

Closing the Deal

Moving Your
Fundraising
Forward

NONPROFIT FUNDRAISING SKILLS

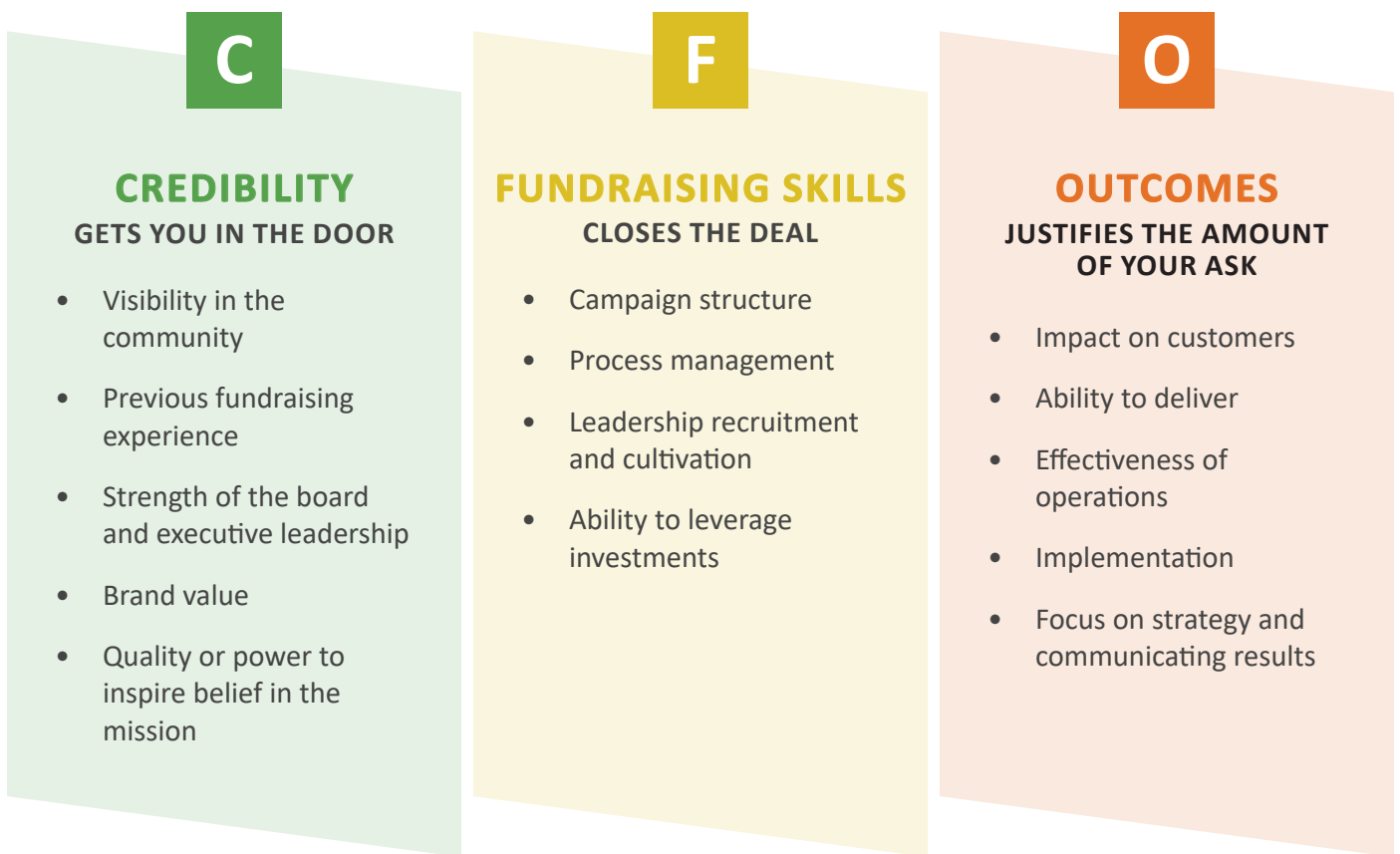
How your team can adopt new and innovative approaches to not only get investors' attention, but to ultimately close the deal and secure funds to support your organization for years to come.

