

Donor perceptions: Donors don't like slick, or do they?

How slick is that direct mail? Donors strongly dislike nonprofits using big-business marketing and sales techniques. They are turned off by glossy brochures, unsolicited 'gifts', and telemarketing. These are some of the results in a report called, The Charitable Impulse, by Public Agenda, a New York City nonpartisan research organisation. The study was designed to explore perceptions held by typical donors. Tom Pope reports.

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One common theme stood out from the six focus groups. The more charities used 'slick' big-business-like marketing and sales practices, the more they were seen as being sales-orientated. Many participants worried about expensive marketing costs.

But what donors say and how they actually react might be two different things, experts said. Participants did admit that charities should send the message effectively, and more comments about 'over-marketing' were eyed at large national organisations.

So what is slick?

How did they define the term slick? 'My observation is that the vast majority of the public now gets marketing in college and they have a radar for marketing that's over the top or doesn't match the product,' said Ruth Wooden, president of the Public Agenda, who started her career in commercial advertising and was president of the Ad Council.

The Public Agenda was founded in 1975 by former US Secretary of State Cyrus Vance and social scientist Daniel Yankelovich. The research was conducted along with the Kettering Foundation and Independent Sector, a national coalition of nonprofits and foundations.

Public Agenda defined 'civically engaged' for the focus group members as people who donated at least \$300 to charities in the past year, were members of a civic group such as a PTA, volunteered at least once in the past year, and voted in the past election. Participants had to meet three of the four categories. Public Agenda noted that only four in 10 of those studied contribute \$250 or more a year.

Other findings of the study showed that the perception of nonprofits focuses on human service charities and most donors were unaware of the role of foundations.

Many people resented hospitals and universities, claiming that the fees charged made them fall into almost a for-profit category. Meanwhile, small donors believe that local nonprofits drive civic life and they admired these nonprofits more than the government or national charities.

'How slick is defined is different for each

audience,' said Raymond Grace, co-founder and chairman of Creative Direct Response, a full service agency working for nonprofits. Grace pointed to Lance Armstrong Foundation mailings, seeking a 30- to 40-year-old biker, hiker, young professional type of donor.

That package sports a slick, shiny envelope with multiple colours and a Lance Armstrong wall poster.

'With that specific market, slick would work,' he said. 'But when you seek the coupon clippers aged 60 to 65, that would be a turn-off.'

In this case, the term slick is probably not identified by the veteran contributor who is 60-plus, according to Grace. That audience would be concerned about wasting money. 'The traditional direct mail donor is usually 60-plus, white, and a contributor to six to 10 charities a year,' he said. 'These people have time to read material and are retired. They will respond to Lance's message, but not in a slick passage.'

On the other hand, slick can work for a traditional audience. Grace said that he worked with a Catholic charity by upgrading the mailing from a simple one and two-colour envelope to a four-colour presentation. However, he didn't use a shiny stock. 'The package greatly improved results because people were enticed to look inside.'

Subtle use

Grace did use slick, but changed the location, resulting in a 7-14% improvement compared to the previous package.

Yet slickness is not the question. Rather, it's about how the perception of the message is sent, according to John Ernst, vice president of account management of ParadyszMatera, a media services firm for direct response marketing.

'Every organisation has the goal to talk to donors, but differences exist in how an audience wants to be addressed,' he said.

'Many like direct mail and may like premiums, even though they might not be the people to become involved with grassroots efforts.'

A perception of slickness could depend on the generation. The audience of some groups

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Lose the obsession with younger donors

Many times recently I have been surprised to hear not-for-profit organisations stating that they want to concentrate their donor acquisition efforts on attracting younger individual donors.

The trend has also emerged in other countries like Australia and the UK, where I have read magazine articles extolling this 'need'.

With few exceptions, however, the idea of spending time, effort and money to find younger supporters for your cause is both wasteful and foolish.

Before we look at the reasons for this, let's dispense with the exceptions. They relate mainly to type of organisation and the cause. To my knowledge, environmental and some political and advocacy causes are about the only charities who can hope to attract younger donors in any numbers. And by younger donors, I'm talking about those in their 20s, 30s and perhaps early 40s.

Of course, there are some other exceptions – and one sometimes hears of younger highly successful dot.com whizz kids and entrepreneurs who have made substantial donations to particular causes – but these are most often 'the exception that proves the rule'.

