



**Bumper  
100th  
issue!**

This is an extract from the late Terry Murray's book *The Art of Asking + 60 More Fundraising Tips and Trends*. This article first appeared in *Fundraising Forum: Issue 79, March 2008*.

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# FUNDRAISING FORUM™

The more things change . . .

**L**ooking back at the first issue of *Fundraising Forum*, published in June 1987, it's quite easy to believe that, in fundraising at least, not much has changed in the past 27 years.

An article by Sheila McCallum urged us to hold firm to the belief that emotional copy was the essential ingredient to involve direct mail donors – and that certainly is still true today.

Neil Jackson talked about learning from the world of commerce and 'positioning' your NPO to attract more donor support.

He gave an example of Boys Town South Africa positively positioning themselves as different from other child care organisations.

### Branding

So what has changed? Nothing much except the terminology – nonprofit organisations in the UK and the USA in particular are all talking about 'branding'.

How to establish your 'brand' in the donor marketplace so that your organisation becomes 'top of mind' with donors.

Joe Araujo was interviewed on the then new management tool of strategic planning. Most NPOs are still using it in one form or another today.

They've recognised that it is necessary to regularly revisit mission and vision and even the relevance of services, in this rapidly changing world.

Jerry Huntsinger – America's doyen of direct mail fundraising – gave us his six predictions for 1987. They included the forecasts that:

- The organisations with a strong public

image would experience remarkable growth (positioning and branding, once again!).

- Donor saturation would get worse, not better, but that we can't stop prospecting for new donors or we'll stop growing and die.
- Prospect mailings will become less and less likely to break-even – but that it would be possible to justify the increased costs by acquiring donors who would contribute higher average gifts, more times per year, and over a longer period of years.
- Premiums – little free 'gifts' attached to the mailing piece or offered in return for a donation – would remain with us always.

These predictions have all proved to be totally true 27 years down the line not just for 1987.

The first issue of *Fundraising Forum* also showcased the three 3-day Total Development workshops, run by Michael Downes and the DMI team in Durban, Johannesburg and Cape Town.

One of the key elements of Total Development was the pinnacle of the pyramid, bequest promotion – the ultimate gift. And in the 27 years since this idea was introduced, bequests have proved to be one of the greatest growth areas in South African fundraising.

Now even more sophisticated with the introduction of bequest societies, the careful and caring promotion of this alternative form of giving is bringing in many millions of rands each year for our nonprofit organisations. ■

## Welcome to our 100th anniversary issue . . .

**D**ownes Murray International is delighted to bring you this retrospective 100th issue of 'the best of' *Fundraising Forum*.

First published in 1987, *Fundraising Forum* has aimed to provide South African fundraisers with a wealth of knowledge and learning from locally and abroad.

The directors of Downes Murray

International would like to take this opportunity to thank all our contributors – both past and present – and the leading international publications which we draw from – for your valued and deeply appreciated input.

Without you, *Fundraising Forum* wouldn't be the valued resource it's become over the past 27 years. ■

Visit our new website at [www.dmi.co.za](http://www.dmi.co.za)

# Resolutions for 2015

(as made in 2006)

*'Always bear in mind that your own resolution to succeed is more important than any other.'*  
Abraham Lincoln

**N**ine years ago the December issue of *Fundraising Forum* featured a list of resolutions for the coming year. We'd be wise to adopt them again in 2015! Make donating to your organisation a long-term relationship.

Make sure that between solicitations, donors are thanked for past gifts, receive updates on the use of previous gifts, and receive general information about the organisation. Being a donor should be an ongoing, not an episodic, relationship with your organisation.

### **Provide a full range of payment options.**

Allow donors to fulfil their pledges with cash, cheques, credit cards, payroll deduction, and electronic transfers.

### **Embrace creative fundraising techniques.**

Place a 'donate now' button on your website; form a strategic partnership with a business that shares your organisation's values; include workplace funding in your campaign; try grassroots givers like churches and service clubs; seek gifts-in-kind from retailers and manufacturers.

### **Create an endowment.**

Endowments help to stabilise organisations by providing a steady stream of reliable income, in good times and in bad.

### **Hire the help that you need.**

Complex fundraising instruments like capital campaigns and planned giving programmes are usually more successful when organisations seek professional help in creating and operating them.

### **Keep your promises, and demand that your donors keep their promises.**

Always use donated funds for the purposes intended by the donor, and require donors to honour their pledges.

### **Planning prevents poor performance.**

Any campaign requires meticulous planning prior to launching in order to be successful.

### **Keep meticulous records.**

Every successful campaign is well documented, especially for legal and fiduciary reasons; documentation includes such things as expenses, donation amount, date donation

was received, portion of donations that are tax deductible, and donor contact information.

Set ambitious and specific goals. Goals that are set high are excellent motivators, and they can always be modified if they are found to be set too high – or too low.

### **Organisations cannot live by gifts alone.**

On average, earned income – fees for service, sale of products, royalties, etc. – provides nonprofit organisations with about half of their income.

### **Concentrate on individuals.**

Corporations and foundations control substantial resources, but the sheer number of individuals makes them by far the largest source of funding – more than 80% – for nonprofit organisations.

### **Place your eggs in different baskets.**

Just as your personal savings are safer if you invest in many different types of securities, your organisation is safer if you raise funds from many different sources, including individuals, corporations, and foundations; never depend on a single 'angel' to support your organisation.

### **Know your donor.**

People give for different reasons, at different levels, in

response to different needs and opportunities, so it is essential to know your organisation and to study its donors; also, do not be afraid to give donors different levels of recognition, depending on what they give. Just as all politics is local, all fundraising is personal.

Donors, as a rule, do not so much give money to organisations, as they give money to people – people whom they know, trust and respect – which means that who does the asking is at least as important as the cause for which the funds are being raised.

### **Fundraising, like charity, begins at home.**

It is vital to be able to demonstrate that all of your organisation's board members, officers, and volunteer fundraisers make significant gifts to your campaigns; what is considered to be a 'significant gift' will depend on the size and budget of an organisation.

This article first appeared in *Fundraising Forum*: Issue 70, December 2005. ■



*'As a foundation director your New Year's resolution has to be outcome-based, measurable, and sustainable.'*

MARK LITZLER  
THE CHRONICLE OF PHILANTHROPY

With acknowledgement to **The Nonprofit Good Practice Guide** of The Dorothy A. Johnson Centre for Philanthropy and Nonprofit Leadership

## MILESTONE THINKING

On-target observations in brief

Students and children are the future of your country. Involve them, because they're also the future of your organisation.

**Julie Atkinson**  
Development Director  
Operation Smile, Vietnam

Most proposals get declined. Don't be discouraged, use this as a learning experience.

**Dr. Rosalia Sciortino,**  
Director, South East Asia  
Regional Programme,  
Rockefeller Foundation

Be a curious fundraiser. Try new things. Make them work. Observe and identify new opportunities.

**Bernard Ross**  
Director, The Management Centre

Your bequest mailing should not be perceived by the recipient as the latest in a string of solicitations. You're writing to the donor about a very sensitive matter, and the package should be highly personalised.

**Gwen Chapman**

Help people to be their best. Let people discover themselves. Leadership is about growing people.

**Tony Elischer**  
MD, THINK Consulting  
Solutions

Don't wait around waiting to learn about fundraising. Get started now. Start fundraising today.

**Michael Norton**  
Honorary Director  
and a Trustee of CIVA

Charities that collaborate with other organisations to run fundraising events and campaigns are saving money, time and headaches – and fulfilling ambitions they could never reach operating solo.

With acknowledgement to  
**The Chronicle of Philanthropy**  
April 6, 2006

These Milestones first appeared in *Fundraising Forum* Issue 72 June 2006.

## PHILANTHROPY IN FOCUS



# Cotlands – The children's champion

**C**otlands is a nonprofit early childhood development organisation that has a heart for young, vulnerable children – born into dire poverty.

