



Wednesday, May 11, 2011 | 17,00 – 18,00 | Simone P. Joyaux, ACFRE, www.simonejoyaux.com

Building Relationships with Donors by Creating Extraordinary Experiences

Introduction to the workshop

Recent research shows that donor retention worldwide is scandalously low. But it doesn't have to be this way. You can fix this in your organization.

You can nurture donor loyalty with a good relationship-building program. You can keep your donors by giving them extraordinary experiences.

What makes an experience extraordinary? Something that interests the donor. Something very personal. Often something as simple as asking the donor why she gives.

How do you find out what interests your donors? How do you balance extraordinary with cost-effective and manageable? How do you get all this work done? This workshop and handout gives you useful tips and good ideas that work.

A few resources for you: What do you read? Which publications and blogs and authors are most useful to you?

1. Visit www.sofii.org (the Showcase of Fundraising Innovation and Inspiration) for good ideas. SOFII is the brainchild of Ken Burnett, first user of the term "relationship fundraising." Also read Ken's books: *Relationship Fundraising* and *The Zen of Fundraising*.
2. Subscribe to Jeff Brooks' blog, www.futurefundraisingnow.com. Jeff writes about relationship building, donor communications, and direct marketing.
3. Subscribe to www.neurosciencemarketing.com. Apply how the brain works to fundraising.
4. Subscribe to Tom Ahern's free e-news, www.aherncomm.com. Read the archives, too. Tom is presenting here at this conference. He is an expert in donor-centered communications. Also read Tom's books about donor communications: *Writing for Fundraising*, *Raising More Money with Newsletters than You Ever Thought Possible*, *Seeing through a Donor's Eyes*.
5. Subscribe to my free e-news and read my weekly blogs posted on my homepage, www.simonejoyaux.com. Click on Resources and visit my Free Download Library. I provide information about fundraising, planning, building a strong board, and more. See, also, my books: *Keep Your Donors – the Guide to Better Communications and Stronger Relationships* (co-authored with Tom Ahern) and *Strategic Fund Development – Building Profitable Relationships That Last*, 3rd edition (just published in March 2011).
6. Read books by Ted Hart, Mal Warwick, Kay Sprinkel Grace, and Adrian Sargeant.

Agenda and Notes

Agenda and notes	Resources
<p>First, make sure your organization is donor-centered.</p> <p>“The donor is at the center. Whatever ‘moves’ the donor to action is the job of the development officer to identify and respect, protect and preserve, and facilitate its expression and manifestation.” [Joanne Gambino-Morehouse, Development Officer, Albany, New York, USA]</p>	
<p>1. Are donors central to your mission? If yes, make them feel it.</p>	<p>Read Adrian Sargeant’s research. Adrian is presenting at this conference.</p>
<p>2. Donor loyalty makes your fundraising program strong – and a strong fundraising program helps build a strong organization.</p> <ul style="list-style-type: none"> A. Acquiring donors is difficult and costly. B. Retention (loyalty) is also difficult – but it is less expensive than acquiring donors. Research says it costs 10 times more money to acquire a donor than to retain a donor. C. How many of your first-time donors give a second gift? D. What are your overall year-to-year retention rates? 	<p>Read <i>Building Donor Loyalty</i> by Sargeant and Elaine Jay.</p> <p>Read <i>Fundraising Principles and Practice</i> by Sargeant, Jen Shang and Associates. These books present important research, useful to all fundraisers.</p> <p>Sargeant’s research says that donor commitment develops through:</p>
<p>3. How can your organization build donor loyalty?</p> <ul style="list-style-type: none"> A. First, operate as a donor-centered organization. B. Second, develop a donor-centered relationship-building program. C. Remember, good fundraising does not focus on money. Instead, good fundraising focuses on the donor’s interests and aspirations. 	<p>trust, concern, exercise of choice, involvement (interaction with the cause), provision of benefits, and respect.</p>
<p>4. Do donors really want relationships?</p>	<p>Ask Richard Radcliffe from the U.K.</p>
<p>Develop a comprehensive relationship-building program.</p> <p>“2009 Fundraising Resolution #1: Explore, define, and do something tangible about the great unturned stone in our sector – the issue of donor loyalty.” [The Agitator blog: 01-07-09]</p>	
<p>1. Key steps in your relationship-building program</p> <ul style="list-style-type: none"> A. Getting to know your donors, their interests and aspirations B. Creating a donor-centered communications program C. Offering extraordinary experiences for your donors 	<p>What is your organization’s donor-centric quotient? See the Donor-Centric Pledge on page 6 of this handout.</p>
<p>2. Your relationship-building program is just as important as your solicitation program.</p>	
<p>3. Implications of a poor relationship-building program</p> <ul style="list-style-type: none"> A. Poor donor retention rates – and the extra cost to replace those donors B. Fewer legacy gifts – because loyal donors are the top prospects for legacy gifts C. Weak word-of-mouth and promotion by donors D. Donor dissatisfaction with your organization 	

