Crafting a Compelling
Story

What does a healthy fundraising operation look like?

Elements of successful fundraising

Case

The story you tell

Leadership

Who tells the story

Prospects

To whom you tell the story

Plan

How & when you tell the story

Your mission (example)

To provide financial resources to maximize student potential in the Frisco Independent School District (FISD) through educational programs, student scholarships, and grants for FISD innovative educators.
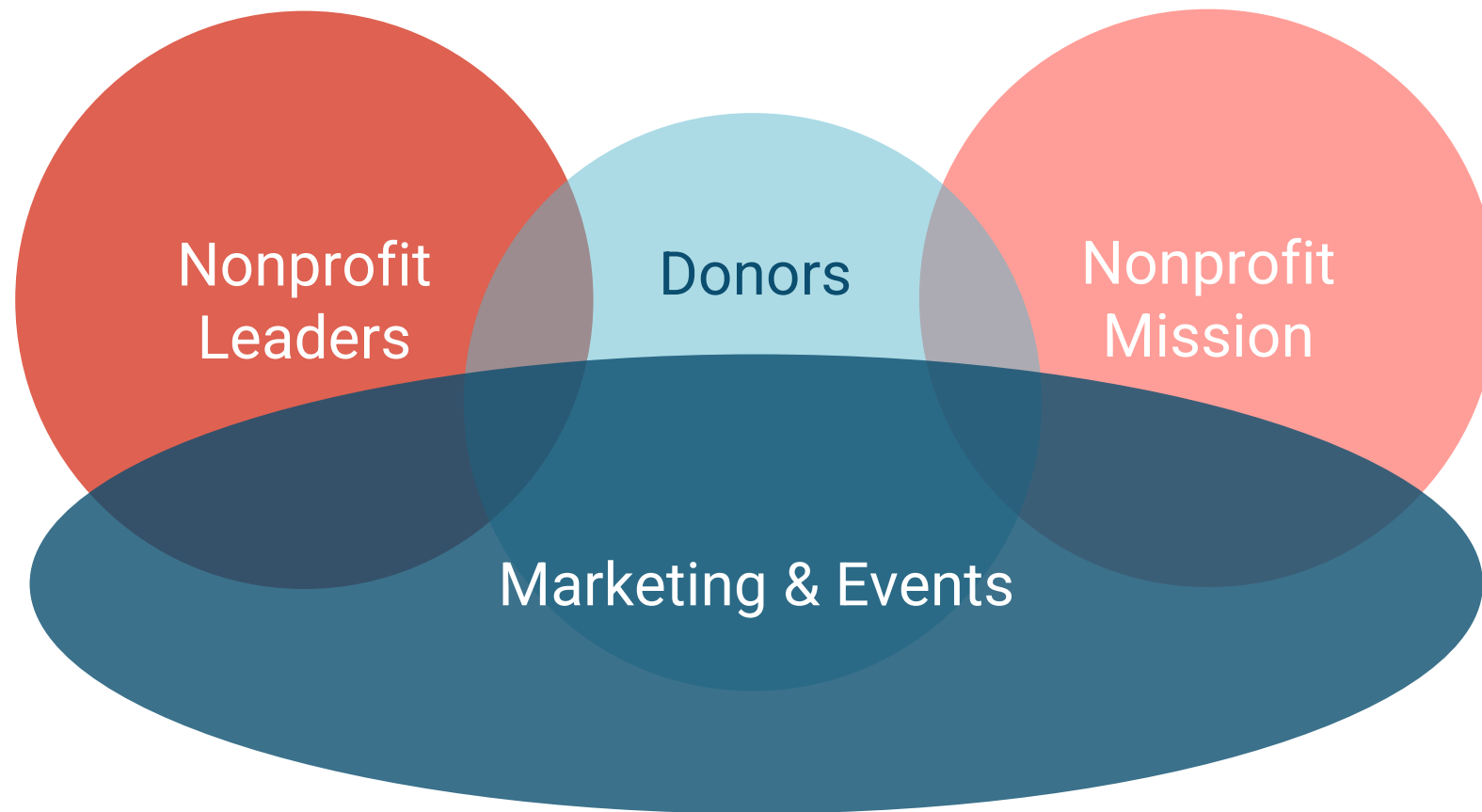
Why should you care?