Founded in 1936 by Matron Dorothy Reece, a missionary from America working in South Africa as a nurse – it all began when she found a baby on her doorstep, abandoned and in need.

Since then Cotlands has grown from strength to strength and continues to be a beacon of hope to thousands of poor children in Gauteng, KwaZulu Natal, Eastern Cape, Western Cape and Mpumalanga. Their mission has

remained steadfast for the past 78 years . . . to see children thrive.

One of their key focus areas is to start early learning playgroups and toy libraries in communities where they're needed most. These playgroups cater for the needs of children from birth to six-years ensuring that every youngster is given the opportunity needed to flourish.

As you know the effects of poverty can be especially crippling for a young child – but the invaluable opportunities created by Cotlands allows helpless children to soar above their challenges.

To find out more about Cotlands visit [www.cotlands.org.za](http://www.cotlands.org.za) ■

## FUNDRAISING FORUM™

**F**undraising Forum is a regular newsletter dedicated to the enhancement of management, fundraising techniques and the promotion of community service, welfare and not-for-profit organisations of all kinds.

It is published by Downes Murray International and circulated, free of charge, to anyone with an interest in the growth and improvement of the nonprofit sector and those served by it. In addition to regular features written by Downes Murray International staff, there are extracts from international fundraising publications which are reprinted with acknowledgement to the publishers.

We welcome submissions for publication from all writers involved in not-for-profit work. Visit [www.dmi.co.za](http://www.dmi.co.za) for more information. ■



# Donors: The next generation

## DONORS

**P**arents serve as trusted advisors to children in a myriad of ways throughout their lives. One of the most valuable roles parents can play is to help them understand the importance of philanthropy.

Next-generation knowledge of why and how to engage in philanthropy is needed more today than ever before. The nonprofit sector is expanding in size and complexity to meet increasingly diverse challenges.

Philanthropic practices help a child develop compassion, altruism and good citizenship. They also nurture children's psychological needs by benefitting both society and the philanthropic individual.

Leading by example and exposing children to a variety of opportunities is one of the most important ways to engage children, who acquire philanthropic values, in part, by observing and participating alongside family members, teachers and other adult mentors.

### Milestones

In an interview with the National Center for Family Philanthropy (NCFP), Dr Kathryn Agard, founding executive director of Learning To Give, suggests that parents and educators can identify developmental milestones in each child's life at which they can move to a deeper understanding of and involvement in philanthropy.

She recommends specific activities and educational benchmarks for children at each stage that help to facilitate this development.

The process can begin in children as young as toddlers. Using language such as 'You are helping our family' can help them understand why they should contribute to their family, school and community. Agard said that primary school age children start to reach out to others, and parents should begin to tell family stories of philanthropy, including both giving and receiving.

By junior high school, children are open to the realisation that philanthropy is a tradition that exists around the world and should be involved in a regular, planned volunteer experience.

In high school, leadership development and transferring knowledge about the sector are important. Youth should be encouraged to become active in personal giving and to explore careers in philanthropy.

The NCFP recommends that parents maintain a strong connection with the unique interests and talents of their children. At each step, parents can help young people to self-identify their own unique talents, how they want to spend their time, and the valuable material gifts that they want to give away.

Learning to Give also offers valuable tools for parents to encourage the teaching of philanthropy in their children's schools and to

use in their homes and communities.

A resource entitled 'Nine Ways to Raise Children Who Give, Share & Care,' encourages parents to take such steps as reading books to their children that contain messages of giving and service, involving their children's friends in philanthropic activities, and encouraging their children's schools to adopt the 'academic service-learning' teaching method.

As children grow into young adults and begin to develop their own views, the NCFP and other experts emphasise the need to help children discover their own philanthropic calling. According to NCFP, 'Allowing a child to establish and pursue his or her own philanthropic agenda can be a valuable way of both reinforcing the importance of giving back to the community and allowing them to exercise their independence.'

Howard W. Buffett, son of philanthropist Howard G. Buffett, agrees. 'It is absolutely important to pass philanthropic values down.

But it is also important to keep in mind that the next generation needs an opportunity to explore their own ideas and their own kinds of interests within the realm of philanthropy, and to be able to branch out from what their parents or aunts and uncles or grandparents are doing.'

Young adults of financial or other privilege face particular challenges in identifying and shaping their own philanthropic paths.

Whether by guiding toddlers or advising wealthy, young professionals, everyone working in nonprofit organisations supported by philanthropy have a role and stake in the success of continuing the philanthropic tradition.

Managers must encourage volunteers and donors to talk to their children about the rationale and scope of their philanthropic activity. You can encourage them to engage with their children in an organisation's events and activities.

### Programmes

You can work with local educators and school administrators to establish programmes that teach students about the philanthropic tradition and engage them in both giving and volunteering.

By establishing the value of philanthropic giving and communicating this regularly to youth, parents and educators and nonprofit leaders provide a valuable foundation for a lifelong understanding of philanthropy and how one's time, talent, and treasure contribute to a civil society.

Eugene R. Tempel is executive director and Dwight F. Burlingame is associate executive director and director of academic programme for the Center on Philanthropy at Indiana University in Indianapolis.

This article first appeared in *Fundraising Forum*: Issue 78, December 2007. ■

*Children are the next generation of philanthropists – but are we doing enough to educate them on the contribution they can make?*

*Eugene R. Tempel investigates.*

## 30 Things I've learnt in 30 years of fundraising



*With  
acknowledgement to  
the late Terry Murray.*

**I**n May 1962 when I returned from nearly four years overseas to join a fledgling direct mail advertising company, I encountered my first fundraising mail programme.

In the 30 years since then, fundraising has moved on to become a sophisticated process combining a variety of methods in an integrated programme.

So here are just 30 of the things I've learnt in three decades of working in this fascinating and rewarding field.

1. Direct mail is still king when it comes to cost-effective methods of identifying new donors.
2. A good mailing list is worth more than the combined effect of a good offer, good copy and an interesting package design.
3. Donors decide whether or not to give to your cause. You have no right to make the decision by not giving donors the opportunity to support your work.
4. Every few years, in every not-for-profit organisation, a new accountant will come along and want to cut the donor acquisition programme.
5. The surest way to kill income is to reduce your donor acquisition programme.
6. The next best way to destroy your donor file, and your income, is to neglect your thanking programme.
7. If your staff consider that opening envelopes, banking money and thanking donors is a lot of hard work, then they will eventually kill your direct mail programme.
8. When you act upon the complaints of five donors, you will suffer a loss of income and a shrivelling fundraising programme. Rather listen to the 2 000 donors who sent in their cheques in response to the same mailing.
9. If you don't ask you will never get the donations you desire.
10. In capital gifts fundraising — who asks is often more important than the cause.
11. The right chairman for a steering committee or an appeal committee is crucial to the success of the campaign.
12. In major gifts fundraising arranging a face-to-face meeting to make the ask is a non-negotiable.
13. Major donors often need to have their giving decisions reinforced — and there is no better way than a variety of thanking procedures and (where appropriate) public recognition.
14. If the top gift in a capital campaign is not at least 15% — 20% of the total sum needed, then the chances are that the target amount will not be raised.
15. Even the toughest negotiators can be afraid to make the ask — until they are coached and experience how rewarding it can be to 'get the gift'.
16. About one organisation in 20 has development staff who are willing to pay fundraising counsel but don't listen to the advice because they know better.
17. Fundraising copy which is subject to approval by more than one person always turns out a complete mess.
18. Murphy's Law rules that the one person who receives the direct mail package containing two donation forms and no reply envelope will be the chairman of the board!
19. In copywriting, the right degree of emotion needed to move the donor to make out a cheque will never be acceptable to certain members of the organisation.
20. Many donors who complain about too many appeals are lonely people with not too much happening in their lives and they can be turned into friends by a kind and caring reply.
21. There is nothing like a sincere and prompt thank you to cement donor loyalty.
22. Making a meaningful contribution to a nonprofit cause is one of the most uplifting experiences.
23. If you're a fundraising consultant, when the main contact person in your client organisation is replaced, you must treat the organisation as a brand new client — or face the consequences.
24. Many organisations believe that bequest income will keep coming in without a proper bequest programme — until it dries up.
25. If your case for support and prospect listing is right, you can get almost any amount of money you need from less than 100 gifts.
26. If you share every bit of knowledge you've ever learned about fundraising with everyone and anyone who'll listen, you'll lose nothing, and gain a great deal.
27. Your older donors are often immensely appreciative when you explain how they can continue their support with a bequest.
28. Fundraising will always attract a particular type of person hoping to make a quick killing from what they perceive to be naive and desperate organisations. Those who lend their name to these people have only themselves to blame when they lose money and credibility.
29. The success of a fundraising programme is often directly related to the amount of energy put into it by staff and volunteers.
30. If I spent another 30 years in fundraising I still wouldn't know all the answers, because, thankfully, fundraising is, and always will be, all about people helping people — and not an exact science. This article first appeared in *Fundraising Forum: Issue 21, May 1992.* ■

