

## **Building on solid foundations for the future: Useful lessons from the trenches of charity leadership, marketing and fundraising**

by the **McConkey • Johnston international** team

During this last year **McConkey • Johnston international** consultants helped several small and large Christian charities in the USA, UK and Australia to develop effective fundraising and marketing strategies, to launch successful new donor acquisition campaigns, implement major donor programmes and much more.

In this special paper various MJI consultants share one key lesson from the trenches in the hope that you - the reader - will benefit from these insights and use them to increase the effectiveness of your fundraising in 2010 and beyond.

### **Barry McLeish's Lesson: Don't go it alone!**

I love science fiction, both from the new and the old authors. One author I have followed for many years is Ray Bradbury. His story, *'The Golden Kite, The Silver Wind'* is one of my favourites.

At its heart, this story is about collaboration. Two neighbouring towns fight for ascendancy in each others' eyes until they finally realise that both of them have something unique to give to their inhabitants and to each other.

In my opinion, the message of Bradbury's story is timeless and hugely relevant for many charities today.

Fulfilling the Great Commission, training church leaders of tomorrow, responding to socio-economic problems locally or in the developing world, etc – can not be addressed by charities projecting an attitude of 'going it alone'.

Your charity needs more than the expertise it has, the systems it has developed, and the outcome measurements that are in place. It needs a community of stakeholders – e.g., of individual supporters and churches - acting in concert with your team to fulfil your charity's compelling vision.

The fact of the matter is that every one of your stakeholders must feel that what they do today in relation to your charity is indispensable to its wellbeing and its future. What's more - the same donor, volunteer, or constituent - must feel that what the charity does in partnership with them is also indispensable to their wellbeing.

It should cut both ways.

Unfortunately, most people and most charities are not good at giving and receiving. It is usually one or the other.

As donors we often give to charities without expecting much in return because that is how business is done; while charities expect to receive and process gifts and usually don't feel compelled to give much back because they feel there is little need to do so.

Sure, there is the mandatory *thank you letter* from the charity and perhaps a Christmas card. On the donor's part, they might attend a special donor event. But, mostly that is it!

All of this leads to a business-as-usual attitude; so, on one hand donors are viewed as expendable by charities, while on the other hand charities are seen as commodities by donors. In this process, societal problems which charities and donors are trying to address become intransigent. Generosity becomes endangered of being extinguished.

There must be a better way.

In Bradbury's story the two towns saw the benefit of contributing to each others' well-being and in the process saw each other prosper. Collaboration not only led to more collaboration but, also a mutual sense of fulfillment and a feeling that something was achievable only when both parties acted together.

Looking forward to 2010, **learning and practicing collaboration with their supporters and beneficiaries is the hope charities need** to continue to stay around and make a difference to countless of lives every day.

## **Larry Johnston's Lesson: Make sure you know what is driving your donors**

At every fundraising conference I'll frequently ask the question: 'What is the primary purpose of development?' Answers vary, but they tend to cluster in several areas like: raising funds, building relationships, advancing the charity's mission or, teaching stewardship.

There's truth in all of these, but I'm doubtful about 'teaching' stewardship. That's a role of some excellent ministries, and certainly the role of churches although most of the latter fail miserably on this front for a host of reasons.

If development has a role in strengthening stewardship, I think it has to do with providing attractive opportunities to invest in Christian ministries and then helping investors to feel, in the immortal words of Mae West, that *'Too much of a good thing is marvelous!'* That is, when it comes to charitable giving, moderation is a vastly overrated virtue!

After hearing from the audience, I'll tell them what the primary purpose of development is from my vantage point: ***To create and keep the right kinds of donors.***

Creating donors entails a host of activities, including branding, marketing and communications. And, central in these activities is developing and articulating a distinctive value proposition, something that should be the cornerstone of your charity's strategy.

A value proposition recognises that increasingly, development staff must be about the business of mutual value creation: proactively creating value for donors and other stakeholders as they go about creating value (*gift income, healthy donor base, visibility, brand equity, etc.*) for their charity.

However, keeping donors for the long term entails knowing what constitutes value for them and the key value drivers that matter to them.

Our **Donor Value Mapping** research has confirmed that there are a couple dozen drivers of donor satisfaction, engagement, loyalty, and thus of donor lifetime value. We know that these drivers vary by charity to charity and that while some of these clearly overlap every donor base has a distinctive 'personality.'

What's more, our research confirms that key drivers not only vary between charities, they can vary within the same charity by donor segment. That is, key drivers for big donors can be different than those for medium or mass donors.

Now here's the head-scratcher. It can be forcefully argued that nothing (other than, perhaps, divine favour) is more important to the success of development than consistently delivering on these key drivers, and yet not one in 100 development people can provide empirically based answers to the critical question of what drives their donors' loyalty!

