

WORKING WITH  
CONSULTANTS

Resources for Funders  
and Nonprofits

UNDERSTANDING

# FUNDRAISING FUNDAMENTALS

Including the role of consultants

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# Engaging donors to advance impact

Fundraising success involves a combination of knowledge, skills, systems, and consistent practices. Fundraising campaigns that take a systematic approach and put fundamentals in place in an appropriate sequence have a better chance of success. Projects risk failure when they start with donor prospecting, fundraising software, or communications materials when the fundamentals are not set. Here is an introduction to fundraising fundamentals, featuring eight key activities.

## 1. Assess who is interested in supporting your organization and why

The first phase of a fundraising project may well involve skills and approaches that aren't strictly about fundraising. You may need to work first with an expert in organizational assessment, strategy, and/or market research, to develop a clear sense of your organization's value proposition and determine how different kinds of audiences respond to "pitches" based on those statements of value. One of the most common mistakes organizations make is relying on assumptions that "our future supporters will be a lot like our present supporters," and that there are a lot more people like them with a lot of money to give.

## 2. Get your team on board

Fundraising initiatives succeed when an organization has a compelling mission, quality programs grounded in real need, a coherent revenue model, good information systems, and commitment by board and staff to spend significant time stewarding donor relationships. Capable development professionals (consultants and staff) have an important role in building the factors that lead to success in fundraising efforts. However, an organization must deeply embed the most critical components of fundraising success into its culture. An organization wanting to ramp up its development work, or a funder considering support of such a project, needs to consider carefully whether appropriate leadership is in place. While staff leadership may be sufficient to enhance or deepen relationships with institutional donors (e.g., foundations, agencies) campaigns to raise operating or unrestricted revenue from individual donors generally require strong leadership – as well as hard work over time – from the board or a board-level volunteer committee. Beware of projects involving new responsibilities for the board unless the board itself champions them.

### FUNDRAISING SUCCESS FACTORS

Take stock of which of these factors are in place, or in reach, for your organization.

- Creating a strong development plan and strategies
- Assessing current systems and practices for cultivating, soliciting, and stewarding donors, and a plan for improvement
- Establishing a board development committee and/or campaign advisory board
- Training in donor cultivation for organizational ambassadors
- Building and maintaining strong information management systems
- Ongoing prospect research
- Experimenting with fundraising events that can serve as "focus groups" for learning related to the efficacy of various messaging approaches even though they rarely generate significant revenue in excess of expenses

### 3. Build relationships. And then build more relationships

Fundraising is relationship building. Every organization dreams of the viral video that brings in millions, or the huge anonymous bequest. This occasionally happens, but you wouldn't count on it any more than you would count on a winning lottery ticket to fund your retirement. When asked, most people agree that they care about the environment or education. They feel compelled to make a donation if asked at the right time and in the right way by the right person. A letter or email with a good story might be a good opening (a pickup line) and lead to a first date (a modest contribution). But that's only the beginning of the relationship. Donors want to feel that their initial contribution made a difference. However, if they make repeated gifts it's generally because peers they respect influence them. Thus, a good "pitch" is only one part of the equation. If you are not prepared to invest organizational leaders' time to cultivate relationships over the long term, it may be better not to start – with or without a consultant.

### 4. Cultivate good development habits

Most organizations can increase outreach and cultivation of donors simply by introducing new habits and practices into their own work. If an organization is already doing everything it can, success with ambitious new goals is more predictable.

#### HEALTHY HABITS FOR FUNDRAISING

Use this checklist to assess the extent to which your organization is covering the basics.

- All staff, board, and volunteers with public contact receive training to open conversations about membership/giving, and have access to appropriate materials. Staff share and act upon information about contact with potential donors. The organization recognizes and rewards this practice.
- Board members regularly make thank you calls or host events for current donors, quietly cultivating and assessing potential for future gifts.
- Member communications regularly reference progress toward a specific financial goal and information about how to help.
- Staff and volunteers conduct regular review of giving records, consistently thank regular givers, and follow up with anyone who misses an expected renewal.
- Staff conduct simple web-based research on all new donors above a certain threshold (\$100 is common) to identify giving capacity.
- Business cards, email signatures, and publications have a brief, compelling impact statement and a web address to visit to learn more/make a donation.

## 5. Recognize that consultants don't bring in big money on their own

Consultants enable executive and program staff, board, and volunteers to cultivate, solicit, and steward donors. But most major donors don't want relationships with fundraisers. They want to interact with organizational leaders and with peers (board members and other major donors), revolving around the real work of the organization and social connections.

### THE VALUE PROFESSIONALS ADD

Development professionals – whether consultants or staff members – make these things happen:

- ✓ Develop a fundraising goal and strategy, including identifying priority donor segments and approaches for soliciting each segment
- ✓ Assess the feasibility of the goal, including the readiness of potential donors in each segment to contribute and the state of internal systems and structures (database and software, staffing levels, leadership time and commitment, etc.) to support success
- ✓ Coach and train staff and board members to effectively play needed fundraising goals
- ✓ Set up, and sometimes run, the machinery (events, mailings, etc.) that makes the first connection with potential donors, and that tracks information about giving potential
- ✓ Facilitate connections with people in the organization best suited to build each relationship and make the ask (see also point 6 below)
- ✓ Follow up with staff, board, and volunteers assigned to each relationship to make sure that they complete the actions necessary to steward the relationship
- ✓ Support all of the above by making sure the organization has effective messages, publications, materials, information, and logistical support for meetings, events, etc.