# Where there's a Will

## BEQUESTS

**Bequests are the bread and butter of every planned giving programme, according to Amy Gill, director of gift planning strategy and stewardship at The Nature Conservancy. Everyone older than 18 can and should have a Will, she added, and it's easy to add a charitable bequest to a Will.**

Bequests require two key actions: the donor must work with a professional advisor to create a Will and the donor can choose to tell the charity that a charitable bequest is in a Will.

**Direct mail can motivate individuals to do both actions.**

For bequest prospecting, the conservancy mails 45 000 pieces two times a year, in September and in January.

### **Age segments.**

The goals of the mailing are to emphasise the importance of having an estate plan, inspire the donor to work with you, start a conversation and request additional information, said Gill. To add relevancy and immediacy, Gill said the prospecting piece is targeted to three age segments: the importance of creating a Will is targeted for 45- to 60-year-olds; the focus for those 61 to 74 is the importance of updating your Will after retirement, and for those older than 75, it's about drafting a final Will. Among the reasons Gill offered to 'uncover bequest commitments,' is that it builds your legacy society and gives nonprofits an opportunity to 'steward the donor'; aids in planning for the future, and helps an organisation gauge the loyalty of its membership.

### **Call to action.**

Gill recommends a strong call to action, giving a clear reason why you want to know about bequests, and also providing donors with the opportunity to remain anonymous.

Of the 20 000 pieces mailed as part of the 2006 bequest notification programme, Gill said there were 14 inquiries and 42 notifications (a 0.28% response rate), that would generate \$7.4 million in future revenue.

In each case, Gill said she worked with the membership department to synchronise mail dates and suppress overlapping audiences.

Gill emphasised several key points to the campaign. One, drafting a Will is a process much harder than simply writing a cheque, so be patient while the prospect completes the process.

Two, since planned gifts bridge the gap between membership and major gifts, don't expect results at membership gift levels.

And finally, the mailing will more than pay for itself, as dollars raised with planned gifts are much greater than with membership gifts.

The Nature Conservancy's average bequest is \$176 000, Gill said, while the average age for someone to complete their first Will is 44, and the average age for their first charitable bequest is 49.

Then there's also direct response for planned giving via the telephone. Gordon Smith, national director of gift planning for the National Jewish Medical and Research Centre, said there is information that you can only get over the telephone, such as whether a person is charitably inclined, if they have a Will and have included a charity, or if they've completed a charitable gift annuity.

One can also determine the degree of qualification and motivation of a donor, and whether follow-up is appropriate, he said.

Smith suggested calling a donor at a time when they are most likely to be receptive, such as thanking them right after they've made a gift, during an annual phone-a-thon, prior to an event or to inform them of an exciting new project or development.

Laura Lucas, manager of annual giving, University of Missouri-Columbia, explained that the annual fund at Missouri incorporated both direct mail and telemarketing into the school's planned giving campaign.

Direct mail pieces were revised to include more elements of planned giving, and Lucas utilised data ratings to help segment her audience.

She wanted to limit the impact on annual fund income. For the telemarketing aspect of the campaign, Lucas outsourced a survey calling on planned giving prospects.

Lucas determined the population to make the campaign more cost-effective, testing data from internal and external sources.

She focused on lower-level priority prospects, limiting by age and range, with preferences for annual fund donors and married alumni, while excluding graduate level alumni. Different letters were used for each type of quality response and all responses received a follow-up through a joint effort by the Office of Gift Planning, the Annual Fund and directors within the schools and colleges.

### **Results.**

The early results showed 138 quality leads, 18 conversations started about planned giving, in addition to closing two planned gifts, according to Lucas. All that out of 1 200 completed calls for the 2 000 records. Six months later, the next mailer included information for those not interested, somewhat interested and very interested. This article first appeared in *Fundraising Forum*: Issue 76, June 2007. ■

*Bequests require two key actions: The donor must work with a professional advisor to create a Will or living trust, and the donor can choose to tell the charity that a charitable bequest is in a Will.*

With acknowledgement to  
**The NonProfit Times**  
November 15, 2006

# A pot of gold at the end of your rainbow



*Denise Murray reveals the rewards and the secrets of donor newsletters that work.*

## **S**tung by strong client criticism of what I considered some very worthwhile copy, I sent this memo to my copy director:

'This client seems to have lost sight of the fact that the overall success of a newsletter depends on its balance, its 'mix'. It's a communication between people working for a cause, and people supporting that cause, about people benefitting from their combined efforts.

In short, a newsletter is about people.

'And ordinary people are not bowled over by cold or clinical facts, technical jargon, columns of figures and dead statements. They're also not terribly interested in staff or in organisational data.

'What they are interested in is themselves, and how their gift is helping to make a difference to the lives of others.'

And I went on to tell my copy director what I meant by good mix.

When I look back on that memo now, I see that the key to the whole problem lay in my first sentence ... 'This client seems to have lost sight of ...'

He hadn't lost sight at all. He had never had sight in the first place, of what to me was a perfectly logical set of rules! Nobody had shared that information with him.

So for all who have donor newsletters, may I now share with you the secrets of a good 'working' newsletter.

I believe it to be fundraising's secret weapon. So first of all, let's get rid of some of the misconceptions about newsletters.

This is what a newsletter is not:

- Just a free gift – a type of thank you
- An ego boost for staff and board members
- A soapbox from which we can bore the donors about our pet theories and benefits
- An in-house communication
- A substitute for an annual report

### **Here's what a newsletter is:**

It's the big fishing net which will entrap all your donors and draw them closer to you. Your newsletter has to have something in it to reach them all.

To feel a sense of loyalty, the donor has to first understand your product, and then relate to it.

Philanthropy grows from the heart, and not from the head. More than that, most genuine understanding of an organisation's work also comes from the heart and not from the head.

It's understandable and acceptable that people in need of help are horrified by that dreadful emotion – sympathy.

It smacks of pity, and robs most people of their human dignity. And most boards, sharing in that horror, strive at all costs to protect those in their care from the indignity of sympathy.

I would like to strike 'sympathy' from the vocabulary of all fundraisers, and replace it with what I believe all emotional copywriters strive for – 'empathy'. Because unless you can identify with a need, you can't honestly relate to that cause.

### **Secret recipe of a 'good mix'**

So where do we go from here? We make it a rule that every good newsletter should contain the three ingredients making up the secret recipe of a 'good mix':

- Something for the heart – to unlock the empathy;
- Something for the head – to keep you thinking;
- Something about your organisation and its image – let your donors know that you're good people doing great work in an efficient and effective manner.

A newsletter should cover its costs at the very least. And I know that a good newsletter will make money.

But even if you're in a situation where you're forced to accept that your newsletter is not going to make money, its value as a public relations tool remains unchallenged.

These are just some of the things you can do by way of your newsletter:

### **Accentuate the positives**

Tell about the good things you're doing. Share your achievements and inspire confidence in your work.

### **Hand out bouquets**

This is the perfect place for giving donors recognition and praise.

