

# Fundraising Strategies

## Developing and Executing a Plan

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### The Bonner Community Engagement Curriculum

#### Overview:

An organization's fundraising strategy is part of the organization's strategic plan: it is a plan within a plan. The strategic planning process of fundraising should include all, organization members as well as of other stakeholders such as the Board of Directors members or the supporters/target beneficiaries' representatives. This workshop will enhance participants' ability to effectively develop and execute their fundraising strategies.

#### Category:

Fundraising; capacity building; project planning; leadership skills; outreach; management; civic engagement

#### Level:

Students or staff in leadership or coordinating roles; Advanced level

#### Recommended

#### Bonner Sequence:

This training is recommended for Bonner students during their senior year, especially in conjunction with project coordination roles. It helps prepare students to effectively plan and run projects or other community projects requiring fundraising

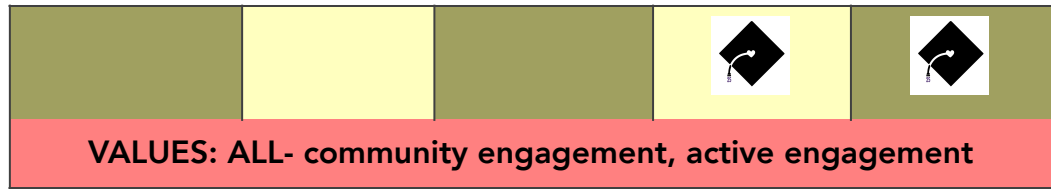
*Expectation*

*Explore*

*Experience*

*Example*

*Expertise*



### **Focus or Goals of this Guide:**

- Participants will have a common understanding of the concepts on which strategic planning and action planning processes rely.
- Participants will have improved knowledge and skills in using different tools that help them elaborate a strategic plan and a fundraising strategy.
- Participants will elaborate the planning process steps to be implemented in their organizations, after going home, in order to produce a strategic plan and a fundraising plan.

### **Materials:**

- Flipchart
- Flipchart paper
- Pens and markers
- Post-its

### **How to Prepare:**

Review the entire guide to get familiar with the material. After you have read through the guide, you may adjust the illustrated exercises to your audience. Print out the handouts.

### **Brief Outline:**

Following is a very loose outline. Adjust the time allotted to each part as you find most effective. The first activity is intended to achieve the 1st objective through questions and answers (Q&A), the main concepts on which strategic planning/action planning processes rely: the logic of the two processes. Participants will work based on the information available to them in this training guide to achieve the 2nd objective. Participants will apply the following tools—(1) future expectation: organization vision and mission, (2) strategies for organization development, and (3) fundraising strategy to achieve the 3rd objective.

This 75 minutes workshop has the following:

- |                                      |                           |
|--------------------------------------|---------------------------|
| 1) Future Expectation                | suggested time 20 minutes |
| 2) Analyze the existing Situation    | suggested time 30 minutes |
| 3) Nonprofits Development Strategies | suggested time 20 minutes |
| 4) Fundraising Strategies            | suggested time 20 minutes |

## Part 1) Future Expectation

**Suggested Time: 20 minutes**

**Purpose:** The aim of this exercise is to get participants to understand how to elaborate the mission and vision of their organization. Participants will work in teams to complete **Future Expectation** handout.

**Description:** Participants will form teams to identify the main reasons for starting a strategic planning process in their organization. Participants would be grouped into teams to complete the exercise then present their answers in plenary. By the end of this session participants should begin to get a sense of the amount of resources and time they would have to commit to the strategic planning process after the question and answer period.



**Facilitator's Note:** Begin the workshop by introducing yourself and the role you will be playing as the facilitator. You should handout the template for participant to complete in teams of at least three. When the work is finalized teams report in plenary and provide feedback to each other. Be mindful of the time each group has to provide feedback.

## **Handout: Future Expectation Exercise**

### **Organization's mission**

Complete this form together with your colleagues.

Your organization's mission statement describes clearly and attractively:

- ❖ Why your organization exists: the reason for which it has been established, the problems it wants to solve or the changes/solutions it wants to promote;
  
- ❖ For whom your organization works: who it serves, who are its target beneficiaries;
  
- ❖ How your organization is intended to work: the principles that are guiding its work;
  
- ❖ Where your organization wants to work and have an influence: the geographical area it is targeting.

### **Organization vision**

Imagine yourself two-three years from now working for your organization, which is successfully achieving its mission. Describe what you see about your organization: size, location, people, beneficiaries, activities, and outsiders' perceptions.