For just about all the other types of non-profit, your individual donor prospect remains in the 50-plus category and the reasons for this are quite straightforward.

Only when one reaches an age and stage where you have a solid roof over your head, your children have been adequately educated and your job position and pension fund is reasonably secure, do you have sufficient disposable income to give regularly to charity in any meaningful amounts.

Growth

One of the trends I have seen in recent years is the growth in the number of male donors. Where once the average donor to a direct mail fundraising programme was a woman over the age of 55, nowadays one is seeing a much larger proportion of men emerging on donor files.

Even with the strong growth of giving via the internet, the average individual donor remains in the older age groups, and happily, more and more, older folk are using computers on a daily basis to communicate with their children and grandchildren by e-mail and often for banking, internet browsing and shopping.

And the fact that most of your individual donors are in the older age brackets is only

good news – as it's your individual donor file that 'feeds' your bequest programme. It's those loyal older donors who have been giving regular, relatively small donations to your organisation for many years, who are most likely to leave you a bequest in their Will.

Especially if they're properly encouraged and informed about the benefits of this wonderful way of ensuring the ongoing future of a cause in which they strongly believe.

But while we're on the subject of individual direct mail donors, I have been wryly amused to read letters and articles in British fundraising publications proclaiming that direct mail fundraising is on the way out and even dying.

Commercial

What's really happening in the UK is that mainstream advertising agencies and even so-called fundraising specialists are designing direct mail packages that are so incredibly 'commercial' in appearance that they scream out 'bulk advertising mail' and invite immediate consignment to File 13 – the wastepaper basket.

The fact is that in the UK, in the last quarter of 2006, direct mail fundraising volume increased by 9,1% over the same period in 2005

– hardly the sign of a dying medium!

But much of it is apparently not working as well as it used to in the past – and the reason (in my opinion) is that the designers and writers have lost their

“With few exceptions, the idea of spending time, effort and money to find younger supporters for your cause is both wasteful and foolish.”

way in a sea of over-the-top commercialism and gimmickry.

No one over there ever seems to post anything in a plain envelope with just a return box number. Everything is mailed in large and gaudy envelopes with pictures and teaser copy all over them.

They have simply lost the art of producing personalised letters that look like letters, with an emotional 'ask' and a pre-addressed (and separate) donation form which requires minimum effort on the part of the donor.

What they need is a dose of 'back to basics'. And to prove my point, DMI is producing mailings which adhere to the basic principals of direct mail fundraising, for at least four different clients – all of whom are mailing overseas into the highly competitive markets of the UK and USA.

Every one of these clients is enjoying excellent results and raising huge sums of money for their worthwhile projects back here in South Africa.

And, of course, the average donor is in the 60-plus age group – I rest my case! ■



Terry A Murray is former chairman of Downes Murray International and recently retired president of DVA Navion South Africa.

Milestone Thinking

On-target observations in brief

Regularly celebrate both large and small victories. Recognise achievements at staff meetings. Get your director or president to compliment staff on a job well done. Point out the positive impact of a successfully completed job.

*With acknowledgement to
Successful Fund Raising
Volume X11, No. 5
May 2004*

One can learn as many, or more, lessons from failure as one can from success.

Nowhere is that as true as in a direct marketing campaign.

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

Do all of your pledge forms invite donors to make online contributions? It's wise to include that option since it might be perceived by some as being easier than writing a cheque and mailing it.

*With acknowledgement to
Successful Fund Raising
Volume XV, No.1
January 2007*

The syndrome of extremes is alive and well in philanthropy. The longer the list of results that grant recipients promise, the better. It's achieving them that's the problem.

*With acknowledgement to
The Chronicle of Philanthropy
April 5, 2007*

If you've employed a professional direct response copywriter to pen your appeal letter, beware of passing it on to your committee for approval. Everyone will have an opinion, and want to 'improve' the letter.

Source: www.dmi.co.za

Influence is within reach of every donor – presumably, every one of us has some degree of influence over others – but it can become of strategic importance when particular donors are well connected with key individuals.

*With acknowledgement to
Mal Warwick's Newsletter
January 2007
www.malwarwick.com*



TREE brings hope to our children

For children born into poverty, or who have lost one or both of their parents, the future can look very bleak.

Fortunately, organisations like TREE (Training and Resources in Early Education) are working to change all that, by providing early education.

Since opening their doors in 1984, TREE has trained 23 000 people – mostly women – and touched the lives of 700 000 young children.