### **Maintain interest**

Share your dreams – you're all working towards them together.

### **Defuse the negatives**

Every organisation, at some time or another, has to deal with complaints. Use your newsletter to publish apologies and clarify issues.

### **Promote, promote, promote**

It's here that you can create, improve or even change the face and public image of your organisation. You can share and build on your ideas and promote real understanding of the essential essence of your work.

### **Cement donor loyalty**

If your newsletter contains something for everybody, it will grow donor loyalty.

### **Educate**

The more your donor knows about the cause you're serving, the stronger your relationship and their commitment.

Denise Murray is a Cape Town-based DMI copywriter whose work has helped raise millions of Rands both locally and abroad.

This article first appeared in *Fundraising Forum*: Issue 5, October 1998. ■

# A firm stand against commission fundraising

**L**eaders of charitable organisations frequently assume that fundraising firms work on a commission basis, and some do.

However, in our opinion, no ethical firm which provides bona fide fundraising services or counsel will base fees on a percentage of funds raised. A look at this issue from any point of view shows that it clearly is not in the best interest of nonprofit organisations or the people who support their work.

## **From the donor's point of view**

The practice of paying a commission makes donors question the motivation of those who are asking for their support.

There will also be a question in donors' minds regarding how much of their gifts actually goes to the charitable cause.

People want to know that their gifts are being used to accomplish the mission and goals the nonprofit organisation has promised to pursue. If donors sense that a large portion of their gifts are being held out to pay commissions to solicitors, consultants, or even development of staff members, rather than going directly toward the cause, their desire to give will be justifiably diminished.

## **From the staff's point of view**

Nurturing a donor who eventually offers a major gift is a long-term process involving many staff members and volunteers at various levels. Who can say exactly which person or function is actually responsible for bringing in a gift and which should therefore receive a reward? The only fair method of compensation is that of 'an honest day's wage for an honest day's work,' regardless of the Rand amounts of gifts generated.

## **From the board's point of view**

Leaders of a charitable organisation might believe that offering commissions on funds raised will motivate consultants, staff and solicitors to work harder and produce better results.

This arrangement may also look safe in that the organisation will not have to pay a commission if gifts are not forthcoming.

A closer look, however, reveals that the process of fundraising is far too complex for such a simplified compensation structure.

Not only does generating major gifts require a long-term effort, but in the case of capital campaigns and deferred gifts, years will pass before pledges are actually paid.

The complexity of record-keeping to track commissions owed on these gifts would result in chaos for the organisation.

It would also set the stage for mistrust and misunderstanding between the

organisation and those to whom it owes commissions.

Another tough question might be raised along the lines of, 'Who's job is it anyway?' If a consultant were being paid a commission on funds raised and were directing a gift solicitation effort to be carried out by volunteer board members, there could be some feeling of resentment on the part of the volunteers in that they are being asked to do the actual work of soliciting gifts while the consultant gets paid for the results.

From the consulting firm's point of view the majority of fundraising consulting work falls outside the actual solicitation of gifts. It involves organising donor records, conducting research, training volunteers, managing public image programmes, preparing materials, recruiting and working with development staff, nurturing constituents, attracting key volunteers, and of course, planning and managing annual funds, capital campaigns and special events.

A consulting firm is likely to become involved in many of these activities during its tenure of service to an organisation.

It is impossible to measure the value of these services in terms of immediate and direct gifts generated. Therefore, the only fair method of compensating the consulting firm is to agree in advance on a structured fee.

## **So, why all the discussion?**

With all the obvious pitfalls of commission fundraising, you might ask why an organisation would consider entering into such an arrangement in the first place.

The fact is that the question of whether individuals and consulting firms work on a commission basis is constantly raised by leaders of nonprofit organisations during interviews with prospective fundraising consultants and development staff members.

For these reasons, the topic is being addressed here in order to restate our position and that of virtually all our professional colleagues. It is our belief, borne out by experience, that those organisations who make the commitment to pay appropriate fees and wages for services rendered will receive a full measure of commitment in return.

This mutual commitment to one common goal comes as close as possible to perfection, as it generally results in long-term fundraising success.

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This article first appeared in *Fundraising Forum*: Issue 16, April 1991. ■

*Commission based fundraising is a topic that continues to be as discussed in America – as it is here.*

*Dick Vittitow examines how nonprofit board members should respond to the challenges of the 1990s.*

# 10 Action steps

## **H**ow can a person who wants to contribute to a nonprofit as a board member make a difference?

Based on my own experience as both a consultant and a board member, and in conversations with people involved with nonprofits, I have identified 10 action steps that a concerned and committed board member could initiate to optimise the efforts of their board and organisation.

This decade is an especially challenging time for nonprofit organisations. They are being confronted with growing demands for new and innovative services. At the same time they are experiencing cut-backs in staff, resources and funds.

There are actions board members can take which should not require money or, in the long run, more time. These actions focus on what board members can begin doing now to strengthen the board. Attention to one of these items for a period of 30-45 minutes at the board's monthly meetings can produce positive results and encourage the board to respond creatively to current challenges.

### **10 Action steps**

#### **1. Identify community alliances**

Identify the community your organisation serves, as well as the community it turns to for funding. It is within these communities that the board must develop its relationships, do its work and build its support. Be clear about these alliances and how to maintain them.

#### **2. Craft and recraft your mission**

Your mission statement is the guide for setting priorities, allocating resources, and evaluating efforts. Review and recraft the mission statement every four to six months to ensure that it is an integral part of the organisation's fabric.

#### **3. Organise the board around functions**

Most boards have four major functions – money, mission, people and credibility. The board needs a clear fiscal plan for raising and managing money. It must agree to the mission of the organisation and to the plans for its implementation. The board also has a support function for a number of people. Credibility is gained through the way the board advocates for the community's needs and informs the community about the organisation's accomplishments. Organise the board into task groups around each function and then check periodically for results.

#### **4. Recruit board members based on functions and diversity**

Recruit board members based on their potential contribution to one or more functions. Regarding money, board members should have

experience with fundraising and/or access to financial resources. For mission, board members should have valid information about, and experience with, the diverse communities the organisation serves and relies upon.

For people, the board needs members with skills and insights into management and human development, as well as access to a variety of potential volunteers and supporters. For credibility, the board needs members who understand community advocacy and education.

#### **5. Create a vision for your own work as a board member**

Board members want a personal sense of contribution, appreciation and reward for their hard work. At the beginning of their tenure, help board members clarify their own specific aspirations and the goals they have for themselves while on the board. Discuss ways of mutually supporting each other in achieving these personal visions and goals.

#### **6. Focus on outcomes and contributions not problems**

Too much emphasis on problems can be overwhelming. The community – the citizens, the funders, the full-time and volunteer staff – need to know about what is working. Make a list of what is being accomplished and keep your community alliances informed.

#### **7. Develop credibility**

Credibility is gained through the way the organisation presents itself to the community, through the contribution and integrity of its programmes, and through the reputations of its board members. Determine the areas in which the board's credibility with its community alliances needs to be strengthened.

#### **8. Commit to quality**

Quality programmes build loyalty and respect from those who benefit from them as well as from the staff who provide them. It is better to do less and do it well, than to attempt too much and do any of it poorly. Periodically evaluate your programmes and interactions for quality.

#### **9. Be more strategic**

Nonprofits can no longer separate themselves from the course of global events. Take time to scan the larger environment for trends and social changes that may positively or negatively impact the organisation.

#### **10. Focus on sustainability**

Focus for the early 1990s should be on sustaining the organisation – its visions, its approaches, its people, and its contributions – over the long haul. Set realistic expectations, avoid staff burnout, and appreciate those you work with. This article first appeared in *Fundraising Forum*: Issue 27, November 1993. ■

With acknowledgement to  
**The Grassroots Fundraising Journal**  
December 1991

# What makes a good proposal?

## Telling the story

**In 10 years of grant making, Dimitra Tasiouras, programme officer at the Lloyd A Fry Foundation in Chicago, has read nearly 1 000 proposals and written dozens herself.**

They've all followed the recommended formats: sections on needs assessments, goals and objectives, etc. Yet some of these proposals have been more powerful, more eloquent, and more persuasive than others. What is it about these proposals, that makes them so good?