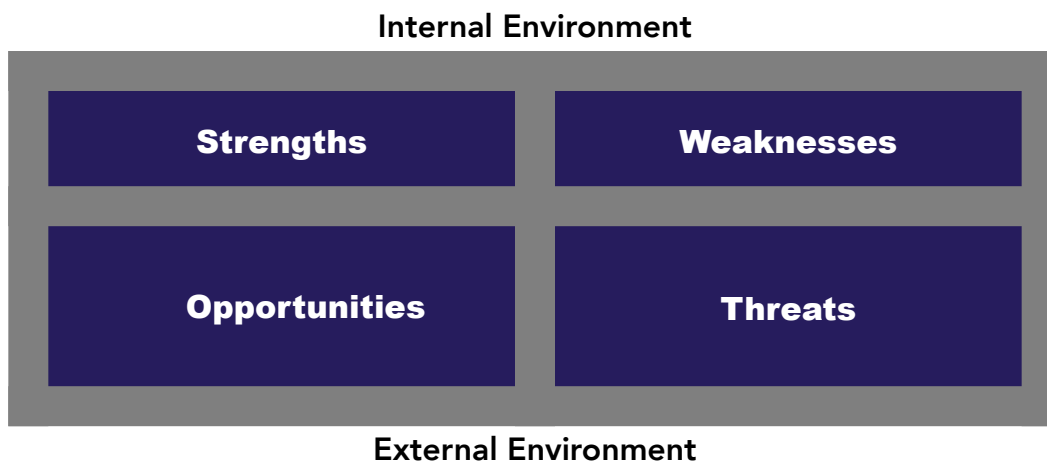
## Part 2) Analysis of existing Situation

Suggested Time: 30 minutes

### Strengths, Weakness, Opportunities, Threats (SWOT) analysis

**Purpose:** The SWOT analysis helps participants understand how to identify their nonprofit organization's strengths and weaknesses, as well as the opportunities and threats in the outside environment, which may support or hinder its mission/vision achievement. The analysis is done in order to develop future activities, programs, products or services that are building on strengths and opportunities and are overcoming/lowering weaknesses and threats.

**Facilitator's Note:** Participants should group up in the same group they were working in during the previous exercise to complete this exercise. Give the template to the groups so they can complete it. Be mindful and keep track of the time to give teams enough time to report as a unit and provide feedback to each other.



### Main sources of funding

Through this exercise participants will understand how to identify the types of funding sources their organization is relying on and think about strategies to ensure the organization's financial sustainability by (1) expanding the diversity of funding sources, (2) strengthening the loyalty of important founders, and (3) assuring independent revenues through self-financing activities.

### SWOT analysis

*Discuss with your colleagues and complete the table below.*

- List the sources of funding you were able to access in recent years (be specific);
- Identify if they are in the group of supporters or target beneficiaries and in what forms you received the funds from them (grants, fees, gifts, etc.).

Existing Funding Sources	Forms of receiving the funds	
	Supporters	Beneficiaries

**Services and Products Sustainability**

Through this exercise participants learn how to analyze their organization’s existing services/products in order to find out (1) what are those they should continue to deliver or develop, (2) what are those they should stop delivering, and (3) what other services/products they should deliver.

Introduce your programs/services/products in the box where you think they belong based on two criteria: how much your target beneficiaries need them and to what extent you are currently covering your costs of delivering/providing them. You do not need specific budget numbers to do this, rather rely on a rough estimation based on your past experience.

- Development costs are recovered: this means that the revenues generated by delivering/providing the program/service/product cover not only the direct, indirect and overhead costs but you are able to save money for your organization’s reserve fund for future developments;
- Full costs are recovered: this means that the revenues generated cover the direct, indirect and overhead costs without any possibility of making economies;
- Direct and indirect costs are recovered: this means that the revenues generated cover only the direct and indirect costs incurred by the respective program/service/product delivery and do not contribute to covering the overhead costs;
- Deficit: means that the revenues generated cover only the direct costs and you have to subsidize the other costs.

Your organization's level of costs recovery	Beneficiaries level of need for the respective service/product		
	Critical Need	Need	Little Need
Development cost are			
Full costs are recovered			
Direct and indirect costs are			
Deficit			

### Part 3) Nonprofit Development Strategies

**Suggested Time: 20 minutes**

**Purpose:** This session helps participants to understand nonprofit development strategies based on the previous steps results: future expectation and the analysis of the existing situation.

**Description:** The exercise provides participants the opportunity to develop a strategic plan using a template and data generated in the previous exercise. Participants should remain in the same group they were working in during the previous exercise to complete this session.

Use SWOT analysis results by answering the following questions:

- Are the programs, services or products through which your nonprofit organization achieves its mission built on its strengths? How can your organization use all the strengths and opportunities that are around it?

- Have you planned scenarios to face the foreseen threats if they become reality? Have you planned counteractive actions in order to address your organization's weaknesses (the real obstacles to assuring its sustainability)?

