

DEVELOPING EFFECTIVE DONOR PROGRAMS

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Two Views of Donor Development

- Major Donors – A Personal View
- Ten Rules of ePhilanthropy

Major Donors – A Personal View

- Objective:
- Understanding philanthropy from a personal point of view
- Personal View
- Approach
- Maintenance

Background

- European Gift Scene
 - 2.9 million people with > US\$ 1 million in non-property assets.
 - Combined wealth: > € 7 trillion; up 7.8% from 2005-06; 27% of global High Net Worth Individual (HNWI) wealth.
 - Europe has 27% of global HNWI wealth.
 - Foundation growth from 1999 – 2001: Italy – 46%; Germany – 42%.

Future Trends

- Gifting is Increasing
- Most HNWI are interested in giving, but...
- Few have a proactive approach due to a lack of defined giving strategy

Future Trends

- Venture Philanthropy → Return on Investment
 - High Engagement
 - Multi-year support
 - Tailored Financing
 - Includes non-financial support
 - Includes performance measurements

Future Trends

- Donors are linking themselves directly with issues and projects; personal interests are motivating donors
- Donors are motivated to do something useful with \$\$
- Establishing foundations to sustain wealth as well as works wealth supports
- Donors are looking for measurable output, good stewardship and appropriate return.

Future Trends

- Strategic Funders
 - Investment where greatest development potential exists – often in area of social investment
 - Goals of the community, corporations and major donors are converging
 - Sharing skill sets
 - Cross sector collaboration
 - NGOs and funders team up

Barriers to Major Gift Development

- ❑ Lack of expertise – How do I give?
- ❑ Lack of Board Buy-in to philanthropy
- ❑ Lack of resources needed to develop giving strategy – need to invest in people
- ❑ Lack of information on who to give to – who needs money and why?
- ❑ Disconnect between the needs of the donor and the NGO
- ❑ Tension between the discretionary need of donor and desire from NGO for unrestricted gift
- ❑ Do it yourself philanthropy – leads to more control for donor.

Overcoming the Obstacles

- ❑ Key Issues in Overcoming Obstacles
 - ❑ Transparency and accessibility of information
 - ❑ Added Value
 - ❑ Matching Donor Needs to NGO Needs
 - ❑ Know structures that major donors are using to donate
 - ❑ Build the relationship (don't force it if it doesn't fit)
 - ❑ Maintain the relationship

Tactics

- ❑ Efficient
- ❑ Professional
- ❑ Well Managed
- ❑ Transparent
- ❑ Clarity of Purpose
- ❑ Measurable Outcomes
- ❑ Plan in Place for use of Funds
- ❑ Information Flow
- ❑ Change Agent

Method of Approach

- ❑ Send a Letter
- ❑ Include Documentation
 - ❑ Issue
 - ❑ Solution
 - ❑ Impact
 - ❑ Ask
- ❑ Follow Up with Phone Call
- ❑ Utilize Email

Tips

- Candid
- Simple
- Direct
- Personal
- Always maintain flow of information
- Brain Ask and relationship ask
- Thank you

10 Rules of ePhilanthropy

- Rules for developing donors online

#1 , super duper big rule....

It's still all about
relationships

Why ePhilanthropy?

- New breed of donor
 - Read email before "snail mail"
 - Give higher than average direct mail gifts
 - Busy, give at their convenience
 - Expect personalized information
 - Want immediate feedback
 - Demand information

Getting Started

- The Basics
 - Establish informative website
 - Collect email addresses
 - Establish method to communicate with those who opt in
 - Offer option of online giving (encryption)
 - Recruit and manage volunteers online
 - Comply with all regulations and laws
 - Understand privacy and security issues

Rule # 1

- Don't become invisible
- Build online brand
 - Promote, promote, promote
 - Create email group
 - Moderated or unmoderated
 - Broadcast
 - Links
 - www.touchgraph.com

Rule #2

- You need know how and vision
- It's a marketing tool, not a technology tool
- Content should be driven by fundraisers and marketers, not IT people

Rule #3

- It's all about the donor (remember the #1, super duper big rule)
- Know your donors
- Allow donors to guide direction of site
- Consider an online survey
 - Google Analytics

Rule # 4

- Stay Fresh & Current – keep savvy donors
 - Make it easy and fun to give online
 - Options
 - Use the latest technology
 - Accountability – show how funds are used

Rule #5

- Integration is key!
- All other activities should drive traffic to site
- Site alone/offline alone are much less impactful

Rule # 6

- Keep your organizations mission front and forward
- Everything that is sold should have direct relationship to mission
- Do not trade the mission for a shopping mall!

Rule # 7

- Ethics, privacy and security are not buzzwords!
- Make sure your organization maintains the highest standards
- <https://> means secure page
- Post a privacy policy

Rule # 8

- It takes the Internet to build a community
- Small nonprofits lack the resources to communicate effectively
- Internet offers opportunities to cost effectively build a community of supporters

Rule # 9

- To be successful, you must be targeted in your approach
- Audience must be targeted towards information and services offered on website
- Experience other websites to understand your donor's experience
- Need to develop the relationship without face to face interaction
- Multi-media experience of Internet + good writing = positive, personal relationship

Rule # 10

- ePhilanthropy is not just eMoney
- Online giving is a tool in overall fundraising strategy
- IT IS NOT QUICK MONEY
- There are no short cuts to building effective relationships
- Internet is an enhancement tool
- Always remember # 1, super duper big rule - It's All About Relationships

Live Website Review

- You have 10 seconds to capture a user's attention - including loading time
- What is the organizations mission?
- What is the call to action?
- Are there photos that support the mission clearly?

Tips

- Clearly display name, logo and mission
- Include photos of people and action
- Make it easy for donors to get quick answers to questions (FAQ)
- Make sure to use encryption technology
- Provide multiple opportunities and methods for gifts to be made both online and offline
- Post a comprehensive privacy policy
- Eliminate scroll

Tips

- Provide both online and offline contact information
- Provide method for communication/information/education (eNewsletter)
- Provide information on how donations are used to support mission of organization
- Include photo of client in 'Donate Now' button
- Include multiple ways to support - 'Tell a Friend; 'Pass it On'
- Divide information base on personal relevance

Overall

- Make sure you have an overall, comprehensive strategy
- Include multiple donation links
- Focus on the mission
- Stay fresh and current
- Include lots of photos
- Target your donors experience
- Remember security and privacy