ELDERSTONE
RESOURCE DEVELOPMENT
Strategic Leadership & Management

The Board's Role in *Successful* Fund *Development*

Toronto Arts Foundation – Creative Champions Network – September 7, 2016
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Cynthia Armour's Multiple Hats

- Principal Strategist – Elderstone Resource Development since 1991
- Facilitator, Trainer and Coach – specializes in governance, strategic thinking, planning, board/volunteer/staff team building and fund development best practices and action
- Authored monthly Fundraising Q & A for Charity Village for four years – archives available at www.charityvillage.com

- CFRE since 1995 (recertifying successfully every 3 years)
- Served as Subject Matter Expert for CFRE International
- Primary caregiver/coach to four of my best friends

Learning Outcomes

- Understand concepts that inform strategy
- Identify the challenges and benefits of board engagement
- Summarize best practices in the board's fundraising role
- Provide practical tips and tools for successful board involvement

Who's here?

- Board members
- Fund Development Committee Volunteers
- Full or part-time Development staff
- Chief Executives/Directors
- Others?

Another show of hands

- Who has a current/active fundraising plan?
- Who knows their charity has a donor database (beyond Excel spreadsheets)?
- Who uses reports from the fundraising/donor database to inform strategic decisions?

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Development vs. Fundraising

- A process
- Strategic/proactive
- Goal-oriented
- Measurable steps
- Evaluates progress
- Invites investment
- Cultivates relationships
- Predictable revenues
- Proven methods and sources

- Activities (often events)
- Limited plans/objectives
- Limited success measures
- No lessons learned
- Temporary solutions
- Panic reaction/crisis
- No target audience
- Financial issues recur
- Unwritten assumptions

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Revenue Generating Methods/Sources

Typically charities move down this list of approaches as the organization matures – proving it's more about people's comfort level than strategy!

- Special events including "thing-a-thons", galas, silent auctions, etc.
- Sales of stuff people don't need (e.g. Chocolates...)
- Gaming (e.g. bingo, lotteries, 50/50 draws)
- Grant writing (project-specific)
- Direct mail/Letter writing
- **Sponsorships (business exchange)**
- Major gifts (defined by *your* area & charity)
- Planned gifts(bequests, life insurance, etc.)

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Work smarter not harder...

be strategic!

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What's Missing in Your Strategy?

Original source unknown but worth quoting!

Vision	+	Skills	+	Incentives	+	Resources	+	Action Plan	=	Effective, managed CHANGE
	+	Skills	+	Incentives	+	Resources	+	Action Plan	=	**Confusion**
Vision	+		+	Incentives	+	Resources	+	Action Plan	=	**Anxiety (where 90% of resistance lays)**
Vision	+	Skills	+		+	Resources	+	Action Plan	=	**Gradual Change**
Vision	+	Skills	+	Incentives	+		+	Action Plan	=	**Frustration**
Vision	+	Skills	+	Incentives	+	Resources	+		=	**False Starts and Wasted Time**

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Reasonable Cost Guidelines

Source: Greenfield – Fund-Raising Cost Effectiveness

- Direct mail acquisition — $1.25 to $1.50 per $1.00 raised
- Benefit/Special events — $0.50 per $1.00 raised *(gross to net)*
- Membership associations — $0.20 to $0.30 per $1.00 raised
- Donor clubs — $0.20 to $0.30 per $1.00 raised
- Planned Giving — $0.20 to $0.30 per $1.00 raised
- Direct mail renewal — $0.20 to $0.25 per $1.00 raised
- Corporations — $0.20 per $1.00 raised
- Foundations — $0.20 per $1.00 raised
- **Volunteer-led solicitations — $0.10 to $0.20 per $1.00 raised**
- Special projects — $0.10 to $0.20 per $1.00 raised
- Capital campaigns — $0.10 to $0.20 per $1.00 raised

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Top Challenges in Fundraising

Source: Recent research conducted by author with chapters of an Ontario Federated Charity

- 72% – Not enough time
- 52% – Limited team effort
- 52% – Location/Geography issues
- 44% – Board isn't involved in fundraising
- 36% – Don't know how to get beyond events
- 32% – Nonexistent or inactive FR Committee
- 32% – Competition for volunteers/fatigue
- 24% – Limited FR knowledge/strategy
- 16% – No staff to support FR efforts

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What's the real challenge? What blocks board involvement in Fund Development

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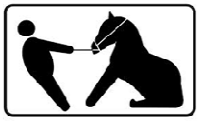
Blocks to Board Involvement



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BoardSource Fact:

- 60% of CEOs and 58% of board chairs identify fundraising as one of the most important areas for board improvement.