Abraham Lincoln wisely noted that *'if he had six hours to chop down a tree, he'd spend four hours sharpening the axe'*. For those in development, sharpening the axe includes knowing, not guessing, what drives donor loyalty and thus, what drives the success – and even the sustainability -- of their charities.

So, as you prepare to engage with your donors in 2010 make sure that you know what's driving your donors and use that information to shape all your fundraising communications.

## **Redina Kolaneci's Lesson: Hire experienced fundraisers and offer them training opportunities to grow**

One of the things I have encountered again and again in the sector this year is seeing charities make bad hiring choices. Why does this happen? – Why are Christian charities so often hiring people with no fundraising experience - and even worse - with no heart for fundraising?

One of the reasons, I think, is that many senior leaders are not sure what kind of person to look for. So, they settle for anyone who says that they have worked in marketing or know how to write well. Sure, marketing experience is valuable but if a person does know the basics of fundraising they should not be put in charge of a fundraising team.

Secondly, it seems to me that many charities are looking for somebody cheap. They want a person who will work for less than the salaries offered in the wider marketplace. So, they end up getting a novice and trust that they will meet fundraising targets working in the dark.

A third reason, I think, is because many times charities are only looking for people who 'speak their language.' I have occasionally set in interview panels where the charity's director gets excited about a potential employee's doctrinal views that they get hired on the spot for a fundraising job. Never mind the fact, that this person says openly that they do not feel comfortable asking other people for money!

A fourth reason, is that many charities tend to skimp on recruitment costs – thinking that advertising in the right places in the charity sector is an expensive exercise so they end up advertising in Christian magazines or websites that are rarely read or visited by Christian fundraisers.

To make matters worse, charities hire head hunting firms where the persons in charge of doing the hunting are clueless when it comes to distinguishing an effective fundraiser from a bad one.

Finally, some charities end up hiring people who are looking to *out of* the job they are in, instead of hiring people who are looking to get *in to* their kind of work or organisation.

There are many frustrated professionals, even fundraisers out there who would do all they can to get out of the jobs they are in. And, such people might not be passionate about your work or have the ability and background to excel in fundraising.

But, they apply for the job and sometimes a frustrated CEO or operation's director hires them because they want to fill that vacant position in their charity.

So, if you are looking to hire a fundraiser or communications staff member in 2010 make sure you know who you are looking for, have a clear and focused job description, look for an experienced fundraiser in the right places and hire someone who is passionate about your work.

## **Jeff McLinden's Lesson: Make 'Be Prepared' your charities motto for 2010!**

When October turns to November, there is a certainty in Colorado Springs – we'll have had at least one good snowfall. As a result, Halloween is always a dicey proposition for trick-or-treaters. Snowfall requires a bit more planning when you're dressing up to 'collect treasure.' And, you're either ready for it or, you're not.

I have noted an interesting parallel here for charities. Inevitably, autumn arrives and along with it the best season for fundraising – for 'collecting treasure,' if you will.

What I have observed with fascination during this last year, and in previous years too, is the failure of charities to plan ahead. Oh, sure, they are keeping an eye on their budget cycle and their Board has approved the anticipated 2-5% increase in income and expenses for next year assuming there are no surprises.

The only problem is that surprises like snowstorms DO happen.

I've consulted with charities for nearly 20 years and rarely have I seen charities engage in a pattern of continuous scenario planning. Anticipating problems (such as this last year's economic downturn) or, opportunities (such as a favourable political or social climate for your cause) rarely enter the budget discussions.

Even more troubling is the lack of planning for growth. While new names and new donors are the lifeblood of any charity, scant attention is often paid to planning and budgeting for new donor acquisition strategies designed to fuel growth.

You can easily tell the charities that do NOT suffer from this kind of negligence. They're the ones that exhibit a pattern of constant innovation, matched by robust growth. And, they typically top the lists of 'best-run charities.' You can also identify the charities that simply drift from year to year in 'incremental survival' mode, with leaders and Boards who see themselves as 'custodial stewards' rather than entrepreneurs for the sake of their causes.

Autumn fundraising season is nearly always an enjoyable time of financial harvest - but it is, too often, followed by the financial and strategic doldrums that are symptoms of a flawed approach to planning.

As you evaluate your fundraising plans for 2010 let me encourage you to adopt a new mindset, one that views planning not as an 'annual event,' but one in

which continuous evaluation of your charity's strengths and weaknesses, opportunities and problems, and, especially, the potential threats you face.

Such evaluation will enable you to craft an ever-evolving plan that can prepare you for anything. There's something rather comforting in being prepared, regardless of what the future holds.