Like the rate of failure seen in new business ventures, nonprofits often fail because they cannot secure the funding to be sustainable.

This is because many nonprofits focus on their **outputs** rather than **outcomes**. Fundraising strategies should emphasize the value of the result expected to be delivered, then emphasize the downstream impact (outcomes) not just focus on the activities (or outputs) of the nonprofit itself.

The ingredients of a successful fundraising campaign are credibility, fundraising skills and outcomes because these three elements determine your organization's Asking Rights™, or your ability to deliver outcomes valuable to your investors.

Before you even start fundraising efforts for a capital campaign or even consider making an “ask,” you should determine your organization's strengths within these areas:



The ability to use your knowledge effectively and readily in execution is **fundraising skills**—and this is where your nonprofit campaign can truly excel or fail.

So how do you ensure your team has the fundraising skills necessary to gain investors and donors? We've provided an overview of the most crucial skills fundraisers need to harness, and how you can apply them in your organization.

Communication and Messaging

A key fundraising skill that leads to successful campaigns is effective communication and messaging. Fundraisers should be able to translate the impact you have on your primary customer—how you change lives and improve your community.

This does not include basic points like building a new facility or counting the number of participants served. Rather, the outcomes should be demonstrated through cause-and-effect reasoning, such as:

- Children born healthy because of proper prenatal care
- Jobs created because of industrial recruiting
- Youth appreciation for the arts because of early exposure to museums
- Kids kept out of the prison system because of proactive after-school programs

These are best presented using what we call an Organizational Value Proposition®, which translates plain numerical metrics into real-world outcomes. It adds to the storytelling quality of your marketing, thus boosting your brand's appeal not just to potential backers with high financial motivations, but also to those whose donations are inspired by relatable outcomes.

This also helps distinguish the intended delivery and return of the investment. When presented with a reasonable scope of the operation and the plan to be delivered, prospective investors are able to clearly visualize the impact of their contribution and donate accordingly.



Identifying the Target

Nonprofits that appeal to an investor’s rational motivations for backing the campaign tend to gain traction quickly with high financial commitments.

Correspondingly, if a high-profile campaign is oriented solely toward emotional appeal and receives lots of small donations, there’s an opportunity to develop a more rational appeal for larger investments. This strengthens the

sustainability of the campaign, thus paving the way for longer impact and consistent results.

This is where the distinction between donor and investor comes into play. Skilled fundraising professionals should be able to identify the differences between these two profiles and market campaigns to them based on those distinctions.

DONOR

SMALLER FINANCIAL COMMITMENTS MOTIVATED BY EMOTIONAL APPEAL

(Focused on the act of giving.)

TRANSACTIONAL

- Typically donates to small-scale, cause-based campaigns (e.g., donating the remainder of their subtotal at the checkout aisle)
- Wants the organization to demonstrate the need for its services in a way that’s familiar
- Wants the organization’s approach to addressing the problem to fit within their giving guidelines
- Wants to sufficiently spread their available funding across organizations addressing the problem
- May expect reports or activities to address to show an organization is addressing needs
- Wants to know the activities undertaken to address the needs

INVESTOR

LARGER FINANCIAL COMMITMENTS MOTIVATED BY RATIONAL APPEAL

(Focused on the goal to be achieved by giving.)

TRANSFORMATIONAL

- Check-writers that consider their gifts and donations as investments, rather than “charity”
- Wants to know how funding the organization will provide solutions to the problem
- Wants the approach to addressing the problem to make practical sense
- Wants their amount of money to bring about real change
- Wants personal explanation of impact to them
- Wants to know how the results improve the lives of the organization’s primary customers

Demonstrating Outcomes

In the world of nonprofit fundraising, information is now available at your fingertips. This is changing the way nonprofit investors think and the way they decide to allocate their money. As Cygnus Applied Research and fundraising educator and author Penelope Burk discovered in their annual Burk Donor Survey, “they are better informed, they’re more confident, and their increasing confidence has made them more independent about their giving decisions.”