Not surprising but how do they ensure success?

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Success Requires…

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Fund Development Best Practices

- Board Led-Team Driven
  - Grounded in charity's mission and core values
  - Boasts 100% support
  - Understands costs
  - Partners with staff & volunteers
- Ethical
  - Above legal requirements
- Strategic
  - Board sets direction
  - Goal-oriented
  - Measured, monitored and revised
  - Cost effective
- Donor-centred focus
  - Answers WIIFT
  - Cultivates and Stewards constantly
- Personal
  - Relationship-based
  - Shared values
- **Identifies and asks investors directly for support!**

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Benefits of Board Engagement

Board/fundraising success stories?

If you build it, they will come!

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Board Member Best Practices

- Understand governance roles and responsibilities, including fiscal health
- Model integrity, ethical behaviour, accountability and respect confidentiality
- Value and support organizational philanthropic and learning culture
- Be mission-grounded, strategic and action-oriented

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Board Member Best Practices

- Understand fundraising costs and ROI
- Donate time, talent AND treasure on an annual basis
- Capitalize on personal connections whose contacts would be *motivated* by your charity's mission (not the shotgun approach)
- Recognize that various skills and backgrounds strengthen team approach

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Board Member Best Practices

- Tell compelling stories based on the charity's strategic priorities
- See fundraising as an investment opportunity, not begging
- Don't take rejection personally
- Stretch beyond comfort level for the benefit of the cause and population it serves
- Demonstrate attitude of lifelong learning

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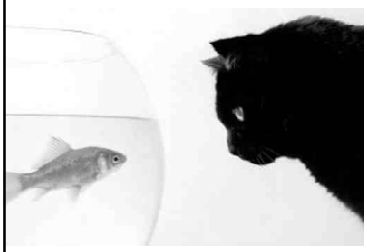
Board Member Best Practices



- GREAT board members put their money where their mouth is
- Keep their eyes on the prize... and the benefits that their efforts will bring to those they serve!

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Cynthia's Board Fund Development Roles

- Ambassador
- Donor
- Planner
- Matchmaker
- Social convenor
- Enthusiast
- Prospector/Sleuth
- Director connector
- Cultivator
- Story teller
- Solicitor
- Negotiator
- Canvasser
- Public speaker
- Prompt responder
- Banker
- Steward/Guardian
- Tracker
- Statistician
- Party Person
- Deputy
- Posse
- Others??

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Strategies You Can Implement Immediately – Answer the Following:

- Where do you see yourself (in the previous slide)?
- Who's missing? (compare your conclusions with staff perspective?)
- Whom do you know that would *willingly* fill your team's void?
- What training and coaching is needed to feel confident?

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The Seven Faces of Philanthropy

1994 social science study conducted by Russ Alan Prince and Karen Maru File.

Motivators to Support Nonprofits (also reflects boards)

1. Repayer: Doing Good in Return
2. Investor: Doing Good is Good Business
3. Socialite: Doing Good is Fun
4. Communitarian: Doing Good Makes Sense
5. Devout: Doing Good as Moral Obligation
6. Altruist: Doing Good Feels Right
7. Dynast: Doing Good Is a Family Tradition

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Success Factors

- Clear and compelling purpose, direction and benefits
- Strong, involved board *in partnership* with the chief executive, staff members and volunteers
- Growing structure that encourages efficient and effective service delivery
- Learning culture that's not afraid of change
- Financially sound and prudent strategic plan
- Tenacious nature and courage to ask and thank!

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Board Member's Responsibilities

(once clearly communicated by the charity)

- Make personal contributions (stretch gift)
- Identify, evaluate and cultivate prospects
- Recruit volunteers who will willingly make face-to-face requests with the proper training and support
- Write (or sign) appeal letters (with personal note)
- Organize and attend special events
- Be available to assist with other fundraising efforts
- Thank and report to donors in a variety of ways

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Set Up for Success

- When recruiting new board members, is your organization communicating expectations (with written back-up to reinforce)?
- How are staff and existing board members *helping* new recruits determine their role?
- What training, support and coaching have you provided?