Agenda and notes	Resources
<p>Deliver extraordinary experiences to your donors.</p>	
<p>Sir Denys Lasdun, English architect, said that the architect’s job is to give a client: “Not what he wants but what he never dreamed that he wanted; and when he gets it, he recognizes it as something he wanted all the time.” I think this is a great definition of an extraordinary experience.</p>	
<p>1. Delivering exceptional experiences – helping donors dream</p> <p>A. Your organization is the conduit (the means) to achieve the donor’s desires.</p> <p>B. Truly engaging donors – and even creating a tribe</p>	<p>See Seth Godin’s book <i>Tribes</i>.</p>
<p>2. What makes something “exceptional”? What makes something an “experience”?</p>	<p>Invite your donors to help you identify and create extraordinary experiences.</p>
<p>3. How do you get this work done?</p>	<p>Involve staff and board members.</p>
<p>4. Some things for everyone but not everything for everyone.</p> <p>A. How do you decide who gets what?</p> <p>B. Selecting those for deeper relationship building.</p>	<p>What are your selection criteria for deeper relationship building? Who are your priority donors?</p>
<p>5. Just a few extraordinary experiences for donors</p> <p>A. Make donors feel special. Tell donors that they are essential to your organization’s impact.</p> <p>i. Tell donors wonderful stories about how their own gifts make a difference.</p> <p>ii. Share special information with donors.</p> <p>B. Give donors access. For example, take them on tours of your program. Invite them to spend time with your most interesting people, including clients and other donors.</p> <p>C. Offer donors choices.</p> <p>D. Call donors to thank them for their gifts. Board members make this wonderful personal telephone call.</p> <p>E. Host relationship-building gatherings for donors (and qualified prospects). Host these at your organization, in board member homes, online, and so forth.</p> <p>F. Invite donors to tell their stories. With the donor’s permission, share those stories in your donor newsletter and your annual report, and on your website.</p> <p>G. Invite donors to tell their stories at your events.</p> <p>H. Ask donors for their insights and opinions. For example, measure donor satisfaction through a donor survey. Invite donors to participate in focus groups.</p> <p>I. Engage donors in activist work, for example, signing petitions, writing letters to elected officials, attending a rally.</p>	<p>See Ken Burnett’s 89 ideas in <i>The Zen of Fundraising</i>.</p> <p>See Simone’s ideas in <i>Keep Your Donors and Strategic Fund Development: Building Profitable Relationships That Last, 3rd edition</i>.</p> <p>See donor questions on page 7 of this handout.</p> <p>Remind me to tell you stories from these organizations:</p> <ul style="list-style-type: none"> • International Institute of Rhode Island, USA • Rhode Island Foundation • Zoos • Habitat for Humanity <p>What stories can you share?</p> <p>See <i>Basic Principles of Fund Development</i>, pages 4 – 5 in this handout.</p>

Basic Principles of Fund Development

Philanthropy means voluntary action for the common good¹. Fund development is the essential partner of philanthropy. Fund development makes philanthropy possible by bringing together a particular cause and the prospects and donors who are willing to invest in the cause. The goal is to acquire donors of time and money who stay with the charity. This is done through the process of relationship building. With the donor at the center, fund development nurtures loyalty and lifetime value, thus facilitating philanthropy. You know if your relationship building works because your retention rates rise and the lifetime value of your donors and volunteers increases. (*Keep Your Donors: The Guide to Better Communications and Stronger Relationships.*)

So what does this mean in practical terms? Here are some basics:

1. First, understand some **basic distinctions**:
 - a. **Predisposed**: An individual, business, or some other entity whose interests and actions suggest a possible inclination or susceptibility towards your organization's cause / mission. ("Suspect" is more common terminology. But who wants to hear anyone referred to in such a way?)
 - b. **Prospect**: An individual, business, or some other entity that has demonstrated an interest in your cause / organization. The individual has raised his / her hand by buying your services or asking to join the mailing list or... In some manner, in some way, the individual, business or entity has raised its hand signaling interest in your cause and your organization.
 - c. **Donor**: An individual, business, or some other entity that has given a gift of time or money or service to your organization.
2. Nurture a **culture of philanthropy** in your organization. The right attitude matters as much as anything. Culture refers to the personality / attitude of your organization. A culture of philanthropy means that everyone accepts and celebrates the beauty of philanthropy and donors, no matter the type or size of gift.
3. Build a **donor-centered**² organization. Focus on the donor or prospective donor. "It's not what your organization is selling, it's what I'm buying that counts. I'm interested in my interests, my motivations and my aspirations. Match those and then I'll give to you. Otherwise, leave me alone!"
 - Don't universalize your own passion. Not everyone is interested in your cause, no matter how convincing you are. Don't try to convince them! That's offensive. Instead, find those who care.
4. Giving is an **emotional act**, not a financial transaction. Your organization is the means by which donors live out their own interests and aspirations.
 - a. Neuroscience and psychological research document that all human decisions are triggered emotions³. Then rationale steps in. "Emotion is multi-dimensional: it focuses on a person's core goals, directs attention and interest, arouses the body for action, and integrates social group and cultural factors. It is thus a central component of meaning making." (Carol Saunders, PhD)
 - b. Research from the direct mail industry says people give in response to one or more of 7 emotions: greed, guilt, anger, fear, flattery, exclusivity, and salvation. People move from one emotion – e.g., anger – to hope, by using your agency as the means to make change. Tom Ahern refers to this partnering of emotions as "twin sets." (Ask a woman what a twin set is, if you don't know.)

¹ Phrase coined by Robert L. Payton, former director of IUPUI Center on Philanthropy.

² See Donor Centric Pledge in *Keep Your Donors* and at www.simonejoyaux.com. Click on Resources / Free Library / Fund Development / Relationship Building.

³ See the research of Dr. Antoine Bechara and Dr. Antonio Damasio, described in Tom Ahern's books on donor communications. www.aherncomm.com. By the way, psychologist W. Gerrod Parrott identifies many more than 7 emotions. Read about emotions in *Keep Your Donors: The Guide to Better Communications and Stronger Relationships*, by Joyaux and Ahern.

5. Engage **volunteers**, including board members and others. Make sure your staff effectively enables volunteers to participate in this meaningful work of identifying, cultivating, and soliciting.
6. **Don't trespass** on personal and professional relationships. Instead, use connections to identify those who might be predisposed to your cause. If you cannot qualify them as prospects (and it's their choice!), then leave them alone. Nurture relationships between prospects and your organization, getting them ready to be asked and asked again.
7. Effective fund development is like **permission marketing**⁴; people opt in or opt out. "Permission marketing is the privilege (not the right) of delivering anticipated, personal and relevant messages to people who actually want to get them...treating people with respect is the best way to earn their attention. Permission doesn't have to be formal but it has to be obvious." (From Seth Godin's book and blog)
8. More **visibility** does not produce more contributions. Everyone focuses on his / her own interests. Your agency can be more and more visible – but if I'm not interested, I'm not paying attention. And I sure won't send money. Just ask Simone about the NCAA basketball championship and the World Cup! (Or read about these experiences in *Keep Your Donors*.)
 - a. It's okay if someone doesn't know who your agency is or what it does. Tell them, if they're interested. That's identifying the predisposed.
 - b. Do not solicit someone unless you know for sure that the person knows about your agency.
 - c. Where do you need to be visible? Among your current donors, because you want to build their loyalty. Absence does not make the heart grow fonder –it's out of sight and out of mind! Nurture these donor relationships.
9. **You must give first.** (*You*: each board member, CEO, development officers, and fundraising volunteers.) Why? You cannot represent an agency/cause without demonstrating your own financial investment.
10. **Why do most people give?** Because they are asked. It's really that simple. But only ask those who are interested. Ask the right prospect for the right amount at the right time for the right project in the right way with the right solicitor.
11. Build an **individual giving program**. Each year, individuals give the largest portion of philanthropic gifts in North America. What about elsewhere? And individuals are the most loyal, too.
12. Fund development is a **process and a profession**: founded on ethical principles and standards⁵; based on well-researched body of knowledge⁶; protects the public through voluntary certification of professionals. Personal opinion – without the body of knowledge – doesn't and shouldn't count for much.
13. Most **fund development problems** are actually not fund development problems. Most problems relate to other areas of operation. Fix the real problem. (See www.simonejoyaux.com and click on Resources / Free Library / Fund development / *Choosing your road*.)
14. A **balanced funding mix** of solicitation strategies and donor sources ensures stability and credibility. Whenever possible, the best way to solicit a gift is through face-to-face solicitation.

⁴ Term introduced by Seth Godin in his 1999 book *Permission Marketing*. Godin contrasts permission marketing to interruption marketing, the traditional advertising / marketing approach. You know, the billboards and glitzy ads - and sending me a newsletter that I didn't ask for.

So you identify the predisposed – those you suspect might have interests similar to your cause / organization – and introduce yourself (personally is usually best, e.g., through a cultivation gathering or one-on-one). Then, if the person (or corporation or foundation) expresses interest, that gives you permission.