What do today’s donors want? They want to give to specific initiatives that show impact. According to an interview with Burk in *Advancing Philanthropy* magazine, “The more experienced and independent donors are even more diligent about bottom-line results. They’re constantly assessing one cause against another that they might be supporting. They are still open to supporting a cause they have never given to before, but their measures of competence and success are very specific ... fundraisers can’t just expect donors to keep giving by relying on showcasing their brand and offering generalized statements about being a great organization.”

Without demonstrating your organization’s outcomes and community impact, you could be leaving money on the table. In 2018, Burk’s survey of more than 12,000 donors found that they are

supporting far fewer causes. In fact, seniors (age 65 and older) now typically support twice the number of causes as middle-aged people between ages 35 and 64. Burk’s study also found that 36 percent of donors and 53 percent of young donors said they could have given more.

Successful fundraisers must consider age-based demographic trends that could potentially affect a particular campaign.

According to the Case Foundation’s Millennial Impact Project, the majority of Millennials are most likely to stop investing if they don’t understand the organization’s real-world impact to them. Additionally, 85 percent of Millennials are motivated to give by a compelling mission or cause, and 56 percent by a personal connection or trust in the leadership of the organization.

This means that when marketing to Millennials, fundraisers should pay extra attention to asserting the organization’s impact, outcomes and value in a clear and relatable way, relevant to this age group. This emphasis is more likely to pay off.



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CASE STUDY: Roxboro Community School

Be Willing to Ask for Funding Up Front

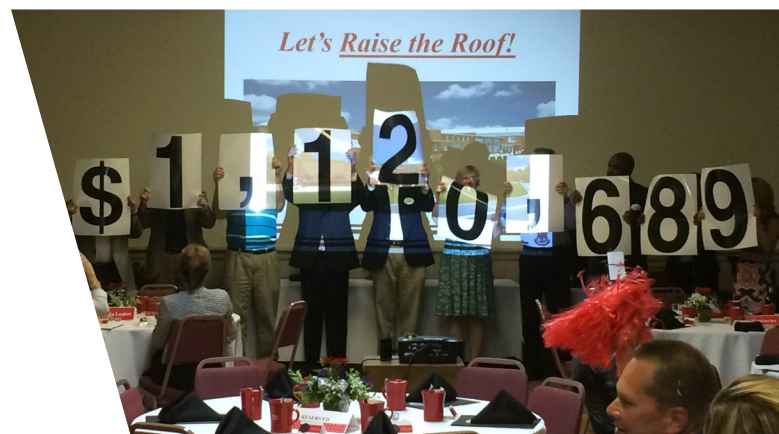
Sometimes making the “ask” will put fundraisers in front of audiences that may not be expected to solicit a response, with no stake in the game. But pitching the unlikeliest of donors and investors may be worth it, especially if that pitch serves to inform them of their unique role in contributing to an impactful outcome.

Though the task may be daunting, it is essential for nonprofit boards to embrace the challenge or find a consultant with the fundraising skills to take it on for you. Take this example from our experience:

When Roxboro Community School, a North Carolina-based charter school, launched its first capital campaign to raise money to renovate an old cotton mill for a new gym and multipurpose facility, the fundraising team was concerned that they wouldn’t be able to raise awareness and support among community members who did not have children attending the school.

In North Carolina, charter school enrollment is based on a lottery system, meaning parents aren’t guaranteed their students will be accepted. Ineligible to receive state funding for the facility, Roxboro Community School knew they couldn’t solely rely on the support of current and past student families.

In forming the direction of the campaign, Convergent Nonprofit Solutions engaged community members in a feasibility study to gauge how best to undertake renovations to the cotton mill as an asset to the entire town, not just the school. This shaped the strategy of a campaign in which solicitations focused on the return on investment the community should receive by supporting the facility, rather than instead focusing on personal connections to gain pledges in the school’s inner circle.