Working in KwaZulu-Natal and the Eastern Cape, TREE works with parents, caregivers and community based pre-schools – providing training in early childhood education, educational toys and equipment and stimulating educational programmes for children.

TREE also assists caregivers to apply for child support grants, start income generating projects like poultry farming and vegetable gardening, along with ensuring that youngsters have nutritious meals every day.

Earlier this year TREE won the first national ABSA/Sowetan/SA Congress ECD Award for Excellence in Early Childhood Development.

The award honours organisations which provide education during children's crucial formative years.

Visit www.tree-eed.co.za for more information. **(Readers are invited to submit photographs, together with a brief overview of their organisation's work, for inclusion in this regular feature.)** ■

For the past 23 years TREE has been giving children living in rural areas an early education – and a bright start in life.

FUNDRAISING FORUM

Fundraising 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 non-profit sector and those served by it. In addition to regular features written by Downes Murray International staff, there are extracts from worldwide 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

First understand your donors

Whether you're writing a direct mail appeal, annual report, proposal or thank you letter, knowing your donors is essential if you want them to give. In this interview, publisher Kathleen Brennan speaks to acclaimed author Tom Abern.

Kathleen: Before you can write a fundraising piece, you need to understand what donors respond to, do you not? Is that as simple as putting yourself in a donor's shoes?

Tom: I think Dale Carnegie got it right when he said, 'You'll have more fun and success when you stop trying to get what you want, and start helping other people get what they want.' Fundraising isn't about picking pockets. Donors aren't ATM machines.

I don't think successful fundraising is about keeping the staff paid and the lights burning. It's far more about giving your donors a vivid sense that they're changing the world.

It's about recognising that people want to feel important – something Carnegie learned from Sigmund Freud and philosopher John Dewey. And one way we feel important is when we feel we've made a difference, by making a gift to a terrific organisation. I think fundraising's real job is to give donors a powerful sense of accomplishment.

K: People who pick up a brush don't presume they can paint. Why do so many people who pick up a pen think they can write?

T: Literacy is essential to a modern economy, a healthy society, and to America's wellbeing as a democracy. We need to read. We need to write simple sentences. But writing to persuade is a whole different kettle of fish.

To write successful fundraising materials, you need to know a dozen other things first, secrets hidden in the worlds of marketing, psychology and journalism. You also have to forget what you learned in school about good grammar and presenting your case, a huge stumbling block for a surprising number of people since it's the only training they know.

K: Why are so many fundraising materials, well, flaccid today?

T: Money's at stake, and that tends to freeze people. They're desperate not to offend, not to make a mistake. The truth is, despite a depressing amount of lip service paid to the need for good communication, very few people in nonprofit agencies have any clue how communication actually works.

Executive Directors mostly don't. Board chairs almost certainly don't. And committees are hopeless. They all strongly suspect (wrongly, alas) that it's better to be safe than sorry. I quote to them David Ogilvy, who built one of the world's largest ad agencies by following this golden rule: 'You will never bore someone into buying your product.'

You will never lose money being bold, in my experience. You will, though, lose plenty of money being bland. There's a lot more to this discussion, by the way. But it takes a book to explain it all.

K: Whatever happened to writing from the

heart, just sitting down with a piece of paper and honestly telling your story? Seems like that's been replaced with a concern for formula. ("Make sure you ask for the gift at least three times . . . balance emotionality with rationality . . . use anger to your advantage . . .")

T: I urge people in my workshops to treat direct mail as conversations. It's advice I've heard so many times I forget who said it first, although I suspect Mal Warwick:

Pretend you're at the kitchen table, having a conversation with a friend about something that really moves you. George Smith, one of England's top writers, insists, 'All fundraising copy should sound like someone talking.'

Even so, let's not dismiss formula out of hand. Formulae often derive from hard-won experience or research.

One reason you ask for a gift repeatedly in a direct mail appeal is because people don't always start reading at the salutation. They jump right to the middle or the end of a letter. Getting direct mail right is very counter-intuitive. Knowing a formula can help.

K: When you write, do you usually visualise a particular reader, say, your mother or your Uncle Fred?

T: Yes. I will try to visualise someone who is in the right demographic and a friend. Fundraising materials should be friendly in tone. I imagine them raising objections and asking questions, too.

That's very important. If you anticipate and then frankly answer objections in your fundraising materials, you'll build trust. I've always been a bleeding-heart liberal.

