

Creating the most effective fund development program for your organization

The most effective fund development is carefully integrated into the full system and operations of an organization. Whether you are conducting a capital campaign, annual giving, or some other fund development, the process is, essentially, the same.

Fund development is not a separate and independent activity that can be pulled out whenever there is need, focused on by only a few, and ignored the rest of the time. Instead, fund development is an ongoing, rewarding (but invasive) process that engages all staff and every board member in some way.

Fund development affects everything the organization does, from board and staff recruitment to patron service to communications. (However, this does not mean that the only qualification for board membership is the ability to raise money!)

Effective fund development produces more than money. Indeed, effective organizations understand that fund development goals include more than money. Goals include things like: building stronger relationships; helping Board members feel comfortable with fund development; understanding the interests of patrons so the organization can ask for a gift; and so forth.

With this orientation in mind, many organizations find they need to go through a philosophical and practical change process to be able to understand and accommodate fund development. For instance, your organization may need to develop a culture of philanthropy and an understanding of fund development and best practice.

No matter what you want to raise money for, you must pay attention to process. By process, I mean addressing fund development and organizational development issues, one system. The process requires a commitment of time and energy on the part of the organization's staff and volunteers. Direct participation (asking questions, discussing, deciding) of key leadership is essential to build understanding and ownership.

Key steps in fund development planning, implementation and feasibility testing include:

1. Fostering a culture of philanthropy within the organization

- a) Assuring that everyone throughout the organization values philanthropy and donors
- b) Using systems thinking
- c) Understanding that most fund development problems are not fund development programs but actually are organizational development challenges

2. Identifying potential funding sources

- a) Examining the charitable contributions marketplace in to address such issues as:
 - level of congestion in fund development
 - issues and organizations receiving donor focus
 - strategies that have been effective reaching donors
 - opportunities for networking with other philanthropic organizations and donors
- b) Identifying current constituents (e.g., volunteers, referral sources, clients, etc.) and getting to know them well enough to evaluate if they are potential donors
- c) Identifying those who might be predisposed to your cause and getting to know them well enough to determine if they might be cultivated into constituents and then donors

- 3. Developing the relationship with potential funders/donors**
 - a) Developing an ongoing process to get to know prospects
 - b) Understanding their giving interests, disinterests, motivations and aspirations
 - c) Identifying the value match between your organization and the prospect
 - d) Developing communications and cultivation strategies to build the relationship
 - e) Building mutual understanding and commitment
 - f) Providing adequate and appropriate acknowledgment and recognition for donors
- 4. Positioning your organization within the philanthropic marketplace**
 - a) Determining what constituents, community leaders and those predisposed to your cause think of organization (Much of this is done through the strategic planning process.)
 - b) Identifying interests, disinterests, motivations and aspirations of prospective donors and determining if there is a value match with your
 - c) Identifying optimum ways to communicate and cultivate relationships
- 5. Organizing to do the fund development work**
 - a) Outlining the values, ethics and standards for fund development at your organization
 - b) Defining the fund development functions, competencies and skills necessary to carry out fund development, and the appropriate structure for optimum performance
 - c) Defining roles of your organization staff, the Board as a group and its individual members and other possible volunteers
 - d) Identifying training needs for volunteers and staff and developing appropriate materials
 - e) Developing the fund development plan
- 6. Maximizing the return on investment through the best use of solicitation strategies**
 - a) Determining the appropriate solicitation process, request and solicitor for each prospect
 - b) Evaluating interest, readiness and capacity of prospective donors
 - c) Estimating the dollars that might be generated, the cost to do so, and preparing the budget
 - d) Using the skills and contacts of board members and staff
- 7. Implementation**
 - a) Developing solicitation materials, e.g., case statement, gift transmittal mechanism
 - b) Asking for the gift and securing the answer
 - c) Monitoring progress, identifying challenges and intervening
 - d) Evaluating productivity and return on investment
- 8. Evaluation**
 - a) Establishing criteria to measure return on investment and evaluating results
 - b) Compiling participation rates, e.g., acquisition, attrition, retention; calculating gift upgrades and average gift size. Determining cost to raise a \$, cost effectiveness and return on investment.
 - c) Determining trends and analyzing implications

Fund development is a profession with a documented body of knowledge, best practice, ongoing research, ethical codes, and certification for its practitioners. The most effective fund development requires professional leadership – on staff or through consulting – supported by excellent administrative and clerical resources.

The most effective professionals use the body of knowledge and best practice, personalizing these to the organization. The most effective professionals are much more than great fund-raising technicians. The best development professionals are, first and foremost, organizational development specialists. These individuals know how to make an organization work and what causes dysfunction. In addition to fund development, these professionals are experts in strategic planning, governance and management, enabling of volunteers, and many other areas within the not-for-profit sector