- You need to know where you are going and who you are

- It is how you communicate your cause effectively with donors

- Your mission is the core of who you are and essential to ALL decisions

- You can't have strategic goals or plans for the future without it!
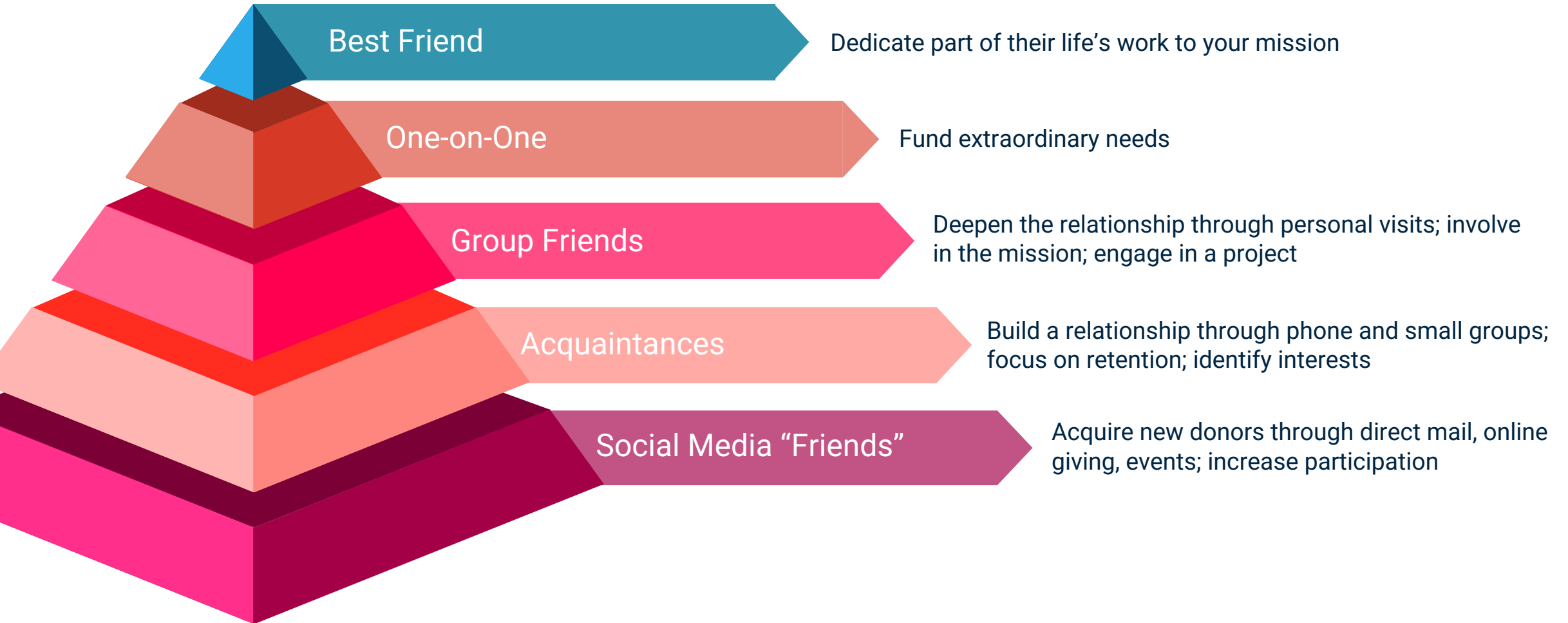
Why should donors care?

- Your story introduces a specific challenge or problem

- We need the cerebral case (numbers, data, outcomes), as well as human stories

- Donors must understand the solution – what is the conflict that is not resolved without their support?