## 6. Remember that your executive director/CEO will always be fundraiser-in-chief

In fact, ramping up a development operation can transform the job of the executive director/CEO, creating new demands for her or his time to engage with donors or prospective donors. Ask the executive director of any organization that successfully raises significant funds from major donors how much of their time is spent on fundraising and donor relations – the answer will be at least 50 percent and often upwards of 75 percent. Better yet, ask which organizations you would like to emulate in terms of fundraising success, and interview their leaders about the commitment from staff and board members. This level of commitment to fundraising can be transformative for an organization, vastly increasing its ability to achieve its mission. But the leadership of the organization needs to understand and embrace this change in their own role (or step into a different role while others take over the leadership of the organization).

## 7. Expect major donors to want a voice in shaping strategic direction

An organization's clarity of vision must be sufficient to provide a compass. An organization must also possess the discipline to pursue potential supporters only if their vision aligns with the organization's. Policies should be in place (corporate giving policy, major gifts policy, etc.) to clarify the organization's philosophy and define appropriate roles for donors before accepting a gift. A skilled consultant should be able to help create the necessary policy documents. They should also be able to assess whether you are ready to welcome new types of donors with confidence after setting appropriate expectations and explaining procedures for engagement.

## 8. Manage risks

Building capacity to identify, cultivate, solicit, and steward a diverse base of donors is important work. Organizations that make genuine, well-founded commitments do succeed. But success takes time. Beware of quick fixes and solutions that seem too good to be true. Be prepared to invest time and resources to develop a strategy based on real data and commitment across the organization. Pause and regroup along the way to build and embed the necessary elements of organizational skills, practices, and culture.

**Recognize that growth and change involve risk.** This is not a reason to avoid growth and change. It is an opportunity to plan ahead, be prepared to deal with things that may come up, and regularly re-commit to the organization's success and sustainability. Here are some things to consider:

- **Financial risk.** You might not meet financial goals in the time allotted. You can manage or mitigate this through better understanding of current prospects, allowing more time to put fundamentals in place, building the program incrementally, setting realistic as well as stretch goals, and having a contingency plan.
- **Reputational risk.** If the campaign fails to meet its goals or some other factor (changes in the external context, staff turnover, etc.) prevents the organization from carrying out the work as expected, donors who initially stepped up will be frustrated. You can manage this by starting a development initiative with a "quiet phase" led by board members and current major donors – people who are likely to remain understanding and loyal in the face of unforeseen change. Make sure this part of the campaign is running flawlessly before going public.
- **Program risk.** Time devoted to donor relationships may come at the expense of program responsibilities. Mitigate by adjusting staff time priorities to allow sufficient time for donor relationships before launching the campaign. This may involve adjustments in program goals that will require careful communication.
- **Mission risk.** If the interests of major donors do not align with current organizational priorities, unproductive conflicts or "mission creep" may confront you. This takes an organization and its most precious resource – the time of its staff and leaders – away from the most critical organizational priorities to follow a donor's lead. Communicating clear policies about the role of donors before accepting a major gift can minimize this danger.

**Develop SMART objectives.** SMART (specific, measurable, actionable, resource-based, and time-bound) objectives cover not only funds raised, but also the whole range of organizational commitment to fundraising (e.g., board development, staff engagement, "moves" management, monitoring cost per dollar raised, learning, donor engagement, and stewardship). Include monitoring and learning from the consulting project as part of the project work, or as a parallel effort.

**Take a stepwise approach.** Put the fundamentals in place before you commit to development initiatives or an investment in development consultants or additional staff. In other words, build capacity across and throughout the organization and prevent "silo-ing" of the fundraising responsibility.

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Ruth Norris has three decades of experience in the field of nonprofit effectiveness. She has consulted with organizations throughout the world to develop systems, strategies, and skills for effective management, external communications, and financial sustainability. Her background is in conservation and sustainable development, and she has designed, worked with, and managed capacity-building programs at the Nature Conservancy, the David and Lucile Packard Foundation, Mexican Fund for Nature Conservation, the World Bank/Global Environment Facility, Management Systems International, Resources Legacy Fund, and the S. D. Bechtel, Jr. Foundation. She was a founder and board chair of the Institute for Conservation Leadership.

Her publications on nonprofit management include TNC's *Resources for Success/Recursos para Lograr el Exito* and Pact Publications' *IPG Handbook on Environmental Funds*.

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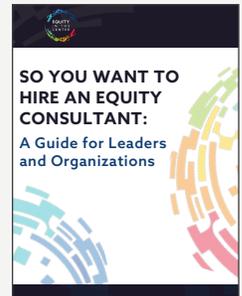
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Consultants support the effectiveness of nonprofit agencies and grantmakers in many ways and on many levels. Based on lessons we've learned as well as the experiences of grantees we support, the S. D. Bechtel, Jr. Foundation offers resources for working with consultants. This series features a guide for helping organizations take steps to find, hire, and partner with a consultant. It includes Foundation-generated essays on working with consultants who specialize in strategic planning, communications, evaluation, and fundraising, as well as a resource developed by Equity in the Center on partnering with equity consultants.

Access the full series online at [sdbjrfoundation.org/effectiveness/consultants](http://sdbjrfoundation.org/effectiveness/consultants) or [issuelab.org](http://issuelab.org)



*Start by reading this tutorial featuring nine steps to partnering with a consultant. It's accompanied by a set of frequently asked questions.*



*View these materials when engaging consultants to support specialized topics.*



*If needed, use this guide to develop a Request for Qualifications (RFQ), a more equitable alternative to a Request for Proposals (RFP). In many cases, however, you may benefit from a relational approach – and altogether avoid issuing RFQs or RFPs.*