The best and most readable proposals basically tell a good story and tell it in a fairly simple and organised manner. By story I don't mean a history of the organisation, or a warm and fuzzy tale about a client. I'm talking about the basic story of the organisation and its work: What are you doing? And why are you doing it?

In journalism, a good news story has to answer some basic questions – the five W's: Who? What? Where? When? Why? In the same spirit, I'm suggesting that a good proposal has to answer a basic set of questions.

### Telling the story with the Six W's and Five H's

- What's the problem? What is it that isn't right in the world or in your community that you want to change?
- How do you know it's a problem? Of course the answer to this question is very obvious to you. But not everyone will understand. You might want to spell it out. How many people does this problem affect? How does it hurt your community? What is the long-term impact?
- What needs to be done about the problem? Talk about the 'big picture' solution to the problem and your organisation's role in that solution. What are both the immediate and long-term solutions? Who must be involved in creating the solution?
- How do you know it's the right thing to do? What process led your organisation to this solution? Did you conduct surveys? What input did your community have? Has the solution been tried elsewhere? Is it working?
- Why is your organisation the right organisation to do it? This is where you should highlight your organisation's history and accomplishments. What successes have you had in the past that suggest you will succeed again this time around? What resources does your organisation have (people, experience, knowledge, contacts, etc.) to tackle the problem at hand? Spell out your action steps. Use bullet points to present them in a clearly organised way. Take your reader from point A to Z in your solution.

- To whom, for whom, and with whom will you do it? Be very specific here. Who will conduct the activities? Who will participate in them? How many people will participate? How many people will be affected?
- How often, and in what time frame will you do it? Again, be as specific as you can. It's important to give a sense of the scope of your activities. How many workshops will you offer? When will you start your action steps? When will you complete them? Sometimes it's hard to give exact numbers and dates. If you can't do so at this point, try to give a range of numbers and dates.
- What will it cost? You should have a separate project and organisation budget as an attachment. However, include an explanation in your proposal. This is often called a 'budget narrative' or 'budget detail'. This is especially useful if you have some large line items, like 'consultants' or 'equipment,' that may raise some questions.
- How will all the costs be covered? Your budget should show both income and expenses. If you're not asking for the full budget, you should explain where the rest of the money is coming from. If you list other foundation grants, explain whether those grants are received, confirmed or pending.
- How will you know your solution is working? There is increasing pressure on nonprofits to show the impact of their work, and foundations expect nonprofits to pay serious attention to evaluation. This is tricky, especially for advocacy and organising work. You can't measure social change in the way you can measure increased attendance at a museum or improved grades at a school. You really must take time to figure out how you will know you're doing what you should be doing.
- Why is this request a good fit for the . . . Foundation? Unfortunately, it's not enough that your organisation is doing good and important work. Most organisations out there are doing good and important work in some way. You should spell out why your work fits with the mission and priorities of this particular foundation.

Over the years, proposal writing has developed its own language rules, regulations, dogma and mythology. These can be intimidating and confusing. Put them aside for a while. Underneath all of that stuff is the story of how you're changing your community. Tell it.

This article first appeared in *Fundraising Forum*: Issue 51, March 2011. ■

*There's much more to sustainability than a healthy bank balance, as Ann Bown explains.*

With acknowledgement to  
**The Grassroots Fundraising Journal**  
Issue 51, March 2011

*If you're at the stage where you think you've exhausted the range of fundraising ideas, here are 20 ideas you may – or may not – have tried.*

**E**ven if you have tried some of these ideas, it may well be worth your while to revisit these ideas, and give them a fresh twist to suit your current needs.

#### **Speak out**

Use every opportunity to tell people what you do. Repeat your message as often as possible. Make sure you get out into your community, using volunteers and staff to spread your message with passion. Go fishing for new contacts, and meet the people who are important to your organisation.

#### **Use the telephone creatively**

Develop a great telephone personality, and use the phone as a communication tool, to secure gifts in kind, or discounts on items you need. Use the telephone to thank donors, and invest time to develop meaningful relationships.

#### **Involve beneficiaries**

Take beneficiaries to your fundraising meetings and allow donors to engage with the people they are helping. Use photographs which illustrate your work, and use case histories to show how people are benefitting.

#### **Get lots of media coverage**

You can't fundraise unless you communicate your work to prospective donors. Come up with bright and unique ideas. Create excitement and energy to get your organisation well known. Develop good contacts in the media.

#### **Organise a stunt**

Attract publicity by organising an exciting and unusual event. Invite the media and send out a press release and photographs.

#### **Find a celebrity**

Celebrity involvement encourages others to support your cause. Invite the celebrity to be a guest of honour at functions, participate in events or write for your publications.

#### **Ask the next person you see**

Always carry information about your work, and make sure you give people a way to respond/give. Develop your speaking skills, talk about your work and ask for a gift.

#### **Don't take no for an answer**

Be persistent and have the courage to challenge a 'no'. Ask people to reconsider their response, and find out why your application or request was rejected.

#### **Get your first 100 donations**

The best people to use to get new donors are people who have already given. Ask everyone you know, and ask them to do the same.

#### **Multiply the value of donations**

Encourage donors to give tax-effectively, making it cheaper for them to give – and to give more. Ask donors to give a monthly gift.

#### **Invite people to see your work**

Seeing is believing, and visitors may have an

experience they will remember for a long time. People who see your work are more likely to support your cause.

#### **Inspire people to fundraise for you**

Use people who are inspired by your work as ambassadors. Set up local fundraising groups, which can organise events and raise money. Make sure they are passionate about and share your mission and values and are 'right' for your organisation.

#### **Make a shopping list**

Ask for items to be donated, or ask for a big discount. Ask as directly as possible, and approach the person who can make the decision. Use your shopping list to develop long-term relationships with donors – go back and ask again in the future. Thank them and tell them how much their donation helped.

#### **Break your work into bite-size chunks**

Be specific in what you are asking for – ask for manageable amounts. People prefer to support a specific need. Make what you are asking for appealing and attractive.

#### **Be a good neighbour**

Tell people in your community about your work, and invite them to come and see what you do. Organise an open day, and show people around your facility. Invite them to become volunteers during their visit.

#### **Organise a really fun fundraising event**

Think about organising one great event a year. People participate because they enjoy the event – so make it enjoyable. Get participants to become regular supporters. Use the event to inspire donors and to increase their commitment.

#### **Organise a sponsored event**

Give participants a target amount to aim for, make sure they collect all their pledges, and make sure you collect all the money from participants.

#### **Turn promises into cash**

Auction off items that money can't buy. Your supporters will find them attractive – lunch with a celebrity, a dinner cooked at home by a well known chef, or a week at a holiday home.

Get lots of exciting things to auction, and find someone who can act as a lively auctioneer.

#### **Develop great ideas**

Try something nobody else has tried. Funders like innovation. If your idea is a winner, they can take credit for helping you get started.

#### **Get a website**

Make your website a great ambassador for your work, and encourage online giving.

Michael Norton is the honorary director and a trustee at the Centre for Innovation in Voluntary Action. Visit [www.civa.org.uk](http://www.civa.org.uk)

This article first appeared in *Fundraising Forum*: Issue 27, June 2006. ■

# Fundraising versus begging

ETHICS

**O**ne of the greatest obstacles to fundraising in South Africa is the attitude of many directors and board members of nonprofit organisations.

They often feel that asking individuals to give to their cause – either by mail or face-to-face – is really a form of begging which will only bring disrepute on their organisation and irritate the public.

So they resign themselves to using ineffective fundraising methods and by their attitude, they consign their organisations to living on a shoe-string and merely existing rather than growing!

The more I think about it, the more I realise that fundraising has little or nothing in common with begging. In fact there are five methods used by beggars which are totally contrary to good fundraising.