- You must invite participation – allow them to help us solve the problem
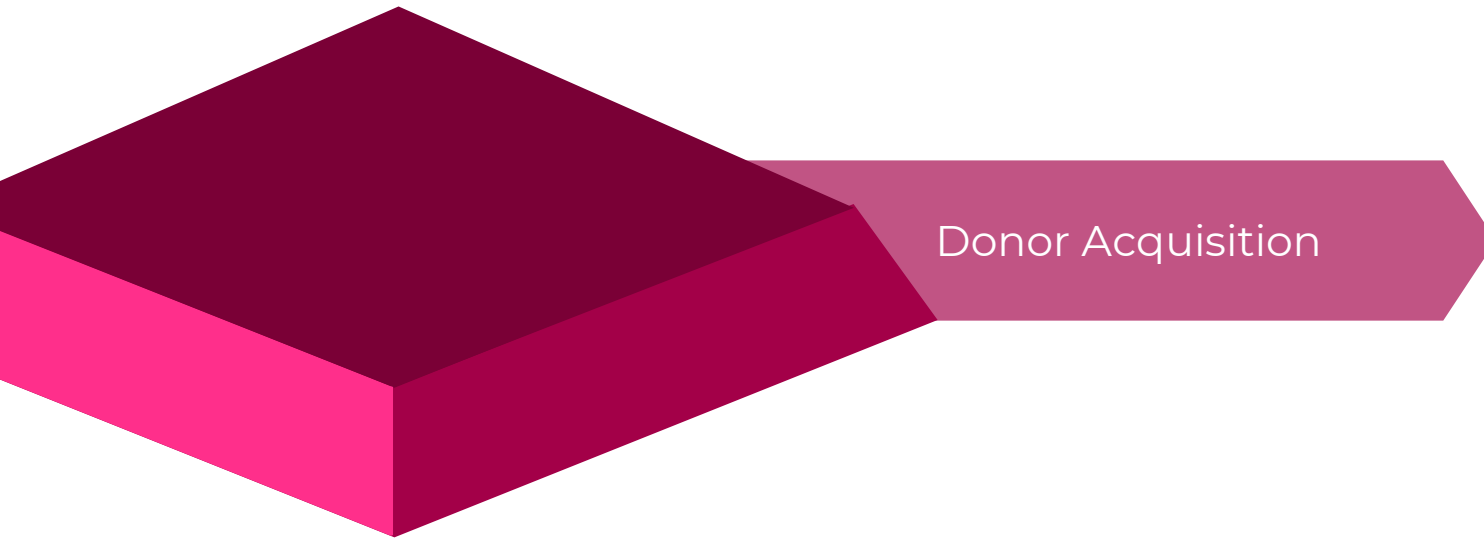
How we tell our story

Most fundraising operations

mission
ADVANCEMENT

Nonprofit Leaders

Donors

Nonprofit Mission

Marketing & Events

The relationship pyramid

mission ADVANCEMENT

Best Friend — Dedicate part of their life's work to your mission

One-on-One — Fund extraordinary needs

Group Friends — Deepen the relationship through personal visits; involve in the mission; engage in a project

Acquaintances — Build a relationship through phone and small groups; focus on retention; identify interests

