

# ***“The Fundamentals of Fundraising”***

*- a seminar by Tony Elischer  
Arranged by AVSO*



Attended by Sarah Gram, AVSO representative and information and administrative officer in ICYE EA member of AVSO. November 2006 (report from the seminar).

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### 1.0 Three kinds of Charities

- Those who *make* things happen
- Those who *watch* things happen
- Those who wonder *what's* happening

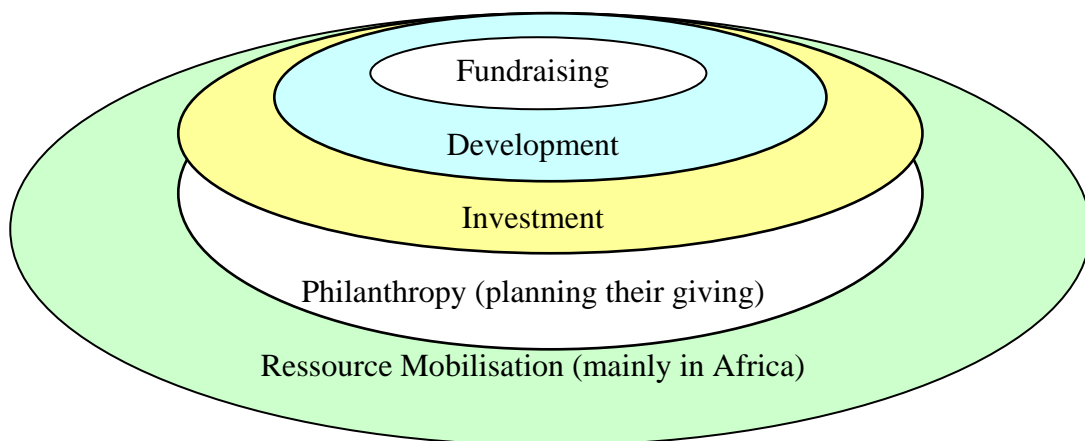
Hopefully you are among number the first, who make things happen.

### 2.0 Purposes of giving and volunteering

We need to understand why people give:

- To discover new frontiers of knowledge
- Support and encourage excellence
- To enable people to exercise their potential (e.g. handicapped people on exchange)
- To receive human misery
- To preserve and enhance democratic government and institutions.
- To make Communities a better place to live
- Nourish the spirit (we need to meet inner needs)
- Create tolerance understanding and peace among people
- Remember the dead.

### 3.0 Words linked to fundraising



The words above are linked to fundraising, but fundraising has some negative associations. This is why many prefer to use "investment" as the new focus. More companies plan giving as an investment. As fundraiser you also have to think of the words you choose to use.

### 4.0 Fundraising

**20 years ago:** *"The art of getting people to give you what you want, where and when you want it, for the purpose you have identified"*.

It is not "an art" or a science to do fundraising. You need to be creative and present your case to the right people.

- One donor is better than 500.
- Fundraising is *not* begging!

What the donor wants to do!

*Fundraising shifts between the two:*

Getting the donor to do what we want!

## 5.0 Fundraising in 2006 – and beyond

- Understanding, defining and communicating all the dimensions of the need.
- Inform, motivate and facilitate giving.
- Engaging and involving donors as shareholders and investors.
- Donor foundations based on shared values.
- Impacts and results not financial targets.
- Ingredients: giving, asking, joining and serving.

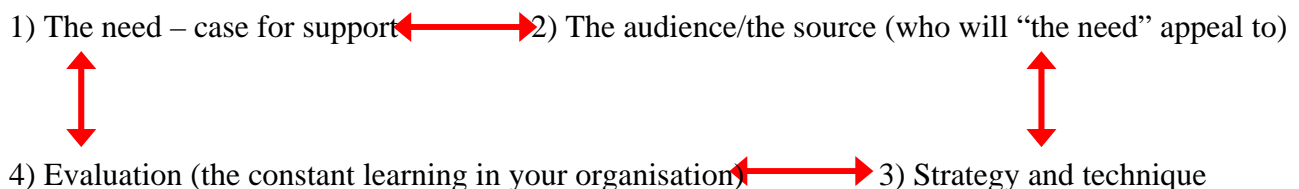
... it is a partnership

## 6.0 People can give...

Time, Money, Influence, Goods and Voice (e.g. the sponsor can join and give voice to your organisation).

You can use one thing to get to the next and be active in getting what you want.

## 7.0 The fundraising circle



You need to see fundraising as a circle! You are constantly looking at the different steps.

To do the circle you need time and resources: 1) get a volunteer to do fundraising. 2) you can apply for a grant for a fundraiser e.g. make a business plan for a fundraiser – it is “help for selfhelp”.