## **1. A beggar asks for himself.**

A fundraiser never asks for money for himself. He is always asking people to give towards the needs of others. Fundraisers are people with a heart for the needs of others not themselves.

## **2. A beggar asks everyone who comes by.**

Just take a moment to watch how a beggar operates. He will approach anyone and everyone who comes his way – anyone who looks in any way likely to feel sorry for him.

An effective fundraiser uses a targeted approach. He goes to great pains to ask – ‘*Who are the people who have a reason to want to support my particular cause?*’ Having established this, he targets this group and asks for their support.

## **3. A beggar asks for small, token gifts.**

You’ve heard it often enough. ‘Please can you give me 50c to buy bread?’ This is still what we term ‘token giving’!

On the other hand a fundraiser always asks for meaningful gifts to help others as generously as the donor is able – rather than those who want to give just a token gift to get rid of the asker and to be able to say ‘I gave’!

## **4. Beggars cannot always be trusted.**

Many can testify to the fact that they were taken for a ride and the impassioned plea for help turned out to be nothing but a ‘con’.

The beggar may say he is hungry and has no money – while in fact he actually has a whole pocketful of silver coins. Or that his car has run out of petrol and he desperately needs R5 to get home when he actually has no car!

Effective fundraisers, are those who can be trusted to use the money for the purpose for which it was given.

And in spite of the so-called scams which are around, those who are involved with reputable, well-established nonprofit organisations can be

trusted to use the money for that purpose only.

## **5. A beggar is not accountable for what he does with the money.**

If he asks for money to buy bread and then spends it at the local bottle-store instead, there’s not much the kindly donor can do about it.

But an effective fundraiser is always open with his donors. He tells them how their money has been used. He invites donors to visit the organisation to see for themselves. He makes available copies of audited financial statements. He invites questions from his donors.

In fact, he regards his donors as partners and shareholders in the cause and seeks to develop a climate of mutual trust and accountability.

I hope by now you can see that comparing fundraising to begging could never be further from the truth.

However, I want to mention two things fundraisers can learn from those who beg! Beggars are very persistent people. They have to be. They are there every day, rain or sunshine. They keep on asking and never seem to give up.

Every good fundraiser needs to remember that the name of the game is asking – asking the right people to support the right need, at the right time.

Secondly, a beggar is never deterred by those who don’t give. He believes that there are always people out there who will give. So he just keeps on asking.

And as people who are serious about fundraising, we must not be knocked back by those who refuse to give. We must have the tenacity to keep on doing the right thing in building relationships and in asking for support.

Although we can take one or two tips from beggars, let’s never consider ourselves as one of that fraternity.

We have a far higher calling than just asking for money for ourselves. Our consuming passion is to find caring people who have the resources and to bring them into contact with the need which we are seeking to address.

And when we do that effectively, the magic happens – they respond – they give generously and in the process, they feel very, very good about doing so!

Graham Wood is a former DMI consultant.

This article first appeared in *Fundraising Forum*: Issue 26, September 1993. ■

*Graham Wood outlines five good reasons why the two should never be confused.*



# The Art of Asking

*The 'ask' is central to your fundraising success. Whether you're approaching trusts, individuals or corporates, the guidelines by the late Terry Murray are central to clinching the deal.*

**I**f you want to raise money, sooner or later you'll have to learn to ask individuals – because that's where the money comes from.

In the United States, gifts from living individuals account for more than three-quarters of all the money donated to nonprofit organisations.

Bequests and other planned gifts push the total to more than four of every five dollars raised. In Canada and, increasingly, other countries too, a similar picture is emerging.

It's important, then, that we fundraisers keep uppermost in our minds the principal do's and don'ts of raising money

from individuals – and how those guidelines differ from one fundraising method to another.

The list below is only the beginning, of course.

Each of these aspects of fundraising demands experience, insight, and a

human touch – and a much deeper understanding of the fundamentals of the craft than these terse guidelines suggest. But, given all that, you can't go far wrong if you keep these tips in mind.

## Asking in the mail

To raise money by mail, it's important to:

- Use emotion in your appeals
- Ask for specific amounts
- Focus on specific needs
- Offer credit card options (and debit order options, too, in countries where that's viable)
- Ask at least six times a year
- Ask for interest in bequests

## Asking on the telephone

Successful telefundraising requires a professional approach that involves either hiring a specialised telemarketing firm or using professionals to train and supervise paid or highly committed volunteer callers. It also requires that you:

- Ask first in a pre-call letter
- Ask for a pledge over three to five years
- Ask with trained callers
- Ask for a decision and give options
- Follow up the Ask promptly

## Asking for major gifts

- Ask face-to-face
- Prepare your Ask well
- Ask with the right team
- Ask for the right amount
- Know when to shut up
- Ask for a decision date
- Set up the next appointment

## Asking for time and influence

- Ask for a manageable time commitment
- Ask for 'moments in time'
- Ask for recommendations
- Ask for 'door opening'
- Ask for executive expertise
- Ask for lead gifts

## Asking for bequests

- Ask for age
- Ask for confirmation
- Ask for interest in estate planning
- Ask for membership in a society
- Ask for recommendations of friends

## Asking corporations, foundations and trusts

When seeking institutional support, keep in mind that there are potentially four different types of assistance you can secure:

- Asking for money
- Asking for a partnership
- Asking for gifts-in-kind
- Asking for volunteer time

## Asking for corporate gifts

- Ask for their proposal requirements
- Ask for what interests them
- Ask who else they support
- Ask them to visit
- Ask what recognition they want

## Asking for partnerships

- Ask what interests the potential partner
- Ask for marketing policies
- Ask about their customers and prospects
- Ask where there is a match of your needs and theirs

## Asking for gifts in kind

- List everything you spend big bucks on
- List all your major suppliers
- List other suppliers of similar goods
- Prepare your case for support
- Prepare benefits and recognition options
- Telephone for appointments
- Go visit!

## Asking for volunteer time

- Ask for a 'champion'
- Ask for professional expertise
- Ask for a loan of staff
- Ask for board membership

With Acknowledgement to *Successful Direct Mail, Telephone & Online Fundraising*, November 2002. This article first appeared in *Fundraising Forum*: Issue 71, March 2006. ■



# 10 Ways to show gratitude to major donors

*Personal and meaningful ways of saying 'thank you' – developed by Donovan J. Palmquist, Vice President for Development, The Lutheran School of Theology in Chicago.*

**M**ost CEOs and development directors realise the importance of major gifts to the success of our programmes.

There is a very personal relationship between the major donor and the institutions he or she supports. We should recognise the importance of the giver/gift/receiver relationship and keep in touch with the donor. We must do this continuously and very personally.

Following are 10 principles in a programme of acknowledging and thanking major donors in a personal way:

1. Use a 'real' stamp rather than an outer envelope with a permit mail indicia. Personalise your thanks and gratitude. Every request and every acknowledgement are personally dictated starting with what the gift means to our institution. We often use letters to connect the donor with our last contact. 'I remember your comments when I saw you in November.' Personalisation takes the form of telling these friends and donors personal stories of our institution and linking their lives in a central way. This can be done in letters, visits, and phone calls. Every piece of mail is personal.
2. Network your thanks – ask others to say thank you too. Most of our major donors receive at least two thank you letters – one from the development office and one from the CEO. Remember special days – anniversaries, birthdays, holidays.
3. Let your fingers do the walking. Use the telephone. Before you write a letter of thanks, call the donors. Tell them what the gift will do for the institution and for society. Phone donors seasonally – at Christmas and on special occasions. Have your CEO make calls by giving him or her three or four calls at a time. Be sure you do your briefing well.
4. Say thanks in person – make personal visits. Some visits are actually for saying thanks. Call them first. Tell them you want to stop by to say thanks. Take them something – a report, a service folder, something you usually don't send donors. Make it a thank you call. It will surprise the donor when you don't ask for money.
5. Give donors a gift but be sure the gift says thank you. The gift should be meaningful. Many tangible

recognition gifts can be appropriate – paper weights, plaques, jewellery, paintings, desk sets. We have found donors are appreciative of meaningful rather than expensive ones. Autographed books written by faculty, art pieces, cassettes, and recognition pieces can be placed in a prominent place and are appreciated by the donor.

