

# Common Ground Initiative Peer Learning Programme

## Fundraising and Resource Mobilisation Workshop Report

14 October 2011

### 1. Welcome and Introduction

*'Fundraising is a state of mind as much as a technique'* (Ajay Mehta, facilitator)

The day started with a welcome from Zoe Wilkinson on behalf of the INTRAC PLP team. Around 30 participants from a range of small and diaspora organisations shared their hopes and expectations for the day (see right). Ajay Mehta, the workshop facilitator, kicked off the day with a lighthearted quiz of fundraising facts to get us on our feet.

#### We'd like the workshop to throw some light on...

- Securing long-term funding
- Securing unrestricted income
- Developing a 'robust' fundraising strategy
- Balancing and integrating restricted and unrestricted fundraising
- Involving partners abroad in fundraising
- Strategies for approaching funders
- Fundraising for less popular projects
- Fundraising with limited capacity
- Diversifying or focussing our strategy?
- Involving others (e.g. volunteer trustees)

### 2. Principles for Planning Fundraising

Ajay Mehta

#### a) The need, the challenge and the goal

Ajay started by outlining that we **need** to fundraise for:

- *Survival* – what does this mean to you? Where would you draw the line? Is it about being able to grow or just staying alive? What does sustainable survival look like?
- *Expansion and development* – is the culture within your organisation fostering this?
- *Increasing independence* – reliance on one major donor makes an organisation vulnerable to greater risks. Diverse funding helps you be more 'mission driven' than 'donor driven'.
- *Building a constituency* – keeping those who support you on board.
- *Developing a viable organisation* – are you innovative? Aware of your competitors?

These points were discussed among participants. There was debate as to how much small development organisations can, or should, follow a business model. There was recognition that being driven primarily by cost effectiveness was not good, but also a sense that we can often do more with marketing, positioning ourselves effectively and offering care to our supporters.

The **challenge** is that fundraising needs to be effective in the context of:

- Complex *needs* in the regions we are operating in and beneficiary aspirations.
- Growing *competition*.
- More pressing *demands from donors* for the effective delivery.

Ajay put forward that **the goal of fundraising is sustainability**. Sustainable fundraising involves:

- *Diverse funding sources*: 'don't put all your eggs in one basket.'
- *Long-term planning*: there are no quick solutions. In Ajay's experience, organisations struggling with fundraising tend to either go into 'panic mode' and start chasing any money, or they take stock, do a fundraising audit, and go forward more strategically.
- *Investment*: in resource mobilisation with external (supporters), and internal (trustees, staff and volunteers) constituents; in planning, and in relevant equipment and direct costs.

Participants discussed how these points related to their experience. There was a sense of a 'catch-22' for small and diaspora organisations. One person shared that they had conducted a fundraising audit, which helped give them clearer direction, but now had little time and resources to implement it. Ajay said that a good fundraising audit should also bring out the picture of your 'fundraising ratio' – time invested vs financial return for different activities. Others shared the difficulty of prioritising which areas to keep supporting with finite resources. Others shared experiences of using software programmes to monitor fundraising and spending (see right).

#### Software ideas for tracking fundraising

**The Raiser's Edge** (Blackbaud) – there is a new version of this for small charities.

<http://www.blackbaud.com>

**Sales Force** – has a charity version.

<https://www.salesforce.com/uk/>

**Giftworks** is a USA programme that can be accessed online wherever you are in the world.

<http://www.giftworksconnect.com/>

## b) Planning for fundraising

Ajay then moved on to discuss why planning is important:

- Plans are critical internal tools for maintaining stability and strategic direction.
- Plans are important for attracting funders and volunteers.
- The planning *process* promotes dialogue that builds teamwork and a shared vision.
- Plans can help you stay focussed on what's important.

He then emphasised one of his crucial points throughout the workshop – that **any fundraising plan should align with an organisational strategy**, and that successful planning involves:

- A mission, vision and programme goals that inspire people to give, to join and to serve.
- An appropriate length, format and process for your organisation (no 'one size fits all').
- A sense of ownership by staff across the organisation, not just the fundraisers.
- Different levels – from strategic vision, to clear goals and tactical action plans.

Ajay then went on to further explore the importance of making sure fundraising is not a 'silo' interest. **Everyone should be involved in the fundraising planning process at some level:** leadership (both Board and Staff), donor-investors, and constituents.

