

fundraising

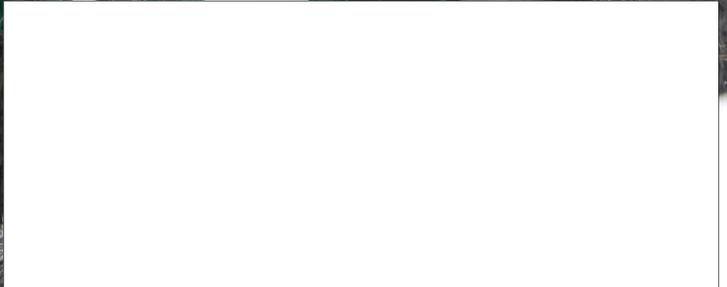
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Little Dogs... Big Tricks

Fundraising with a tiny staff or budget might seem daunting, but smaller nonprofits can be real powerhouses when it comes to raising money.



Little Dogs... Big Tricks



BY DANE GRAMS AND RICHARD DEVEAU

This year, *FundRaising Success* is happy to introduce a new column called Little Shop. (And yes, I *do* hope that song gets stuck in your head as it does in mine every time I mention the name.)

Little Shop will be written alternately by fundraising coaches and consultants Pamela Grow (January, May and September) and Sandy Rees (March, July and November). In the debut column, which starts on Page 16, Pamela talks about how smaller development offices can make the best of their thank-you notes.

But here, fundraising pros Dane Grams and Richard DeVeau offer some general tips.

— Margaret Battistelli, Editor-in-Chief



them engaged. Get them gung-ho about what you're doing, and get them to talk about it. Implement some sort of regular communication that offers them talking points or key activities for the week.

Also set goals (above and beyond the give/get commitment). Challenge them to bring in one new \$1,000 donor each in the month of February. If they're anything like my board, they love competition.

Consider adding additional boards or councils with specific fundraising objectives. For example, create an executive directors cabinet whose goal is to raise an appropriate amount for your organization. Then call the cabinet in twice a year to help advise the chief executive. It gives individuals a unique opportunity to be engaged in the organization at a high level, and it also creates a great focus group of people who are truly committed to your success.

IV. Pro bono is pro free

Take a look at your budget one day with a fresh pair of eyes. Is there

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— Dane Grams

anything you need that you could possibly get for free? You might be surprised. Put together a plan for soliciting pro bono items and services, and make it a part of your greater fundraising strategy. Larger organizations that sometimes take resources for granted lose their creativity. But we smaller guys get to think outside the box. In the past year, I was able to snag great food for small events, design services for e-mail invitations and printing

from one of our corporate partners. Our organization was even the beneficiary of free strategic planning consulting services and major technical improvements.

V. Find a support network

OK, this one is really easy — but really important. Surround yourself with others who are in your position. Some of the best advice and ideas I've received have been from those people who have been through what I am going through. Reach out to colleagues at other organizations, and invite them to a monthly or quarterly breakfast or lunch. I think you'll be surprised by the turnout and by how helpful this can be. The added bonus of free therapy isn't bad either.

So you can take this advice or leave it. After all, it comes from a cocktail napkin. But I know from experience that it's much easier and much more fulfilling to make change and improvements when you don't have so far to fall. And small can get big.

Four Big Tips for Small Nonprofits

BY RICHARD DEVEAU

Big Tip #1: Three words — data, data, data

Nothing, and I repeat, nothing is more important to your organization than your database. Just about every fundraising decision you make is driven, or at least influenced, by your data file. If you think your organization simply can't afford to invest in fundraising database software, let me state as clearly as possible that you can't afford not to. Otherwise you're shooting blind. You're making de-

isions based solely on anecdotal information. You're guessing. Worst of all, you're leaving potential income on the table. All of this will eventually catch up to you.

If you are attempting to raise funds through the mail and/or online, even the smallest nonprofit needs a database. There are quite a few very affordable solutions available, including some share-



ware options, that provide basic data recording, tracking, reporting and managing capabilities — all of which are essential to effective fundraising, regardless of the size of your organization.