Social Media "Friends" — Acquire new donors through direct mail, online giving, events; increase participation
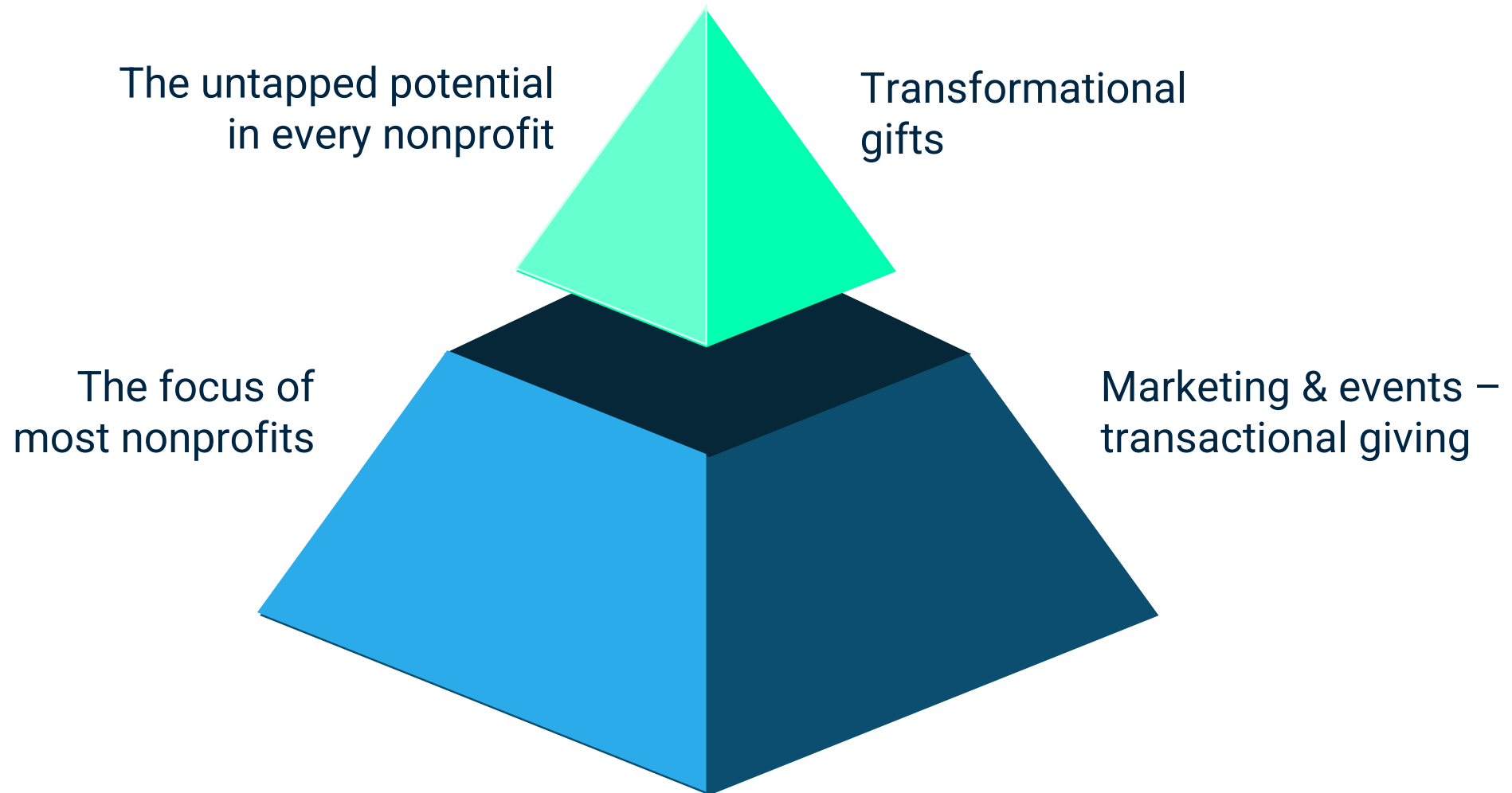
Most fundraising operations
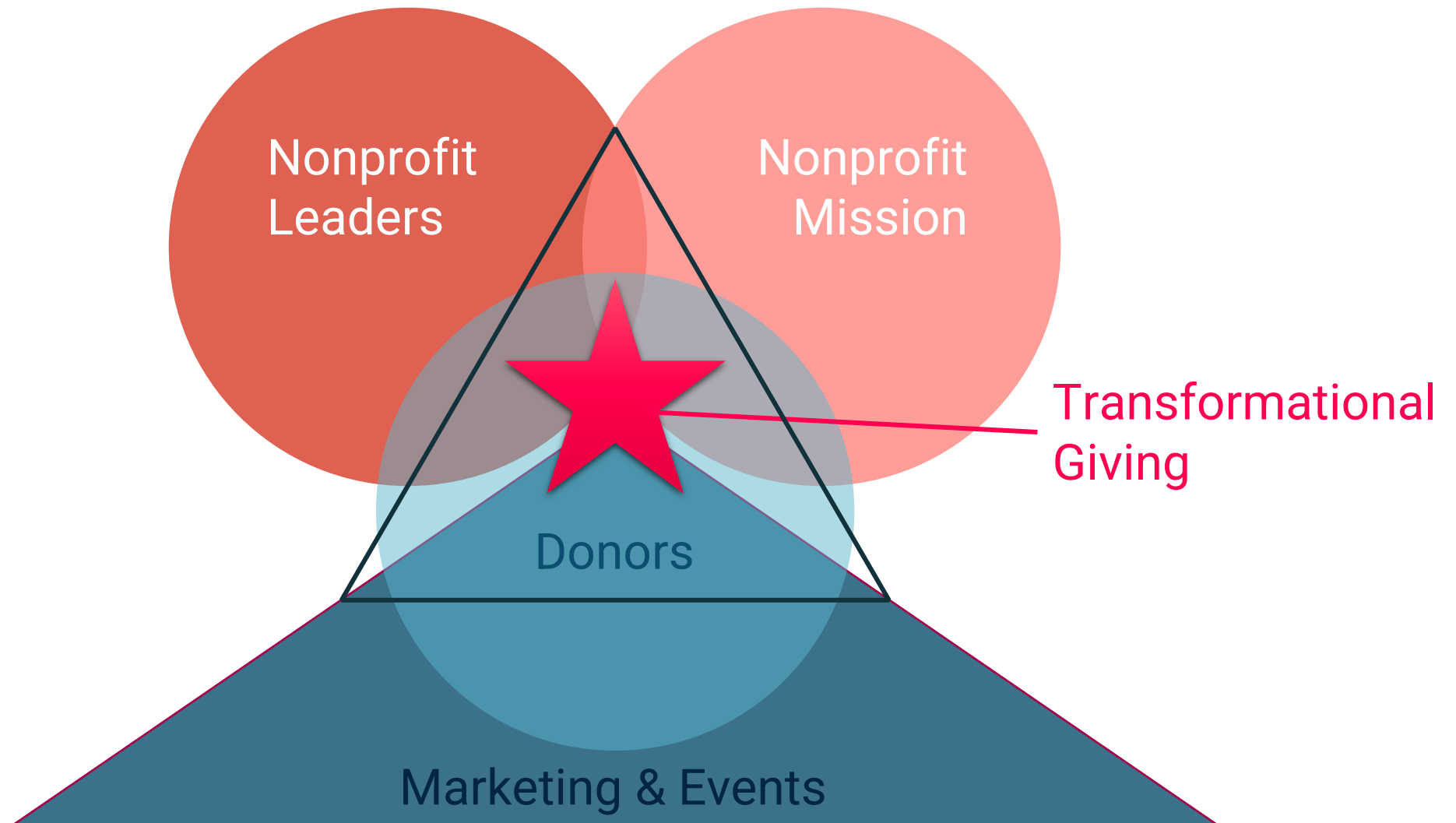
Donor Acquisition