## 8.0 Financial needs

There is different kinds of appeals you can make as fundraiser:

- 1.0 **Emergency appeals** (if your organisation is in a financial crisis) it is a powerful method, but you need to be honest and real – and you can only do it so many times.
- 2.0 **Capital projects:** many donors like capital projects e.g. buildings/bricks – it is the sexy side to fundraising.
- 3.0 **Running costs:** on the other hand is not very sexy, not a great funding object.
- 4.0 **Endowment funds:** You have capital in the bank and you live off the interest. Especially Universities and foundations is started like this.
- 5.0 **New projects:** People like new things - freshness, new projects is always sexy to fund.
- 6.0 **Deficit funding:** is a bad method.

## 9.0 Key future challenges

Funds come as:

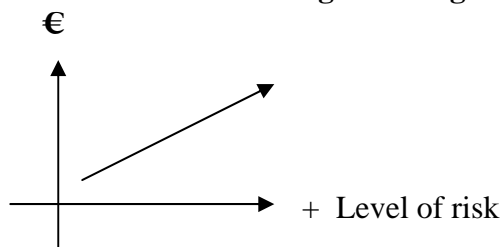
- Restricted
- Light restricted
- General funds (membership fees)

Most donors want to restrict your funds (manage it up) you can try and manage it down. For instance to make it light restricted.

## 10.0 Key success factors

- Time
- Trust
- Permission and collaboration
- Resource (you have to fight to get the resources to do fundraising)
- Communication
- Leadership (Direction, strong appeal – do you organisation have direction attract leadership around you? A donor want clarity!)
- Information (what's gone before in the organisation)
- Lifecycles (fundraising programme will settle out – there is always a fashion within donors).
- Realism and risk analysis
- Research (audience/need of donor – use google)
- Focus (try to focus on one programme – then move on).

## 11.0 The realities of Fundraising – dealing with risk



The more money you want the more risk you have to take.

## 12.0 review the need

- Understanding
- Translation (communicate what you are doing in 30 sec or 30 pages)
- Dimensions (all the different dimensions to your work) your work is 3 dimensional – it should appeal to people.
- Motivators – tell the story each time

## 13.0 The need

- What are the organisations objectives?
- Are you aware of the *whole* strategy?
- Why should the donor respond to you?

- Why should their response be extraordinarily generous and why should they agree to your financial targets?
- How will their support make a difference?

#### 14.0 Building the case for support

About the organisation:

- **Mission/vision:** Articulate what your organisation does and what you are doing! You both need to create a mission and a vision! The Dream, and the more realistic picture, where you create a picture of a feasible reality.

About the bigger picture you work within:

- **Problems/courses:** that your organisation deals with
- **Strategic solutions:** the bigger picture: other solutions to the problem

Your Organisation:

- a) Beneficiaries
- b) Programme/services (objectives & outcome)
- c) Detailed financial and resource needs

#### 15.0 Understanding Audiences. Partners!

- Foundations (11% of the money given to charity)
- Private persons (64%)
- Institutions/Public statutory (20%)
- Companies/corporate (1%)
- Other Organisations (e.g. golf clubs, church, schools) (included in the 64%)

A fundraising strategy should always seek to cover all 5 funding opportunities (it shows quality and thought).

#### 16.0 Funding partners

1) Individuals:

- a. Subjective givers
- b. Self interest
- c. Altruistic plus the capacity for emotion (touch by the course)
- d. Promoters and recruiters
- e. The right approach/triggers
- f. Potentially endless market
- g. Potential for commitment
- h. Link to all other partners (e.g. when you have individuals committed other funding partners will find an interest in you.)

#### 17.0 Unlocking the DNA of Donors

- Individuals
- Needs (they have needs)
- Life-stage (people change year after year: interests, finances etc.)
- Life-style
- Motivation (what is it that will motivate people, and how much do they want to know)
- Knowledge (how demanding are they?)
- Emotional connection (how will you connect to people)

### 2.1 Exercise: Why Give?

The exercise, 58 reasons to why people give to a course. Write 1 reason per post-it within 4 minutes.

Groups write post its

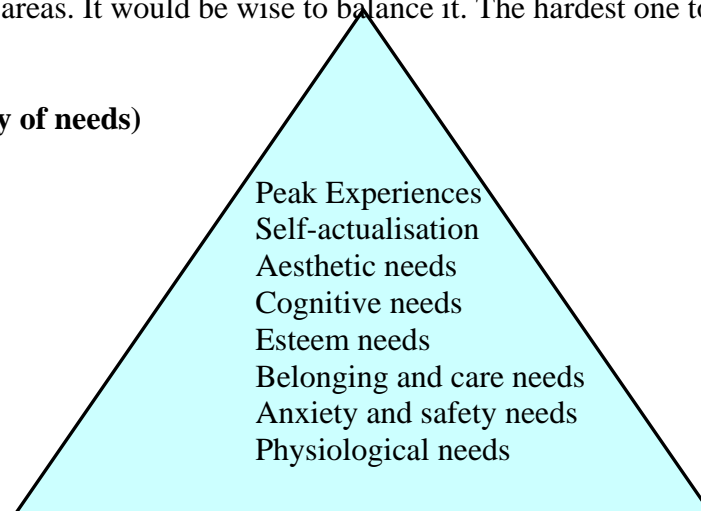
Three categories where reasons could be posted:

- 1) Head (the good solid reasons to give): It is a good investments, it makes sense. Habbit, interest, taxes, image, gift, membership.
- 2) Heart (emotional reasons): all human emotions are a motivator. Love, pity, guilt, pressure, insurance.
- 3) Spirit (a way to express how you see the world e.g. 9/11): to show brotherhood, in justice, to save the world, usefulness.