6. Thank donors in print. You can list gifts by category of support. Tell stories of persons whose bequests you received. Interview donors who have included your institution in their plans.
7. Special events for special people. Hold special events at which donors can be thanked. Do this once or twice a year – often in connection with annual programmes. Sometimes it is for a special gift or person.
8. Say thanks by involving donors in the development programme or other tasks at your organisation. Recognise the donor's special talents and interests. Not all major donors can become trustees. Ask for their advice. Ask them to serve on development, fundraising, or advisory boards. Let donors know you appreciate them for who they are, not just for the gifts they give.
9. Invite donors and prospects to visit your organisation. This is a part of cultivation and is a one-on-one experience.
10. Send invitations to special events. Our major donors receive invitations (four to six times a year) to special events. While most of them cannot attend, they know of our interest in them. But some do attend! On occasion we send them news releases, letting them know about the news story first.

In closing, these 10 principles for experiencing gratitude and appreciation are basic. We should keep in mind that gratitude is not a matter of plenty or big gifts, gratitude is a matter of people, partnership, heart and hopes of commitment, energy and effort.

I read about a development director who was asked, 'How do you account for the excellent giving at your institution?' She answered, 'I get prospects to make the first gift and then I keep thanking them until they give again'.

From the September 1988 issue of *Bulletin on Public Relations and Development for Philanthropic Organisations, Agencies and Associations*. Published by Gonser Gerber Tinker Stuhr. Source: NSFRE Newsletter, October 1989.

This article first appeared in *Fundraising Forum*: Issue 14, October 1990. ■



# Don't you want money?

DIRECT MAIL

**P**icture the scene: The agency's creative team has come up with a winning concept for your organisation's latest appeal, the copywriter has written some powerful, motivating copy. Donations are flooding in. And you say . . .

*'It's such a hassle having to bank all this money! Our secretary has to write out endless deposit forms and go to the bank every day. We can't possibly do this again or she'll resign.'*

No, this scene is not a figment of my imagination. Nor is it the first time I've heard a client expressing similar sentiments.

Being an excitable creative type, I have to restrain myself from bursting out, 'Don't you want the money? What's wrong with you?' But on reflection, perhaps I see the problem.

This is a client who doesn't understand direct mail fundraising. Perhaps in the past, the organisation has raised money through capital campaigns or corporate submissions. They're used to receiving nice fat cheques for R100 000 from a charitable trust, institution or wealthy philanthropist.

The mail campaign may well raise the same R100 000, or even more – but the money comes from 4 000 individual donors. And the bulk of the donations arrives within the first 10 days.

Return envelopes come from the post office by the bagful. Inside the envelopes are personal cheques, postal orders, and even cash – all of which must be receipted and banked. And don't forget the thank you letters which have to be sent out. Within 48 hours.

Then there's the merry ring of the telephone as the complaints roll in. Many of us in the business believe you can judge the success of your appeal by the number of complaints it generates – the more the better!

But CEOs of welfare organisations are notoriously sensitive about upsetting people. For some reason, 10 or 20 churlish people on the phone are more important in deciding future policy than the 4000 cheerful souls who were quite willing to part with their money!

The key to a successful direct mail campaign lies in knowing what to expect and making the necessary preparations.

You need to choose one person to whom all complaints will be directed – someone with tact and perception, who will not say: *'We don't know anything about it. It wasn't us that sent out*

*the appeal – some computer company did it for us.'* (Yes, I've actually heard that one too!)

Make no mistake – a successful direct mail fundraising campaign involves a great deal of hard work. But the rewards far outweigh the inconvenience. There's nothing like a flood of donations, eagerly and unstintingly given, to confirm your belief in the value of your organisation. And afterwards, you will be left with thousands of friends – people who are interested in your cause and who will be only too happy to hear from you again, with news of your projects and further needs.

Here's another old favourite that is frequently trotted out by the CEO:

*'We're sending out too many appeals. Our donors are going to get annoyed. We've decided to cancel one of our mailings this year.'*

OK. Which one would you like to cancel?

The Christmas appeal that traditionally nets R80 000? The Easter appeal that bring in another R50 000? How about the winter appeal (another R50 000) or the Mother's Day campaign (R60 000)?

The message is clear. If your organisation can afford to do without the income generated by the appeal, cancel it by all means.

In fact, you need to ask yourself why you are even considering raising funds you don't need. But if you need the money, you have to ask for it – as often as necessary.

Another good reason for cancelling the direct mail appeal is that it costs too much. But how much is too much? R80 000? R120 000? R200 000? The point is, cost is not the issue. It's the return on investment you should be looking at.

If you can turn R200 000 into R600 000 in the space of a few months, you're doing a whole lot better than you would stashing your money away in the bank.

I'm not suggesting you should happily accept grossly inflated costs – but that you understand direct mail is not cheap.

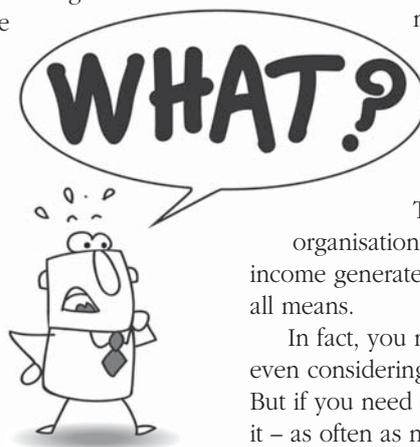
Paper, envelopes and print cost money. So does postage. But costs are relative, and direct mail is still the most effective way of building a donor base, which will provide your organisation with a regular, dependable source of income for years to come. You need to take all this into consideration before you think of scrapping your direct mail appeal.

Sheila McCallum is a former creative director at DMI and now runs her own online fundraising consultancy.

This article first appeared in *Fundraising Forum*: Issue 24, February 1993. ■



**CEOs of some welfare organisations come up with the strangest reasons to cancel their direct mail fundraising programmes. Sheila McCallum has a stab at figuring out why.**



# Getting up close and personal

*Decrease the distance, and you increase the gift. But the opposite is also true. Ken Pearson reports on the Inverse Proportion Law, and how it can ruin your fundraising programme.*

**S**ociety is uneasy about too many rules and regulations. Rules are all very well as long as they don't inhibit us too much.

But if they restrict us from pushing the boundaries in life then we question them. This is not always unhealthy but there are one or two basic laws that we ignore at our peril. And this is no less true for fundraising.

One of the fundamental laws of fundraising is the Inverse Proportion Law. An inverse proportion law states that as one factor decreases the other increases.

This may seem strange – especially in fundraising, as it is the size of the gift that is increasing. What can possibly decrease and yet result in a larger gift?

The Law states: the closer you get to the donor the bigger the gift. It's that simple, decrease the distance and increase the gift.

Of course, close proximity to your potential donor is more than just physical contact. There is also ideological, emotional, social, intellectual and cultural proximity.

#### Face-to-face

Capital fundraisers understand the equation. They know you must get face-to-face with a prospective donors if you're going to get a significant gift.

Letters are so easy to ignore, which is why the best person to approach prospective donors is not the paid professional but a close friend.

Physical proximity is primary. This is because the face-to-face presentation gives you the opportunity to be flexible – to react to the situation. Even the best letter is inflexible, limited.

It can't respond to questions that have not been anticipated. Nor can it counteract false claims or incorrect arguments.

A face-to-face meeting should be a constructive dialogue, whereas a letter may, at best, be the beginning of a correspondence over time but without the immediacy of a meeting.

Obviously, a telephone conversation is better than a letter, which is why there's been a move to far greater use of the telephone in fundraising. But it's not the medium for major gifts or the basis for a real relationship.