At the end of an aggressive 12-month campaign, Roxboro Community School landed nearly **\$1,600,000** in pledges—proving that positioning the school as a community asset was effective.

Where Do You Stand?

Before a nonprofit asks for funding, they need to realistically assess their ability to raise funds, consistently follow through on the promise of results and deliver outcomes that are meaningful to investors—in that they impact the lives of the organization’s primary customers.

Staffing is a big part of this assessment. If an organization is still utilizing the now-outdated volunteer model, they’ll need to rethink their operational structure or be certain they hire a fundraising consultant with the skills and experience for the campaign.

In many nonprofit workforces, the staff is made up of several tiers of professionals with different roles. Board members and executive leadership head up

the organization and typically spend their time out in the field, networking, attending events and rallying support. Behind them is a base of support staff, who are organizing appointments, arranging meeting space and handling overall logistics.

Each of these roles is equally important, and that’s why all teams need to be on the same page with the fundraising strategy, and their stake in assuring its success.

Does your board have the necessary skills for a capital campaign? Does your staff have what is needed? And as an executive director/CEO, do you have the necessary skills (or the time to develop them)?

ASSESSMENT: How well do you know yourself and your team?

With the following questions, consider the skills that you personally embody, and separately assess the skills that are presented in your team. Check “**P**” for those you *personally* embody or “**T**” for those you do not but are present in someone on the *team* responsible for raising money. Check “**N**” if *neither* you nor your team currently possesses the skill.

P = Personally **T** = Team **N** = Neither

1. Overall Campaign Management

- Previous experience P T N
- Current workload permits the time and commitment needed P T N
- Ability to multitask P T N

2. Leadership Cultivation

- Successfully cultivated prospects to invest in organizations previously? P T N
- Successfully identified, targeted and approached leadership prospects in a funding context? P T N
- Comfortable in a variety of networking and social situations? P T N

3. Leadership Enlistment

- Successfully recruited volunteer leaders to fill specific roles/duties? P T N
- Comfortable in securing financial commitments commensurate with leadership roles? P T N
- Can explain roles/duties required of leaders? P T N

4. Correct Evaluation of Prospects

- A formal evaluation procedure is in place P T N
- Can properly evaluate prospects for the proper level of investment..... P T N
- Can assemble the appropriate group of people who have the knowledge of annual giving practices and amounts..... P T N

5. Interpersonal Skills

- Professional demeanor and appearance P T N
- Good communication skills..... P T N
- Ability to think and speak professionally on the spot P T N

6. Ability to Leverage Investments

- Understand the sequential nature of solicitations, which would go from large to small amounts (the top-down approach) P T N
- Receptive to a critical conversation P T N
- Can reference to other investments without divulging personal and/or private, confidential information P T N

7. Organizational Skills

- Can direct administrative staff to set appointments, conduct mailings, etc. P T N
- Ability to make up to five personal visits per day with the necessary preparation P T N
- Can establish necessary benchmarks and timelines over a multi-month campaign P T N

8. Ability to Make the Ask

- Confident in ask amount, even knowing that it will be met with surprise or disagreement P T N
- Ability to explain why the investment is necessary..... P T N
- Can drill deeper if met with a “no” to turn it around to a “yes” next time ... P T N
- Skilled at leaving the door open for next steps in follow-up P T N

Now What?

Now that you've completed the assessment, ask yourself the following:

- Which of the sections/skills needed the most attention for your organization to succeed in its funding efforts?
- Are these areas easily improved or is a major overhaul necessary?
- Can staff be trained or can the problem areas be solved more quickly and efficiently by hiring outside counsel?

And based on these answers...

1. Determine if your organization can/wants to handle the funding efforts internally (staff) or externally (through a consultant).*
2. If **internal**, determine if you want to:
 - a. Train existing staff
 - b. Hire new staff
3. If **external**, determine how you would utilize the consultant:
 - a. Hire for advice, but allocate work internally
 - b. Hire for support, but balance work internally and externally
 - c. Hire for the full effort

* Whether internal or external, determine the effort's time and budget needs/constraints.