There may be resistance to planning from Board and staff due to factors such as: overwhelming everyday urgent tasks, impatience with bureaucratic planning process, and plans that have gathered dust in the past. However, involvement by both staff and board is essential, because:

- The planning processes renews commitment to fundraising at both levels.
- As 'askers, ambassadors and advocates' board members must be involved.
- A good plan will support good governance.

Another key point to take into account when planning is that **fundraising is not just about 'money raising' it is about 'friend raising'**. It is about:

- mobilising resources: money, time, voice and expertise.
- funding the work you want to do, and the organisation you need to be (mission focussed).
- leveraging organisational strategies – ensuring coherence to get the most out of things.

One outcome of a success fundraising planning process should be a strong **case for support** i.e. a concise 'elevator pitch' to summarise what makes your work unique and attractive. There was a

wide-ranging discussion in this session – some around the difficulty of getting agreement on fundraising strategy within an organisation, or the difficulty of getting trustees to commit to involvement. In response a skills audit of the board (see PLP website for tool) was suggested as a tool to clarifying skills strengths and gaps on the board. Another participant commented that a concise case for support is hard to communicate where work is interdisciplinary, and small organisations are following a history of large NGOs sending oversimplified fundraising messages.

### 3. Fundraising experiences in small and diaspora organisations

#### 15 Common Challenges

1. **Lack of time, funds and human resource capacity** to fundraise, and uncertainty over **'return on investment'**
2. Ageing donors or an **'exhausted' local sources** from community fundraising
3. **Developing a diverse funding base**, and avoiding over-reliance on a single funding stream.
4. Trying to **resist being 'donor led'** and managing the demands of institutional donors.
5. Restricted funding is too narrow – how can we develop **access to unrestricted funding?**
6. **Managing volunteers** – beneficial - but need to be trained and supervised and there's a 'branding' risk.
7. Good leadership. A lack of clarity over roles and **responsibilities in managing donor relations**
8. On what level should **trustees** be involved? Over reliance on 'super networked' trustees.
9. **Competition and nepotism**. In some cases funding is 'already decided' behind the scenes
10. How to get **funding for 'less attractive'** human rights or and social change projects, with intangible impacts.
11. **Size matters** – bigger names are more 'marketable' for corporate and individual donors.
12. Understanding and **knowing your 'audience'** of potential donors/supporters
13. Funding to **support core growth and organisational development** when overhead funding is being reduced.
14. **How honest to be in fundraising?** How to deliver information about complex issues when competing with large NGOs who have simple messages and say they have '0% overheads'
15. Capturing the **long-term good from short-term grants**.

#### 15 Opportunities and Innovative Ideas

1. **Raise funds for 'thematic' areas:** 'targeted' giving that's more flexible than restricted funds.
2. Capitalise on **key dates** e.g. World Aids Day and **public events** e.g. the Olympics.
3. Attend the **National Fundraising Convention**. (<http://www.nationalconvention.org.uk>)
4. Ask beneficiaries to share their story – **'the human touch'** at events or via video e.g. the film 'A Small Act'.
5. Use **social media** – a cheap way for marketing and building awareness? Does it work?
6. Use **bright graduates for work experience** and internships – for longer periods with clear job descriptions.
7. Build relationships with **'high net worth individuals'** and communicate to their interests.
8. Do presentations and **events in schools** – reaches 'next generation ambassadors' and parents.
9. Explore **income generation in-country** – e.g. project expansion with existing partners.
10. Try to develop **legacy giving** through trustees contacts, **gifts-in-kind** and **payroll giving**.
11. Build credibility through **sustainability certification** and environmental audits.
12. Develop **relationships with corporations** – not just as donors, but for influencing support, or for volunteers via 'corporate social responsibility' schemes (e.g. GSK's 6-12 month CSR scheme)
13. Get a **good overview: keep up-to-date with calls for proposals**, and use **google analytics** to track web stats.
14. Link in with **networks that match your NGOs work** e.g. faith, diaspora, or environmental groups.
15. **Partner** with other NGOs.

## 4. Developing an Integrated Fundraising Strategy

Ajay Mehta

*'Fundraising as a standalone activity will not work – it's not sustainable. It will become a silo and you will be firefighting, and end up relying on that one application...'* (Ajay Mehta, facilitator)

### a) Integrated fundraising

'Integrated fundraising' is about being aware of how **fundraising links to almost all other areas of your organisation**. To support fundraising in your organisation, your mission and vision, governance, financial planning, programme implementation, HR, marketing and M&E should all be linked and form a coherent, 'joined up' whole. Ajay gave the example of the Alzheimer's Society as an 'integrated' organisation, which makes sure different parts of its work are aligned and consistent through good internal communication.