Ideological proximity is also important. You may be physically near to your prospect but he may not understand your message or empathise with your cause.

Cultural and ideological

barriers can distance you from your potential donor. If the solicitor of a gift and the prospect are on the same wavelength, then that close bond will improve the chance of a major gift.

#### Missing the mark

Labour Party supporters are not going to give to the Conservative Party or vice versa. If you are asking for a gift from a cat lover for new dog kennels at a home for cats and dogs then you've missed the mark.

People with strong religious convictions are usually motivated by very different values.

There's another advantage to the personal approach that's based on the integrity of the person asking for support.

It is another law of fundraising that you can't ask someone to do something you're not prepared to do yourself.

In other words you can't ask for a major gift if you haven't made a major gift yourself. The fundraising team member establishes his credentials by starting, 'I've given to this project because I believe in it. I'm asking you to make a similar gift.'

Declaration of your own gift establishes your right to ask someone else to give. This is a very personal matter but an important one in fundraising.

There's been a lot of talk about relationship fundraising. But unless you actually meet your supporters and talk with them, you only have a relationship at a distance.

For fundraising to flourish it must be based on a real relationship. Real relationships with your supporters will pay dividends for years to come.

#### Electronic media

The reality of face-to-face fundraising raises questions about the use of media in fundraising – in particular electronic media, which are image-based and easily manipulated. At the moment they're all the rage.

But they're also subject to misuse and even abuse. In theory you could set up a charity on-line, receive donations, send instant 'thank you' letters, mail regular newsletters and 'personalise' support from an office in the middle of nowhere for a fictitious need.

The charity could even win awards for professionalism in fundraising. And all with no real contact between the charity and its supporters.

But it won't survive for long as it breaks the Inverse Proportion Law of Fundraising.

Ken Pearson was DMF's first Johannesburg-based consultant in 1987.

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# 11 Elements of a successful fundraising programme

**T**here are 11 elements that must be present in a successful, well-managed development programme. Use them as a checklist for your organisation.

If you are missing some, you may well raise the question as to whether you are missing something vital for the success of your development programme.

- 1. A clear statement of your institution's mission and purpose.** One major reason a development programme requires a clear statement of purpose is that people today are so mission-orientated. Donors – particularly major donors – want to know the reason for your organisation's existence and why it should be supported.
- 2. Specific goals and objectives.** Once a mission is articulated, specific objectives for how your organisation proposes to fulfil its aims must be developed. A good development programme requires an institution to have a long-range plan covering dreams, plans, and programmes for the next three to five years. It should contain your mission, goals, and objectives. This plan is important because donors – particularly major donors – want to have an impact on the future. They want to effect change or help 'make a difference' in an institution and how it is going about its work. Clear plans demonstrate that your institution is dedicated to its mission.
- 3. Commitment to the concept of development.** An organisation's commitment to development as a concept begins with its president and board of trustees. A well-managed development programme is based on the commitment, support, and involvement of a nonprofit's entire community: the CEO and other administrators, the board of trustees, volunteers in all positions, and all staff. Without understanding from these key people, a development programme cannot be totally successful.
- 4. Active involvement of the director or CEO.** It is essential that the director provide leadership in public relations and fundraising. A director should be responsible for cultivating his or her institution's top 10 to 15 major-gift prospects.
- 5. Dedication and participation by the board of trustees.** Success in development begins with the board. No organisation can expect to have an effective and productive development programme without the leadership and involvement of every member of the board.
- 6. Adequate staff and budget.** A well-managed development programme will have sufficient

staff and budget to carry out the activities needed to meet its goals.

- 7. Committed volunteers.** Your programme should involve volunteers in all dimensions and should place demands on staff to enlist, train, inspire, and serve volunteers and recognise them appropriately.
- 8. A vigorous fundraising programme.** In the final analysis, gifts are received because willing and receptive prospects are asked. I cringe when I hear that people have said things like, 'I wasn't asked to give' and 'I didn't know that you needed the money'.
- 9. Effective prospect identification, research, and cultivation.** A well-managed development programme these days must set a high priority on a strategy and procedure to uncover and ascertain information about potentially large major donors, to court and cultivate them and to involve them in the life of the organisation. Such major-gift fundraising is a central part of all fundraising efforts. We know this to be true because in campaign after campaign, most of the money comes from only a few people.
- 10. An efficient donor-acknowledgement and recognition programme.** In a well-managed development office, all gifts are acknowledged within 24 hours. Large gifts should receive more than one acknowledgement – and major donors should have special recognition. Donors deserve to be thanked. People want to be recognised. This is especially important for major donors, because very wealthy people often are very lonely people. Donors should feel good about giving, and it is the organisation's responsibility to help them feel good by thanking them and by assuring them that the gift they made will be put to good use.
- 11. An effective public-relations programme.** In some organisations, the public-relations function is distinctly separate from the development office. Our firm has advocated for nearly 40 years that the two functions are inseparable and must be co-ordinated by senior administrators of the organisation. Public relations is an essential part of the development process.  
For a development programme to succeed, an institution consistently must do an effective job of telling the public what it is doing and why its existence and future are important to society.  
American Capital Fundraising authority,  
Charles P. Cushman.  
This article first appeared in *Fundraising Forum*: Issue 12, May 1990. ■

*It takes more than passion and drive for your organisation to succeed. How does yours stack up against this checklist for success?*

## Five challenges facing direct mail fundraisers

**I**n this unutterably complex, interdependent world we live in, it is maddening to identify those trends that bear most directly on our work. Mal Warwick looks at five trends that have the greatest potential to shape our future in direct mail fundraising.

### 1. Coping with the competition.

The competitive problems that confront us are due to a mounting number of nonprofits competing for gifts in the mail. Too many nonprofits have sound-alike missions, causing confusion among the public and distrust among donors. In part, this is the nature of the beast, because (in my opinion) there truly are too many nonprofits pursuing similar missions. We frequently fail to recognise and highlight what's truly unique about our organisations.

### 2. Dealing with donor demands.

Everyone knows it: today's donors want more. But few mailers are keeping pace by giving them what they want. In the United States, the privacy movement is gaining momentum. We've already learned that donors must be given the option to remove themselves from list exchange and list rental arrangements. But donors are also demanding choices. We've always viewed direct mail as a source of unrestricted gifts – but many donors, particularly at higher levels, seek opportunities to designate the use to which their gifts will be put. Typically, they also want to know what results their gifts have produced. But, apart from annual reports and an occasional pie chart, are we really giving our donors this sort of information? The answer is usually no.

### 3. Adjusting to the Internet era.

In a world where Amazon.com's 'one-click' ordering has become the standard by which the speed of customer service is measured, it's foolish indeed to think that nonprofits can get away with thank you

that are mailed six weeks after gifts are received, or with letters or e-mails that go unanswered. Today's donors expect more – and they want it now.

Compounding this challenge is the proliferation of communication channels. As time goes on, we'll have to pay increasingly greater attention to the individual communication preferences of our donors.

### 4. Paving the way for bequests.

Not every nonprofit can hope to secure bequests. Perhaps there's some special reason why your organisation is not a candidate: it's too new, too small, or too shaky financially.

But if those exceptions don't apply, you owe it to yourself and your colleagues to take a careful look at bequests.

The most effective bequest programmes begin with market research asking your donors what they think about the idea and what might motivate them to act on it. If it's based on a solid understanding of donor attitudes, direct mail can be an effective way to promote bequests.

But here's a word to the wise. If you launch a programme to market legacies, don't call it 'planned giving', and don't muck it up with legalistic information about charitable trusts. Promote bequests, which account for more than four out of every five 'planned gifts'.

### 5. Dealing with donor attrition.

There's only one answer to this challenge: superlative donor care. The only antidote to donor alienation and detachment is to build genuinely strong relationships with donors – by thanking them promptly and warmly for every gift, by giving them options, by keeping them fully informed, and by doing something other than asking them for money every single time you get in touch!

Here's the key: ask not what your donors can do for you, ask what you can do for your donors.

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