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Fundraiser's Qualities

Jerold Panas

- Impeccable integrity
- Good listener
- Ability to motivate
- Hard worker
- Concern for people

Whether staff or volunteer, don't expect them to walk on water!

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Finding the Board Champion

- Movers and shakers in your community
- Former (engaged) board or staff members
- Committed donors
- "Alumni canvassers" of other successful campaigns. Give them a rest but capitalize on the training and experience gained at:
  - Hospitals
  - Universities
  - United Way
  - Churches
  - and/or…Capital Campaign experience

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Prospects versus Suspects

Equally applicable to board recruitment as prospect research:

LINKAGE
- Is there someone in your organization that knows the person you are approaching?

ABILITY
- Does your prospect have the ability to volunteer their time, donate money or partake in the activity you have identified for them?

INTEREST
- Are you certain that the person you have targeted is interested in the mission of your organization?

Source: *Achieving Excellence in Fundraising*, Henry A. Rosso and Associates

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Team Approach to Solicitation

You scratch my back and I'll scratch yours!

- Successful board/staff teams work together and support each other toward common goals
- Both make a personal gift first
- Meet together and plan the ask
- Volunteers convey commitment, passion (and usually make the ask)
- Staff provides logistical details

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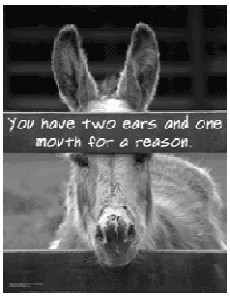
Creative Listening – 80/20 rule



Listen with:

- your eyes
- your ears
- your heart
- your time.

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Why face-to-face Requests are Better

Board and staff canvasser team can:

- express their own personal passion for the cause
- each read body language
- deepen the relationship with the donor/prospect
- negotiate – it's harder to say no (friend to friend, peer to peer) but if they do refuse be sure to…

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Ask which "NO" do you mean?

Source: Bernard Ross & Clare Segal, The Influential Fundraiser

- Not for this project
- Not you the canvasser
- Not me — I don't make the decisions
- Not unless you offer me more in return
- Not in this way — cash is not an option
- Not now — bad timing
- Too much — ask me for less
- Too little — I want something bigger and more important
- Go away — your project doesn't fit what I support

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How to Handle Rejection

- Don't take it personally!
  - Prospects are not rejecting you or the organization – it's impossible to fully know their personal or business circumstances
- If your research is good ask open-ended questions
  - What type of project would interest you?

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How to Handle Rejection

- Offer additional information needed to better inform your prospect (i.e.)
  - Tour of the facility
  - Interview with a beneficiary of your mission
  - Provide a copy of the budget, annual report or audited financial statements
    - chances are they've already checked out your T3010 on the CRA website or other sources that summarize that information

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Fundraising Secrets of Success

To succeed in fundraising you must know four things:

1. The mission and goals of the organization
2. The interests of your prospect
3. How to ask for support
4. How to overcome your fears

If you don't ask, you won't receive.
The only way to fail is by not trying.

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Important Lessons/Remember!

- Patience – it takes 3-5 years to get a solid (strategic) fund development program launched
- Special events distract efforts away from more efficient and cost-effective methods
- There is high fundraising staff turnover – don't expect miracles, particularly if they lack support
- **SPREAD FUND DEVELOPMENT RESPONSIBILITIES ACROSS A BROAD TEAM OF VOLUNTEERS & STAFF**

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Applying what you've learned

To build your Board's confidence in strategic fund development identify one CHANGE ***you intend to make today*** and share it with the group.

Tell me how you're doing!

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Online Resources

- 4 years of archived monthly fundraising Q & A's on Charity Village. Go to http://www.charityvillage.com and search Cynthia Armour under "Articles"
- Charity eNews article *Encouraging* Fundraising-Savvy Boards, Cynthia Armour – http://www.charityinfo.ca/articles/Encouraging-fundraising-savvy-boards
- The Board's Role in Fund Development – by Andrea McManus, CFRE for Alberta Culture and Community Spirit – http://culture.alberta.ca/bdp/bulletins/fund_development.pdf
- The Board Role in Fundraising – Center for Community Change – http://www.campusactivism.org/server-new/uploads/boarvst.pdf
- Movie Mondays, Chris Davenport – http://moviemondays.com
- BoardSource – building effective non-profit boards – www.boardsource.org

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