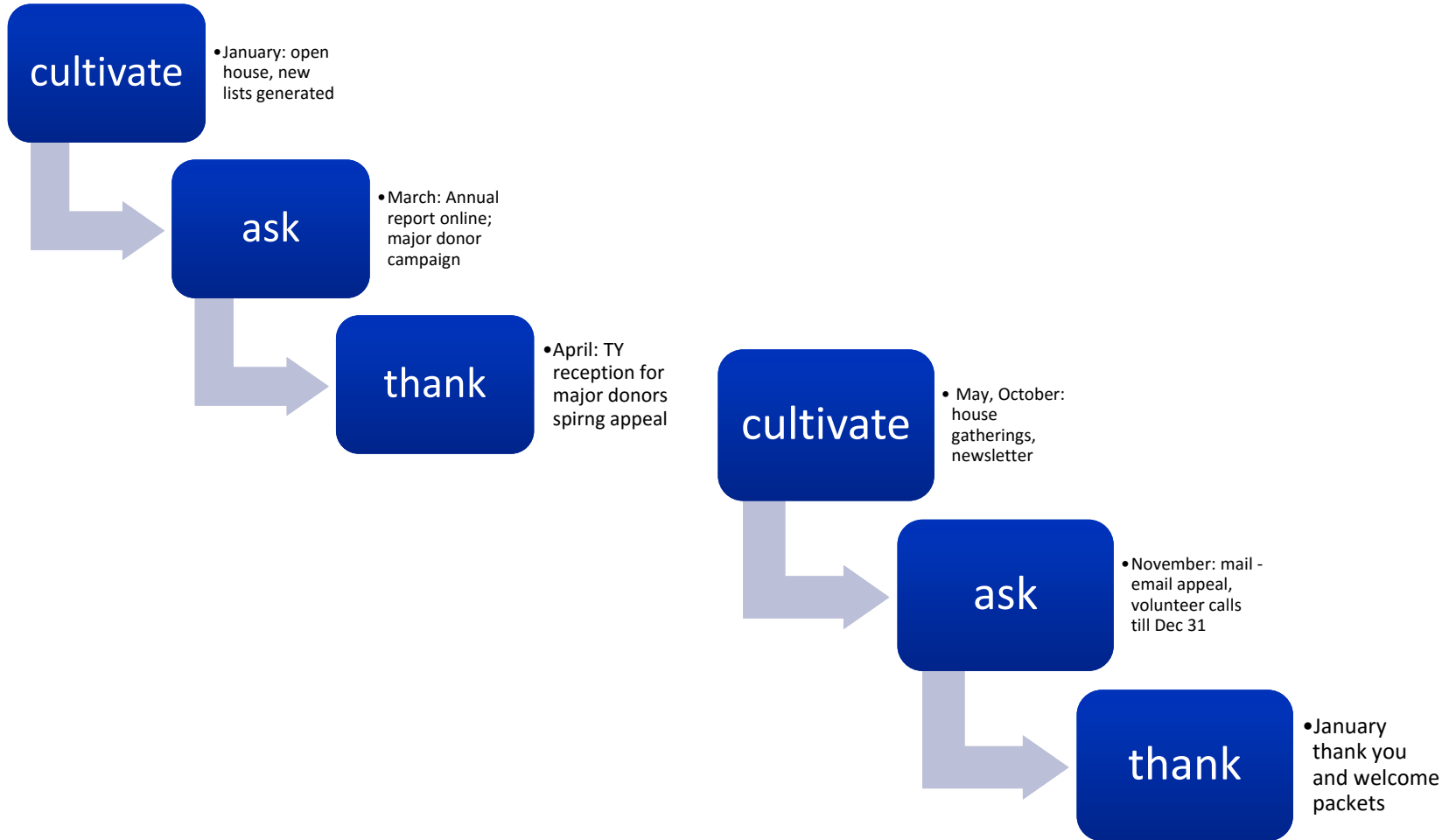
Setting your goals

- Be realistic!
 - Based on track record of previous years and current trends
 - Discount grants applied for by chance of getting
 - Careful of across the board increases
- Annual goals
 - Unrestricted / operating support
 - Program goals
 - Goals by funding type
- Long Range Goals
 - Program growth
 - Endowments & Capital Campaigns

You can plan your campaigns using this development principle



Setting Dates & Responsibilities



Writing the Plan Narrative

- A restating of your mission statement – *The Who*
- A summary of your case statement – *The Need*
- Specific strategies, with a summary of the dollar goals – *The How*
- A summary of the calendar – *The When*
- Long-term goals, e.g. endowments or building funds

Monitoring, Evaluating, Adapting

- Track each month's actual revenue to goals
 - What adjustments are called for?
 - What's working? What isn't?
- What new opportunities have appeared?
 - New programmatic initiatives
 - New funding sources available
- Laying the basis for next year's plan
 - Closing the loop and continuing the process

Staff Roles

In most organizations with paid staff

- Leads
- Manages
- Supports

Why the Board is involved

- They have connections to community outside the agency
- People give to people
- The more they talk to others, they become better stewards to community
- *About having a Board Fund Development Committee*

Review

- Establishing Your Team
 - Assets Inventory & Mapping exercises
 - Identify New Opportunities: Sustainability & Diversity
- Prioritizing using the Funding Matrix
- Writing the Case Statement
 - Including a dynamic Mission Statement
- Setting Realistic Goals
 - Long-term goals and sustainability

Review (*cont'd*)

- Keeping the Team Involved
- Using the Calendar
 - Assigning responsibilities & dates
 - Integrating program calendar and plans
- Working the Plan

Closing remarks

- There's no right or wrong plan for your organization
 - The only mistake is not to plan at all
- Those organizations that have plans and strategies in place – whatever they may be – do better than those that do not
- Those organizations that have no set plan or strategy are those that fail

Resource Highlight: www.grassrootsfundraising.org



Grassroots Fundraising Journal

Only \$30 for a one-year subscription plus

access to 300 articles online

Monthly Fundraising Webinars

Thank you for coming!

- Please fill out your evaluation form