When I'm visualising someone, I like to imagine our friend, Laura, who's an avowed conservative in her political views. It keeps me from getting lazy.

K: OK, I've done my research, I have pen in hand, and I'm ready to write. What should be foremost in my mind as I start?

T: These are some of the first questions I ask myself before I begin writing: Who is my target audience? What do I know about them? What will interest them? What will surprise them? What emotional triggers will they respond to? What's the most important thing I can tell them?

K: Can writing be learned?

T: I don't know any other way to acquire the skills, actually. Training and practice yield the only sure results. Talent has little or nothing to do with it, in my opinion. Nor do academic degrees. In fact, university writing is often dreadful. The biggest barrier to good writing is murky thinking, often cloaked by jargon.

If you don't know what your message is before you begin to write, you won't write well.

The subject of this interview, Tom Abern, is the author of the just released book, How To Write Fundraising Materials That Raise More Money: The Art, the Science, the Secrets, published by Emerson and Church. His other book, Raising More Money With Newsletters Than You Ever Thought Possible is brilliant.

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SAIF Convention 2007

From 12-14 September fundraisers from around the continent will descend on the Birchwood Hotel in Boksburg, for the Southern Africa Institute of Fundraising's (SAIF) biennial convention. A separate Masterclass programme will be held on 11 September.

The conference – *Unlocking Potential* – also marks SAIF's 21st anniversary, and will feature local and international speakers.

Highlights are sure to be the Master Classes and workshop sessions presented by UK specialists Bernard Ross – *Fundraising workout* (masterclass); *7 Habits of high performing leaders*; *Creating a Learning Organisation: How to help your sometimes stupid organisation consistently do smart things*; *Unlocking creativity and innovation in*

yourself and your fundraising team, along with Richard Radcliffe's sessions: *Successful bequest fundraising* (masterclass); *Top ten tips for great bequest fundraising* and *Donor happiness*.

The keynote opening address on 12 September will be given by Clem Sunter. Other topics which will be covered include cause related marketing, foreign fundraising, marketing and the 'ask', plus many more.

Visit www.saifundraising.org.za (Tel: 011 794 5224) for updated information on the programme and booking arrangements for the Convention plus additional master classes.

For convenient online booking – visit www.townandcountryconferences.co.za/form.php

Discounts available for group bookings. Some limited scholarship awards available for second day, funds permitting. ■

Casual for a cause

Now in its thirteenth year, Casual Day has become one of South Africa's foremost fundraising and awareness campaigns for persons with disabilities.

During this period, Casual Day – a project of The National Council for Persons with Physical Disabilities in South Africa (NCPDPSA) – has raised over R66 million.

Last year the project raised R12 021 632 for six national beneficiaries, who work in the field of disability.

An important fact about the total amount

raised is that it came from R10 donations given by individuals – in exchange for a sticker – rather than large amounts from corporates or wealthy contributors.

This year Casual Day – which is on 7 September – has challenged everyone to be a 'Star' and to shine in the life of people living with disability.

If you'd like to take part, get your sticker from one of the participating charities (visit www.casualday.co.za for a list), at Absa branches or Game and Dion stores. ■



Kurt Darren and children from Meerhof School, which provides multi-disabled pupils with specialised education and training.

First understand your donors

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It's simply not possible. Probably a third of my 'writing' time is spent staring into thin air or doodling, trying to get my thoughts organised and clarified. I write myself little questions like, 'Why would a donor care about what we're doing?'

K: Speculate on this hypothetical situation. A masterfully crafted letter is sent to a scrupulously targeted and receptive audience. A bland letter is sent to the very same group. Would you be willing to bet your house in France that the former would raise, say, 20% more money than the latter?

T: No. Not the house in France. Nothing in direct mail is that certain that I would risk my favourite getaway to a place where I can't understand a word that's spoken and vineyards begin at the edge of town. But I'd bet you a \$100 in a snap. I have plenty of proof in my

files, testimony from fundraisers who have attended the workshops, then applied the lessons and seen their income soar.

K: For you personally, what's the hardest part of writing for fundraising – the biggest challenge in terms of the craft itself?

T: The first 15 minutes of every assignment are the hardest. I have to flog myself or lavishly reward myself to begin the work. It's fear of failure, I think.

There's no such thing as writer's block, really. As long as you have a plan, know your target audience, have finished your research, you'll always have something you can write about.