Big Tip #2: Two more data words — file analysis

OK, let's say you have your database software and you're pulling reports. You're running an RFM model (recency, frequency and monetary value) so you have a pretty good idea of who your >

donors are, and how often and how much they give. But if that's all you know, you could be missing quite a bit of important decision-making intelligence. For instance, how fast are your donors lapsing? Should you start a monthly-giving program? Who are the best candidates to ask for planned gifts?

These questions and so many others can be answered by an experienced data analyst — many of whom are surprisingly affordable. For just a few hundred dollars, a good data analyst will audit your file (he or she doesn't need

least for some of your appeals, you will gain significant cost savings that far outweigh any potential loss of revenue. A good data modeler is able to provide such helpful insights and many more.

Big Tip #3: Don't write your own fundraising appeals

I know, I know, I'm a fundraising copywriter, so what else do you expect me to say? Look, I know English is your mother tongue. Sure, you wrote a lot in college. Heck, you may even be a wonderful writer of prose and poetry.

written, mailed and tabulated, the college's net revenue grew more than 30 percent that year alone.

Ever since that eye-opening experience, he tells even the smallest nonprofit organizations to follow his example and hire a professional writer. He tells them it's the best investment they will ever make.

While I can't guarantee 30 percent growth, if you hire the right writer, I can guarantee that not only will your revenue grow, but because your appeals will make strong emotional connections with your donors, your relationships with them will grow as well.

Big Tip #4: Invest in donor-acquisition mailings

I can't tell you how many small nonprofits have told me that they simply cannot afford to acquire new donors through direct mail. I then ask them if their donor files are shrinking every year. They often say yes, but usually not by much. OK, I say, you may be fortunate and holding on to most of your donors from year to year, but if the trend continues unabated, you will eventually have no donors at all. It's simple arithmetic. Constant subtraction, no matter how small the number, will eventually get you to zero.

The formula for the success of any direct-mail appeal follows the 50-30-20 rule, which means that 50 percent of an appeal's success depends on the mailing list, 30 percent depends on the offer, and the remaining 20 percent depends on the copywriting.

Therefore, it is imperative that all of these components are done as well as possible. Again, get some professional help. Your data person can usually help with your mailing list selection, and your copywriter can help with offer development as well as the copy.

It's important to remember that

The key to a successful direct-mail acquisition program is commitment and consistency. Even small nonprofits must make this investment in order to survive. If done well, they will also thrive.

— **Richard DeVeau**, copywriter/creative director

names and addresses, so your file remains confidential) and provide an in-depth report that enables you to know all of your strengths and weaknesses so you can adjust your fundraising program accordingly and plan for the future.

You can also take this data-file analysis a step further and for a bit more money have an analyst provide some data modeling. You might discover, for instance, that if you stop mailing a portion of your lower-performing donors, at

But unless you're a trained direct-response copywriter, this is very sound and very important advice to follow. Writing direct-response copy, for either print or the Web, is unlike any other style of writing.

But hey, don't just take my word for it. A good friend of mine who has been working as a development professional for more than 40 years and has helped countless organizations raise many, many millions of dollars loves to share his own story about this.

At his first job in the development department of a college, his boss encouraged him to write the fundraising appeals for the school. But my friend knew enough to know what he didn't know. So he sought a good fundraising copywriter and hired him.

After the appeals were

COMING NEXT MONTH
FundRaising Success
announces the winners
of the **2011 Fundraising Professionals of the Year Awards**

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a new donor-acquisition program is not about raising revenue; it's about adding new names to your file that you can cultivate through a consistent donor-renewal program.

In fact, new donor-acquisition efforts almost always result in a net loss. Donor acquisition is all about lifetime donor value.

A scenario that a data analyst I work with likes to present

to small nonprofits considering donor acquisition is that a modest effort to gain 1,600 new donors every year will generate a net loss of \$10,000 the first year. But continuing these same acquisition efforts, along with the addition of predictable renewal rates, this program will generate a net gain of more than \$376,000 by year five. Sounds like a great invest-

ment to me. So great, in fact, that you may be able to interest one of your major donors to cover your acquisition costs.

Like most things in life, the key to a successful direct-mail acquisition program is commitment and consistency. Even small nonprofits must make this investment in order to survive. If done well, they will also thrive. **FS**

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