*Use funding sources analysis by answering the following questions:*

- How diverse is your funding base? Do not forget the wise saying to 'do not put all your eggs in a single basket'!
- Could you think about changing one source from supporter to beneficiary? For example, your founder paying you fees for some of the services you provide to them.
- Could you think of your existing target beneficiaries as becoming sources of funding? For example, paying you fees for your services.
- Can you expand your target beneficiaries to have new sources of funding, without forgetting about your mission and values/principles?

*Use your services/products sustainability analysis to decide what will be the main programs/ services/products you want to deliver in coming years. Think about:*

- What you want to keep doing;
- What you want to change in what you are doing and what you want to eliminate;
- What new programs/services/products you want to deliver.

Take into account both criteria (the level of need for your service/product and the level of cost recovery) when deciding: you may decide to keep a program/service/product delivery even if it creates deficit because you perceive there is a critical need for it and the deficit can be covered by other programs/services/products. Or you may consider keeping a program/ service/product or creating a new one as a long-term investment if you foresee it moving up on the level of costs recovery in the coming years even if it creates deficit now and next year.

Based on your answers plan roughly, in the following Gantt chart, the programs/ services/ products you want to deliver and the activities you will take to develop your



organization activities and improve its managerial and fundraising capacity in the next two years.

Programs/Services/Products	Year 1				Year 2			
	1-3	4-6	7-9	10-12	1-3	4-8	7-9	10-12

### Part 4) Fundraising Strategy

**Suggested Time: 20 minutes**

**Purpose:** This session helps participants understand the steps they have to follow based on their organization’s strategic plan in order to assure its implementation.

**Description:** The exercise provides participants the opportunity to complete forms using a template and data generated in the previous exercise to plan fundraising strategy. Participants should remain in the same group they were working in during the previous exercise to complete this session.



#### Form 1: What You Want and Knowing Your Prospect Costs and Sources of Funding

In order to complete this table you need to:

- Roughly evaluate the costs of two planned activities, programs, services or products (know what you want). Please take into account your organization’s overhead costs (organizational audit, marketing, legal services, director, utilities, etc.). Decide if you include them in the program/service/product costs or in a separate line.
- Identify the possible sources of funding and how much revenue you hope to assure from the respective funding source (knowing your prospect). The amount

of money you want to secure, as revenues from the different sources of funding, are part of your fundraising strategy objectives.

Activities, Programs, Services, Products	Cost			Possible Sources of Funding/Amount to							
				a		B		c		D	
	Y1	Y2	Total	Y1	Y2	Y1	Y2	Y1	Y2	Y1	Y2

**Form 2: Making the request and building relationship with your donors**

In order to complete this form you need to identify one important fundraising objective. One criterion would be to focus on raising funds for the most important activities, programs, services or products, from the most important sources of funding (the 20 per cent that provides you 80 per cent). Other criteria would be to think of diversifying your sources of funding and trying something new, like accessing new funding sources (corporations, individuals) or new funding forms (fees for selling services or products to your target beneficiaries). It is up to you how you choose your main funding objectives. Be aware that raising funds requires funds (it has a cost) and that this cost should be at maximum 25 per cent of the funds raised. If the cost is bigger you should consider if it is worth the effort. This may be 'yes' if you have a long-term vision and accept short-term losses for future gains. For each objective you have to develop an action plan to achieve it, deciding the actions timing, who is responsible and what resources are needed (money, time, information, other) in order to make the request and build the relationships. The table below will help you structure your action plan:

Fundraising objective: *(funding source(s) targeted)—if it is supporter or beneficiary; revenues you want to generate: Year 1, Year 2, total, for what activity (s), program(s), service(s), product(s).*

Fundraising Actions	Year 1				Year 2			Responsible	Resources
	1-3	4-6	7-9	10-12	1-3	4-6	10-12		

### Wrap-Up:

Remember planning is a decision-making process through which we analyze the present (where we are), design the desired future (where we want to be) and find the ways to get there. Strategic planning includes long-term or medium-term time frames and more general activities to solve complex problems and achieve less specific, less detailed visions or strategic objectives.

### Handouts:

#### ***Embedded within this guide***

*Many Thanks to the Technical Assistance for Civil Society Organization (TASCO) for this excellent resource... if you want detail developmental strategies about fundraising go to [www.tasco.org](http://www.tasco.org)*

#### *Further References and readings:*

*FPDL 'Training Design and Training Toolkit', elaborated/based on 'Designing Human Settlements Training in European Countries', Volume 2—Tool Kit, UN HABITAT by Fred Fisher and David Tees [www.fpdL.ro](http://www.fpdL.ro)*

*Jocelyne Daw, Cause Marketing for Nonprofits: Partner for Purpose, Passion and Profits, John Wiley & Sons, 2006*