

The Path Forward

For New & Growing Non-Profit Organizations



January 2008

Reflection

Last year I worked with two types of nonprofit boards: those whose members have a lot of money and those whose members have no money. Both groups display equal passion for the cause they represent. The organizations governed by both groups have large visions and purposes which have clear intrinsic value. Both groups approached me to help them get grants for the first time and neither group understood the protocol associated with the grant-seeking process. I gave the same presentation to both groups. I explained the four stages in the grant-seeking process: planning, prospecting, preparing the proposal, and patiently awaiting the funder's decision. When I showed each group the preliminary results of a 30 minute search of the foundation data base to which I subscribe, I discovered a key difference in the way the boards made up of affluent individuals think. The board members with personal wealth passed over the column on the chart that listed a funder's average range of the amounts they award as grants. This is the column that the less affluent board members focus on. Instead, the wealthy board members all concentrated on the names of the people on the funder's board of trustees. They were looking for people they already know. They did not need me to coach them to brainstorm second and third level relational connections to the funder's decision makers. On the other hand, the board members who do not have personal wealth are almost always hesitant at the thought that they should cultivate relationships with individuals on the funder's board. They made plans to take the people they knew out for a meal or to call them up. They divided the list based on who had the strongest connections with various key funders. Guess which group has an easier time being awarded a grant? Not only did relationship result in invitations to submit grants, the funder's representatives suggested specific amounts, gave advice about how to frame the request, and even offered to review the proposal before it was submitted all because of a relationship with one of the board members. This is a compelling reason for every organization to recruit board members who are well connected with the people of means in the community. It also demonstrates the value of specifically cultivating relationships with prospective funders.

A New Year's Resolution for Nonprofit Organizations: Become More Donor-Centered

According to John Marshall of the Kresge Foundation, "foundations provide 5 percent of all the funding contributed to nonprofits every year, while individuals contribute on the order of 80 percent to 85 percent." (*Philanthropy in the 21st Century*, Foundation Center) Do you consider your donors to be partner-investors? Do you think of them as being as committed and as passionate as you are about the things they choose to invest in? Do you respect their right to determine their giving priorities? Can you demonstrate that your organization is bringing the kinds of interventions that will cause self-sustainable change that is both positive and measurable for the people you serve? Whether the donor is a foundation with the potential to fund large portions of your program or if the donor is an individual on a fixed income who gives the occasional \$20, unless you value them and respect them as co-laborers with you, you risk losing them. Instead of attempting to leverage a gift by magnifying the problem using emotionally weighted images and language, a strategy that is more likely to result in ongoing donor participation is to clearly define your solution and explain why it works and then actively engage each donor in a conversation.

Here are some tips for making your organization more donor-aware this year.

- Craft your literature (newsletters, brochures, emails, etc.) so that it uses many more variations of second person pronouns like you, your, and yours than first person pronouns, I, my, our, we, and us... Write: "your gift of \$____ will change the future for one child-headed household in Rwanda by providing enough rice for a month" instead of "our program feeds child-headed households in Rwanda."
- Provide up-front proof, for every gift you solicit, that it will accomplish its intended purpose.
- Demonstrate that your organization has ongoing "impact, efficiency, and effectiveness" (Donor Power Blog, 12/28/07)
- Commit to mailing a personal gift acknowledgement and receipt within 24 business hours of receiving each donation.
- Convince each board member to give a lead gift to your annual fund or capital campaign and to work to help bring the project to the attention of others as a demonstration of their support
- Activate and expand your donor base during 2008 by making personal contact with each one by telephone or face to face.
- Recognize each donor, volunteer, and key participant by name and with a tangible memento like a plaque or certificate.

Ways to Build Organizational Capacity in 2008

The more accountable and sustainable your organization, the more likely you are to meet your fund-raising goals and also be successful at your program goals. Here are some ideas for how I can help you increase your organizational capacity

- Review and update your literature and web-content to make sure it is current and donor-centered.
- Schedule your next board training retreat, staff development day, or fund-raising event
- Plan to improve how you handle donor relations and stewardship.
- Send your key staff and board members to a Dale Carnegie leadership course. The Dale Carnegie St. Louis office serves nonprofit organizations with proven, effective training. Ask me for information.
- Arrange for a CPA to audit your organization. This is often a requirement for receiving a grant from a foundation. In St. Louis, I recommend Dave Zigo, CPA at www.zigocpa.com.
- Promote your organization with a professional video. Ask me to refer you to a Videography company that specializes in working with nonprofit organizations.

For group travel, missionary rates, or to book your own travel online, please call me or go to www.teamlesleystravel.com

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