Tom Abern can be reached at A2Bmail@aol.com. Kathleen Brennan is the publisher of Contributions Magazine. Visit www.contributionsmagazine.com E-mail kbrennan@contributionsmagazine.com ■

With acknowledgement to Mal Warwick's Newsletter April 2007 www.malwarwick.com

How and when to start the conversation about bequests Where there's a Will . . .

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. Mark Hrywna reports.

Bequests are the bread and butter of every 'planned giving program,' 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 or living trust, and the donor can choose to tell the charity that a charitable bequest is in a Will, she said. 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 during a recent direct response fundraising conference in New York City.

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', 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.

Gill recommended a strong call to action, giving a clear reason why you want to know about bequests, and providing an 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 check, so be patient. 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 charity, or if they've completed a charitable gift annuity.

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

Although some might be offended by a call, similar to getting junk mail, many will be receptive, Smith said.

The timing of a telephone call can make all the difference. 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 or just prior to an event.

Alumni

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.

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. ■

*Adapted from
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Visit www.nptimes.com*

Donors don't like slick, or do they?

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could cross over between generations, while others might include only certain age groups like the veterans from World War II.

Poor indicators

Larry May, CEO of Direct Media, Inc., a direct marketing firm, worked on American Heart Association copy that dealt with loved ones dying of heart disease. While most in the focus groups deemed the approach as rough and frightening, the language became the control copy for 15 years.

'I have a different perspective of focus groups,' he said. 'They are a poor indicator of which creative will be successful. They invariably reject the ones that will be the most successful.'

The Public Agenda focus groups were not handed stimuli from a package or ad sample. Instead, the moderator probed with general questions, according to Wooden. 'We wanted a degree of spontaneous answers because what people say first is often the driver of how they feel,' she said.

While the figure of \$300 contributed by the focus group members included many who were multiple givers, no distinction was made whether some were special donor club members. One question unanswered is whether these people would have a unique response.

'One of the results was that there wasn't much variation across geography,' Wooden said. 'Within group characteristics, donors were typical of small to moderate givers, which is characteristic of a large percentage of the donor public.'

However, the voting part of the criteria might skew the results, according to Grace. 'If you're a left or right wing person, you won't necessarily give to health appeals or veteran appeals,' he said. The political part is an influence of how they respond, he explained.

'If many nonpolitical people contribute \$300 and it's in a response to direct mail, the average gift is \$15 to \$20,' he said. 'Then that's a lot to them, but if they are political and they are giving \$100, then that is only three donations.'

Results could be relevant to a specific segment, rather than the entire population, according to Grace. Many segments exist in the marketplace and older direct mail Americans are still a 60-plus market.

'Perceiving the term slick can depend on which generation picks up the image,' he said. 'Boomers, and Gen X want to dictate how they are addressed.'

Another major display of marketing that bothered the Agenda groups hinged on ads of starving children. People thought money could better be spent for the cause, according to Wooden.

'Those comments probably came in reaction

to regular appeals on television,' she said. 'To make a pledge for a monthly cause means the average gift is higher, so the ad seemed over the top.'

Yet weren't those ads giving information about the mission, an approach deemed important in fundraising? 'Usually we see more positive responses from images of poor children,' Grace said. 'Those can be negative if the images are gaunt and appear to be one step from the grave because they become too painful.'

The larger issue is that we are starting to see new technology reach donors. We will want to understand how mail goes out to segments, how many have gone to a particular household, and how to avoid turning donors off.

Fundraisers want to link the mission in a constant message. But doesn't the repetition of branding about the mission seem like the business approach the focus groups disliked? 'It's tough to draw too much from one study,' he said.

'Most organisations aren't branded that well, and it's possible that when someone perceives a too slick image, that the slickness dominates over the mission.'

Reaction to premiums

Donors gave the thumbs down to 'highly polished unsolicited' premiums. 'Some notepads or address labels seem excessive, and the donors in focus groups feel the gesture is over the top, like a business,' said Wooden.

The audience should dictate the premium. The New York City Opera can try an innovative approach because of the demographics, but the mainstream non profit donor is more receptive to the traditional premium.

How does a fundraiser avoid going over the top? Send something in relative value to the gift of your ask. 'If you're getting \$500, that doesn't mean you send a \$100 jacket,' said David Hazeltine, president and CEO of Yellowfin Direct Marketing, Inc. 'But you have to send something nicer than address labels.'