Godin observes: "Rather than simply interrupting a television show with a commercial or barging into the consumer's life with an unaccounted phone call or letter [or in fundraising, the newsletter or a solicitation], tomorrow's marketer [and top notch fundraiser] will first try to gain the consumer's consent to participate in the selling process." [Bracketed comments are mine, not implied by Godin.]

⁵ See *Donor Bill of Rights* and the *AFP Code of Ethical Principles and Standards of Professional Practice* at www.afpnet.org. Or visit www.simonejoyaux.com, click on Resources, then visit the Education / Certification link.

⁶ Visit CFRE International (www.cfre.org), the baseline certification for fundraisers worldwide. Click on the Test Content Outline, which describes the required knowledge for a fundraiser with 5 years of experience.

The Donor-Centric Pledge

We, [fill in the name of your nonprofit organization here], believe that...

1. Donors are essential to the success of our mission.
2. Gifts are not "cash transactions." Donors are not merely a bunch of interchangeable, easily replaceable credit cards, checkbooks and wallets.
3. No one "owes" us a gift just because our mission is worthy.
4. Any person who chooses to become our donor has enormous potential to assist the mission.
5. Having a program for developing a relationship with that donor is how organizations tap that enormous potential.
6. We waste that potential when donors are not promptly thanked.
7. "Lifetime" value of a donor" is the best (though often overlooked) way to evaluate "return on investment" in fundraising.
8. Donors are more important than donations. Those who currently make small gifts are just as interesting to us as those who currently make large gifts.
9. Acquiring first-time donors is easy but keeping those donors is hard.
10. Many first-time gifts are no more than "impulse purchases" or "first dates."
11. We'll have to work harder for the second gift than we did for the first.
12. A prerequisite for above-average donor retention is a well-planned donor-centric communications program that begins with a welcome.
13. Donors want to have faith in us, and that it's our fault if they don't.
14. Donors want to make a difference in the world -- and that our mission is one of many means to that end.
15. Donors are investors. They invest in doing good. They expect their investment to prosper, or they'll invest somewhere else.
16. We earn the donor's trust by reporting on our accomplishments and efficiency.
17. Individual donors respond to our appeals for personal reasons we can only guess at.
18. Asking a donor why she or he gave a first gift to us will likely lead to an amazingly revealing conversation.
19. Fundraising serves the donors' emotional needs as much as it serves the organization's financial needs.
20. We are in the "feel good" business. Donors feel good when they help make the world a better place.
21. A prime goal of fundraising communications is to satisfy basic human needs such as the donor's need to feel important and worthwhile.
22. The donor's perspective defines what is a "major" gift.⁷
23. Every first gift can open a door to an entirely new world for the donor, through participation in our cause.

© Ahern and Joyaux. From *Keep Your Donors: The Guide to Better Communications and Stronger Relationships*, by Tom Ahern and Simone Joyaux (John Wiley & Company Publishers, November 2007)

⁷ A repeat donor of \$25 annual gifts who suddenly increases her gift ten-fold to \$250, for instance, is making a major commitment that deserves special acknowledgement.

Conversation nurtures relationships

And conversation can be an extraordinary experience for donors

“For enthusiasts conversation is an art, one of the great pleasures of life, even the basis of civilized society.” [“Chattering Classes,” *The Economist*]

Questions to ask donors – and prospects

1. Why did you first give to our organization? (Richard Radcliffe, U.K. legacy consultant says this is the most important question to ask.)
2. What interests you most about organization? Why? What is less interesting to you?
3. Why do you give to our organization? What does our mission mean to you? How would you describe our mission?
4. What are the most critical results you expect our organization to produce?
5. What do you tell others about us? How do you describe this organization to others?
6. Why does this cause matter to you? Why now in particular?
7. What do you believe would most transform [this particular situation]?
8. Which other organizations effectively address this cause?
9. How does our organization compare to other organizations working in this cause?

Find out their values and beliefs. Get in touch with their feelings.

10. If you could change the world, what would you do?
11. What actions do you think would best cause the change you envision?
12. What changes do you believe would make the world a better place?
13. What would you like to pass on to future generations?
14. How do you feel when you make a gift?
15. What makes you angry and sad?
16. What makes you hopeful and happy?

P.S. Of course, you have to determine which questions are appropriate to whom. You must be sensitive to their boundaries as well as your own.

For more questions, see www.simonejoyaux.com. Click on Resources. Visit the Fund Development section of the Free Download Library.

For even more questions, see *Keep Your Donors: The Guide to Better Communications and Stronger Relationships* by Joyaux and Tom Ahern. This book includes an entire chapter on conversation and questions – and a chapter on how to measure your relationship building.