- Large focus on marketing and events
  - Labor-intensive with low ROI
- Transactional giving
- Little cultivation or donor retention
- No donor segmentation; all donors are equal
- Donors do not feel connected to the mission

Healthy fundraising operations


Nonprofit Leaders

Nonprofit Mission

Transformational Giving

Donors

Marketing & Events

Building the relationship

- Donors' passions, interests, and needs are discovered through building relationships

- Few donors give to capacity

- Serving passions, interests, and needs is what creates balance in donor relationships

- Capacity giving is the goal

Decision spectrum

Transactional ←————————————————————→ Transformational
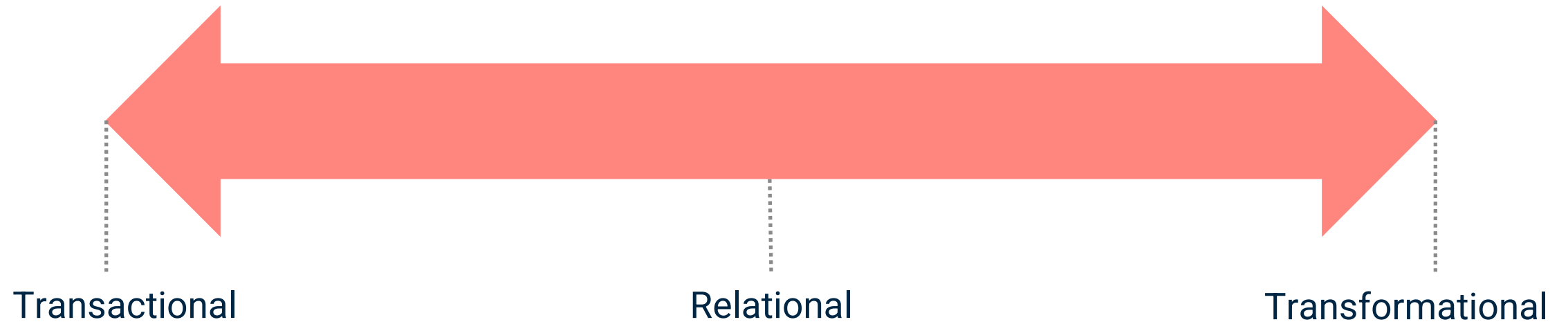
Relational

Philosophy for "fundable project" approach

- Donors want to help solve problems

- You have specific problems to solve!

- Relationships require dialogue

- Donors are interested in understanding your biggest needs

- We as fundraisers want to show them the impact of their giving

Philosophy for "fundable project" approach

Scenario #1 – The "general" ask

- The Ask: We need your support because…
  - The need is great
  - We are serving more people
  - Costs are rising

- The Follow-Up: Here is how your gift impacted our mission…??

Philosophy for "fundable project" approach

Scenario #2 – The "fundable project" approach

- The Ask: It takes $150,000 to fund X for our mission and (something I know you care about). As you can see, a gift of $25,000 would make a huge impact on this program.

  - I don't know what you are able or willing to give this year, but is that a gift you could consider?

Philosophy for "fundable project" approach

Scenario #2 – The "fundable project" approach

- The Follow-Up: Last year, thanks to your $25,000 gift, we were able to provide XX to those we serve.

    - Here is a 1-page impact report on that program and what it achieved.

    - I'd love to show you that program in action and introduce you to John who leads it.

We must be willing to...

- Share our budget in broad categories and describe the specific needs of our organization

- Involve leadership and program staff in the conversation/process

- Ask for specific gifts

- Consider temporarily restricted funding for some donors

- Be accountable to the donor to share program impact, progress, and outcomes

Bottom Line: Pull back the curtain!

Budget breakdown process

- Involve leadership along the way

- Identify the "big buckets" of your mission

- Determine what is/is not included in the formal budget

  - Determine how to ensure that people costs are allocated

- Look at trends for last few years: Which programs are growing? Why?

- Come up with 5-7 fundable budget items

Budget breakdown process

Once the 5-7 fundable items are determined, ask:

- Who are the key internal players that make it happen?

- What are the trends?

- What can you show to donors?