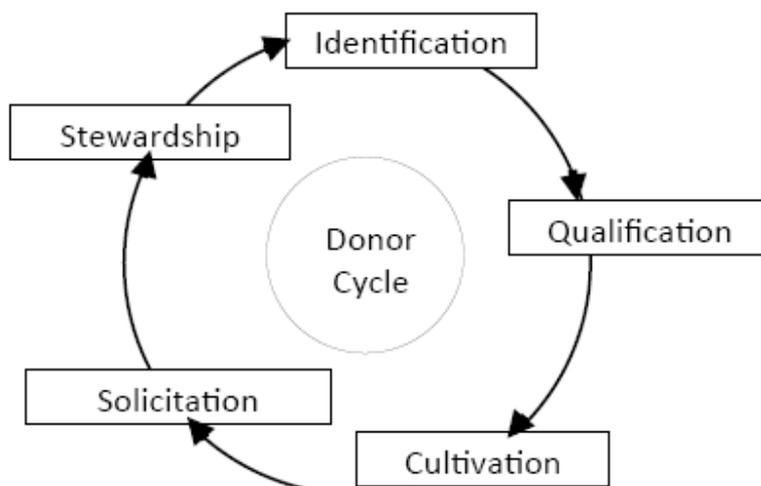
Another element of integrated fundraising is making sure you **use multiple channels for fundraising and join these up**. Ajay outlined why multichannel fundraising is important:

- It spreads the risks – the reality is often reliance on one big donor, but if you have any capacity to explore and build diverse channels (face-to-face, online, mail, telephone, and mobile), do it before 'panic mode' sets in
- It helps you target and communicate with different groups of donors

*Integration* is about the connection of all your giving channels (e.g. pointing people to ways to give online at a face-to-face event) and in particular connections all the way up and down the 'donor pyramid'. This means trying to make sure different methods of giving are linked in a way that supports 'donor development'.

Participants discussed how this aim of 'integrated fundraising' related to their experience. One challenging experience for all organisations was that it takes a lot of time to build up relationships with individual donors, who give the freedom of unrestricted funding. Many participants also shared their frustration at how labour-intensive building ongoing relationships and investing in donor development is. Not only are there practical and technical difficulties with tracking and following up individual donations, working out at what level to engage with individual donors can also be a challenge. In response to these concerns, participants suggested ensuring you have a clear benchmark for who to follow up with (e.g. those who give more than £50 or £100), and that 'Friend's Of...' campaigns can sometimes be a useful approach.

Social media as a fundraising channel was also discussed. Participants felt overall that its use for sharing photos, blogs, and videos presents a good opportunity for connecting, but there are limits to how many 'asks' you can make, and it's often challenging to mobilise concrete resources.



Ajay outlined the importance of trying to develop your donors. The diagram to the right shows a model for 'the donor cycle' – first *identifying* a pool of potential donors; then *qualification* of who in this pool is a 'suspect, prospect or donor'; *cultivation* of relationships; *solicitation* – or asking for money; and *stewardship* – looking after your donors.

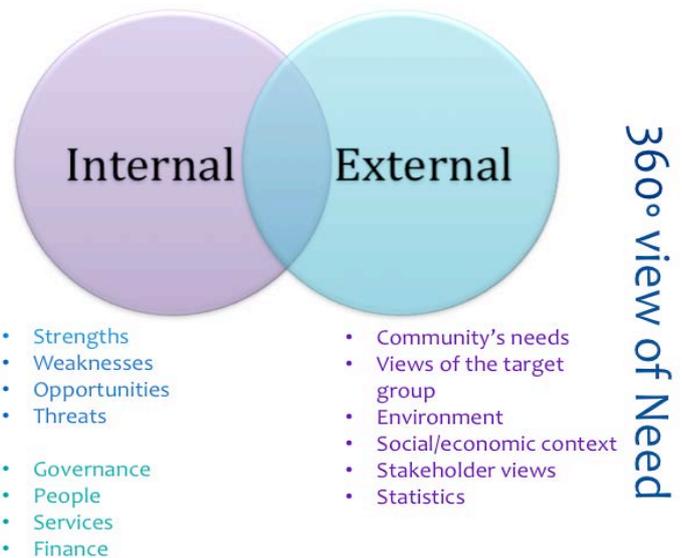
## b) Making integrated funding work

So how do you actually make integrated fundraising work? Ajay put forward that certain conditions need to be met: there needs to be buy-in at the senior level, people across the organisation need to work together, you need an overarching integrated goal. He then outlined a framework for **developing a fundraising strategy**. The team should work through each of the following things:

- Mission / Vision / Values
- Need and Challenges
- Strategic Objectives (organisational)
- Strategic Objectives (fundraising)
- Priorities (General Funding, Project Funding, Or 'pump priming'?)
- Context – internal / external (SWOT analysis)
- Controls (what needs to be in place for it to work)
- Resources required (financial and other)
- Fundraising mix (e.g. institutional, major gifts, events)
- Key drivers for implementation and risks (e.g. HR, leadership)
- Exit strategies
- Action or delivery plan (KPIs, lead responsibilities, timeline)

The outcome of this process will look different for each organisation, but a '**strategy map**' can be a good communication tool internally and externally. The map should show connections and influences between different areas of the organisation. It should enable discussion of funding needs (fundable projects, other areas of required investment, the 'type of money' needed) and can be used alongside the 'case for support' as an starting point for discussions with external donors.

A crucial factor in all this is to understand the context for fundraising strategy. Ajay shared one way of mapping out the context – taking a '360 degree view'. What are the internal bridges and barriers to fundraising? Who are your external competitors and audiences? Some of the elements of internal and external context that should be taken into account are illustrated here.



Finally, Ajay highlighted a useful tool for assessing fundraising priorities with a critical eye. The Boston Matrix can be used in a range of strategy contexts. In this case, participants reflected on where different fundraising activities might be situated in the matrix, before discussing this in groups.

<p><b>RISING STARS</b> A growing source with the potential to grow further – invest heavily</p>	<p><b>CASH COWS</b> Well established, large sources of income, but little room for growth – manage efficiently</p>
<p><b>PROBLEM CHILDREN</b> May have potential to grow – maybe not – need to do more tests and trials</p>	<p><b>DEAD DOGS</b> Poor returns or worse – stop doing it.</p>

## 5. Being in the Funder's Shoes

Participants undertook an exercise in groups – 'The Twenty-Minute Trustee'. They were 'in the funder's shoes', in charge of a trust with £25,000 to disburse. They were given 8 applications to review and the trust's policies. Afterwards participants reflected on what influenced their decisions to fund certain projects and reject others. Some of their reflections were:

- Projects that didn't fit with **the trusts' priorities and criteria** were rejected. There was also a sense of certain projects being appealing as they could raise the profile of the trust.
- Trustees were concerned with issues of **continuity, sustainability, a wide impact and 'value for money'**.
- *'It was about passion and what we believed in'* – the **personal passions of trustees** count for a lot, so *'do your homework'*.
- Trustees often suggested that projects (both funded and rejected) seek 'gifts in kind' where there were opportunities, and explore links with local institutions, media and corporates.
- Some trustees preferred not to support causes which were perceived to have a broad appeal, or a strong ability to attract funding from specialist bodies.
- A process of elimination played a big part: *'we had too many and so we were trying to find some way to eliminate what are often good causes'*.

## 6. Looking ahead

At the end of the workshop participants took a moment to reflect on 'action points'.

### What will I take away from this workshop?

- I'm going to look into raising funds for thematic areas rather than either for general funds or specific projects
- I'm going to work on snappy case for support to use to explain our work 'in a nutshell'
- I'm going to follow up with my organisation and one I met here to explore joint partnership
- I'm going to look into Virgin Money Giving instead of Just Giving
- I'm going to approach local solicitors about legacy fundraising
- I'm going to look at full cost recovery models
- I'm going to try to get my trustees involved in fundraising
- I'm going to do a skills audit with our trustees – to organise their roles and plan fundraising better
- I'm going to share our fundraising strategy with staff across the organisation
- I'm going to feedback to my organisation how we can integrate fundraising and programme plans , and make sure our existing fundraising strategy incorporates input from across the organisation
- I'm going to use the suggested structure to develop a fundraising strategy and monitor it quarterly
- I'm going to try to work towards multi-channel fundraising
- I'm going to do a fundraising audit
- I'm going to try and understand the context for our fundraising strategy more clearly
- I'm going to concentrate on applying to more major donors
- I'm going to use the Boston Matrix to identify fundraising 'stars', 'cash cows', 'dead dogs' and 'problem children' back in my own organisation

*Thanks to Ajay and all the participants for making the workshop a great peer learning experience.*