All post-its are on the board. Conlussion: Everyone work on all levels (heart, head, spirit) and we all place the reasons differently – e.g. what is heart and what is head?

When writing about your course – how much do you use heart, head and spirit? When you are trying to connect to people use all areas. It would be wise to balance it. The hardest one to catch is the spirit.

### 3.0 Hierarchy of needs (Hierachy of needs)



(Maslowes behovspyramide)

### 18.0 Key Techniques: Individuals

- 1) **Big gift fund raising** (Looking for rich people, and understanding them, targeting rich people, it is one of the hardest form for fundraising).
- 2) **Collections** (boxes, days).
- 3) **Direct mail**
- 4) **Events**
- 5) **Community fund raising**
- 6) **Mail order** (selling t-shirts, books etc. you can sell your products over the internet, umbrella body who sell charity products).
- 7) **Pledges** (when you ask people – how much will you give me when you die).



Companies are not giving money away in bits. They will rather give bigger money to fewer projects/organisations. You have to think about how to reach out to people in different companies and target their budget.

The most valuable thing companies can give you is access to their costumers. E.g. Diners club will advertise in their magazine. A bank can do a mailing round to their costumers.

### *21.1 Matching needs*

#### **NGO:**

Events  
Literature  
Mailings  
Shops/trading  
Gifts/grants  
Training  
Secondments  
Conferences  
Manpower  
Campaigns  
Advice  
Branding  
Marketing  
Advertising  
PR/lobbying

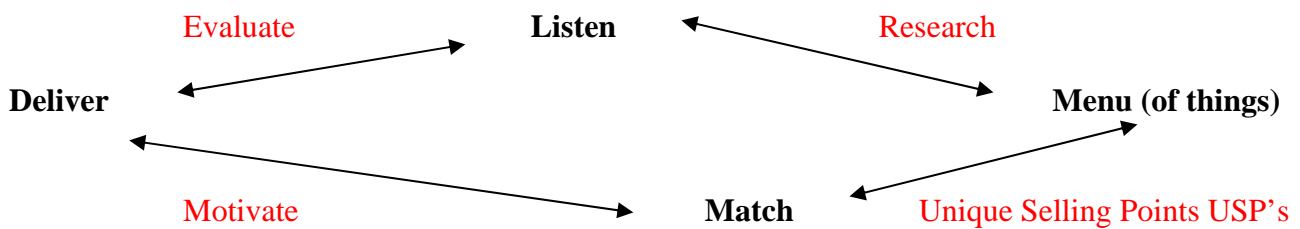
#### **Support - PARTNERSHIP - Funding**

#### **Company:**

The Board  
Chair/CEO  
Marketing  
PR  
Personnel  
Corporate Affairs  
Specialist depts  
Employees  
Unions  
General resources  
End product  
Charity-Committee  
CCI

There are different doors to walk into (e.g. if you print something at a firm – this is a start of a relationship).

## 21.2 Building for the long-term



## 22.0 Foundations

If you get money from a foundation, more will follow.

- Research, Research, Research
- Information, Information, Information (you need to know everything – what is the objectives)
- Policy driven – set objectives
- High value – time ‘v’ reword
- Local, National, International
- Formal procedures
- There to give money away
- Will ask “internal questions” – they will crawl all over you. Tell them what is wrong before they find out.
- Grants-manship is the key (good grant applications is the key fact in this).

## 23.0 Twelve Guiding Principles

1. Fundraising is not about making money
2. Communicate the need (do not take for granted what you have)
3. People to people (it is always people you communicate with)
4. The power of peer group pressure (when you actually got a donation – who else can they then influence to get more).
5. Look for relationships and friends (build your networks – relationships)
6. Your best prospects are your existing donors (how can I make those people you have work harder for you before looking for new donors)
7. The Pareto Principle (80/20) it is always a small amount of the donors who gives you the most – the most valuable should get your energy/attention.
8. Make it easy.
9. “You do *not* get what you do *not* ask for”.
10. Test, test and test (never stop testing).
11. Creativity and innovation is very important
12. Always say thank you (praise people and acknowledge the help)

## 24.0 Literature and resources

For more information on the above please contact Sarah Gram, information and administrative officer in ICYE EA ([www.icyeeurope.org](http://www.icyeeurope.org)).

On [www.thinkcs.org](http://www.thinkcs.org) you can find a free library with documents and articles on fundraising.