Operation needs exercise

- Takes budget breakdown to the next level

- Creates specific framework for each fundable area

Operation needs exercise

- Identify the 5-7 fundable programs

- Determine annual financial need

- Break down financial need into smaller categories
  - $8,000 per day, $3,000 per student, $5,000 per session

- Quantify impact
  - Feeds 250 people per day, 365 days a year (273,750 meals!)
  - Provides therapy for 1,500 clients

Operation needs exercise

- Create one-page description of each fundable area
  - History of program
  - Impact on those served
  - Financial need

- One-page description becomes the foundation for proposals, specific requests for donors

Examples

Example #1

Program Name #1	Description	Total Cost	$53,500
Program salaries	2 full-time positions		$25,000
Travel for instructors	3 trips for 2 instructors		$10,500
Instructor stipend	$1,500 per instructor (3x)		$9,000
Other items	Computer, class materials		$9,000
Program Name #2	Description	Total Cost	$97,000
Instructor travel	6x per year, 2 instructors per class		$49,600
Class rent, student board, etc.	6x per year, 30 students		$34,000
Instructor stipend	$2,000 per instructor (5x)		$10,000
Other items	Class materials, etc.		$3,400
Program Name #3	Description	Total Cost	$137,000
Program salaries	2 full-time positions		$66,000
School expenses	25 students		$66,000
Instructor travel	1 trip for 2 instructors		$5,000
Program Name #4	Description	Total Cost	$230,000
Program salaries	2 full-time, 1 part-time		$218,000
Instructor travel	Conferences, teaching		$5,000
Other expenses	Office supplies, etc.		$7,000
		TOTAL OPERATIONAL NEEDS	$517,000

mission ADVANCEMENT

Example #2

Counseling Programs			Total Cost	$717,900
One-on-One	# of clients who benefit	1,843	Cost	$552,900
	Average cost per client	$300		
Peer Groups	# of clients who benefit	360	Cost	$165,000
30 groups per year	Cost per Peer Circle	$5,500 x 30		
Education Programs			**Total Cost**	**$341,000**
Education Program #1	# of clients who benefit	500	Cost	$81,000
	Average cost per client	$162		
Education Program #2	# of clients who benefit	100	Cost	$20,000
4x year	Average cost per client	$185		
	Cost per session	$5,000		
Education Program #3	# of clients who benefit	40	Cost	$120,000
6-week course/4x year	Average cost per client	$695		
	Cost per 6-week course	$30,000		
Education Program #4	# of clients who benefit	40	Cost	$120,000
6-week course/4x year	Average cost per client	$695		
	Cost per 6-week course	$30,000		
Support Programs			**Total Cost**	**$314,446**
Support Program #1	# of clients who benefit	225	Cost	$24,750
	Average cost per client	$110		
Support Program #2	# of clients who benefit	36	Cost	$200,880
	Average cost per client	$5,580		
	Volunteer hours	600		
	# of volunteers	43		
Support Program #3	# of clients who benefit	14,560	Cost	$88,816
	Average cost per client	$6.10		
	Volunteer hours	2,890		
	# of volunteers	25		
			TOTAL OPERATIONAL NEEDS	**$1,373,346**

mission ADVANCEMENT

An engaged Board should…

- Have conviction for the mission

- Give their personal resources

- Rank the mission in their top three to five philanthropic priorities

- Introduce their networks

- Participate as impassioned volunteers – an extension of limited staff

Role of staff (Executive Director)

- Create development plan/calendar

- Determine strategies and targets for each activity

- Ensure prospects/donors feel valued

- Tap into volunteer (Board/committee) resources and expertise

- Assist with closing solicitations

- Present results/evaluate effectiveness

What is "core" in Development?

- Story

- Leadership

- Prospects

- Results (dollars to fund the mission)

What is "not core?"

- Events

- Specific campaigns

- Giving days

- Direct mail/social media

Focus on your core

- **Story** – Why is your mission critical? Why should people care? What impact does it have on those you serve and/or your community?

- **Leadership** – Who is telling your story? Are they comfortable and confident in sharing it?

- **Prospects** – Who cares about your story? Why do they care?

- **Results** (dollars to fund the mission) – How much do you need to fund your operations to keep the mission moving forward and to accomplish your goals? What could you do with more funding?

Discussion

Thank you