Part of the report shows a discrepancy between nonprofit management and the donor. 'This is a signal to leadership to be mindful of the tip of the iceberg shown by donors in these groups,' Wooden said. 'Often leadership makes decisions about marketing based on the return of the mail – a higher response rate means a better mailing.'

However, leadership should be in touch with donors on an emotional basis rather than a database one, according to Wooden. Leadership has to constantly listen to perceptions, according to Ernst. 'Whether they are right or not, ignoring the perceptions would be one of the worst things,' he said. 'Leadership would potentially put the organisation in jeopardy, particularly with high value donors.' ■

Editor's note: While this research was conducted in the United States, many of the opinions and perceptions expressed in this report are true for local donors, too.

*Adapted from
The NonProfit Times
September 15, 2006
Visit www.nptimes.com*

How charities can get what they want when they hire fundraising consultants

Finding the right consultant can be difficult, but experienced fundraisers say the following steps can help charities hire the best expert for their money:

Ask around

In addition to checking references provided by a consulting firm, and its credentials, charities should get independent recommendations whenever they can.

Michele Dombach, development director for the York Rescue Mission in York, says she starts every search for a consultant by asking fundraisers at similar charities whom they have worked with recently. Her goal is to create a list of several consultants who have successfully aided the organisations she knows and trusts.

Put needs in writing

One way to avoid problems with consultants is to spell out what a charity needs and expects from the expert in a request for proposals.

Such a document also provides consultants with the opportunity to respond in writing, providing details about how they will help the charity reach its goals, says Jacob Harold, a program officer at the William and Flora Hewlett Foundation who monitors grantees' use of consultants.

But while such proposals can be a valuable tool in later evaluations of whether the consultant has met the organisation's fundraising needs, experts say, the documents are only as good as the time and effort that charity officials put into them.

Poorly written, vague, or incomplete proposals can turn off consultants, keeping the best experts from applying for the job.

And the same is true of overly detailed proposals that reveal a charity's unrealistic expectations about what a consultant can reasonably do on their behalf.

Interview the person who will do the work

A contract with a consulting firm should make clear who the charity will work with, says George Ruotolo, a fundraising consultant and president of the Giving Institute, an association of fundraising consultants.

And charity officials – especially those who will work closely with the expert – should interview that person to see if he or she has the right personality and experience to match their needs, he says.

'It's much better if you can work comfortably with a consultant,' says Mr Ruotolo. 'The personalities have to mix. There has to be a comfort level with the style.'

Ellen Simpson, executive director of Friendship Service Centre, a social-services agency, says she sometimes deliberately tries to be as aggressive as possible when

she interviews potential consultants.

'I ask as many questions as I can,' Ms Simpson says. 'I am as obtrusive as I can be. I want to know that the person is compatible with me and my staff in a way that is graceful and matches who we are and what we do.'

Choose appropriate fees

In negotiating with a consultant and signing a written contract, charities should pay particular attention to how the consultant will be paid, says Leo Arnoult, a fundraising consultant.

'If the firm says it will take a 10% commission, or any commission, beware,' he says. 'We are in the business of promoting philanthropy, and philanthropists don't want to think the consultant is getting a cut of their gift.'

Instead, consultants' compensation should be based on a daily or hourly rate or – as some organisations prefer – specific tasks that are accomplished, Mr Arnoult says.

Consultants should seek to change the financial terms of the contract only if the scope of work changes, he says.

And, he adds, 'if the firm says, "I have a bunch of prospects that I can get," beware.'

Most legitimate fundraising consultants work with charities to help identify potential donors and find ways to reach them, but they are not expected to solicit contributions on their own; ideally, the charity's staff and volunteers take the lead in cementing relationships with donors that continue long after the consultant is gone.

Consult a lawyer

Marcia Selva, president of Global Community Service Foundation, a Fairfax charity that works overseas, says nonprofit groups need to get a legally binding agreement.

Without such an agreement, they run the risk of having consultants who fail to deliver what they promise.

But 'attorneys are rarely consulted on these things,' says Andrew Grumet, a New York lawyer who advises nonprofit groups on legal issues.

A lawyer, he says, can make sure the contract properly spells out what tasks the consultant will complete, including a timeline and the conditions under which the charity can terminate the agreement without being forced to pay for undelivered or unsatisfactory services.

Adapted from The Chronicle of Philanthropy, April 19, 2007. Written by Peter Panepento.

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