



265 Lisburn Enterprise Centre, Ballinderry Road, Lisburn, N. Ireland BT28 2BP  
+44 (0) 28 9267 4737 [trainingpeople@gillassociates.com](mailto:trainingpeople@gillassociates.com) [www.trainingpeopleni.com](http://www.trainingpeopleni.com)

## **Fundraising in Hard Times: 10 Practical Strategies**

*Notes from a seminar presented by Alice Garrad and Trevor Gill of Training People.*

### **Introductions**

As fundraisers ourselves, we know you are under pressure. Fundraising has never been tougher and it is important that we are all doing what we do as effectively as we possibly can. This session is about giving you some practical, experience based strategies to help you beat the recession and emerge stronger, fitter and ready for action. These suggestions are not theoretical but tried, tested and put through the mill of 40 years of combined experience, including the last recession!

### **1. Have a plan!**

If you don't have a written fundraising strategy it's time to develop one. If ever there was a time for organisations (large and small) to develop a well researched, carefully considered fundraising strategy then this is it. As Alan Lakein said, 'Failing to plan is planning to fail'.

However, many organisations do not have a written strategy and their fundraising proceeds on an ad hoc basis or on the basis of repeating tasks, events and programmes which have worked (or sometimes not worked!) in the past. Any fundraising strategy should cover issues such as:

- Ensuring your organisation has a strong 'case for support'
- An analysis of your internal fundraising strengths and weaknesses
- An assessment of external opportunities and threats
- An assessment of past fundraising performance
- An analysis of what is working for other organisations e.g. organisations similar to yours

It's only on this basis that you can avoid, sometimes expensive, errors and decide what fundraising programmes, 'products' and events will work for you and what resources you will need to implement your plan. Don't plan on your own – the best ideas, the best insights are often those generated by small groups – so involve your staff, volunteers, supporters and donors if you can. There's also a danger of assuming the worst and cancelling or cutting back on activities – the economic downturn is not uniform across all activities and sectors, any activity should be carried out on the basis of thorough research.

Of course, there's a danger with any form of planning. It shouldn't become planning for planning's sake nor should you descend into a 'paralysis of analysis'. (*'Don't succumb to paralysis by over-analysis: if it looks like a duck, quacks like a duck, it's a duck... I'm not going to take a duck's feathers and send them away for DNA analysis, only to find out 10 weeks later that it was a duck... by then it's bloody well flown away anyway'*, Sir Stuart Rose, Executive Chairman, Marks & Spencer).

A good, 'living' plan can act as a roadmap – something you refer to, a route to keep you on the right road. Any planning process should be flexible and we need to learn whatever lessons we can from our past fundraising in order to inform the future. We also need to be open and receptive to new ideas. As a military general once said, 'A plan is a good basis on which to change your mind'. This necessitates putting in place systems to record and analyse your performance, an area where organisations are often found wanting – we need to learn lessons from the past, and if we don't keep good records.... This can be as complicated as establishing a fundraising database to analyse individual giving and as simple as ensuring that all involved in a fundraising event engage in a debrief which results in a few paragraphs detailing how it was organised, what went well, what went badly, what should be repeated and what should be avoided.

## **2. Look to your friends**

If we were asked to identify the single most important ingredient of successful fundraising, it would be relationships. At difficult times, our friends are more important than ever. We need to look after them and they will look after us. Now is not the time to go out and look for new friends but to value and build the friendships you already have. **IN A CRISIS GO TO YOUR FRIENDS.** Good relationships are fundamental to everybody's well being and charities are no different. A committed group of supporters, whether individuals or corporate sources, trusts or even statutory sources give you:

- Stability and a bedrock on which to plan
- Better use of resources
- Openings to other contacts
- Opportunities to float new ideas and concepts
- Opportunities to deepen and develop support into other areas

In our experience charities tend to place far greater emphasis on recruiting new supporters than they do on looking after existing supporters. A recession is the perfect time to reverse that trend and place genuine effort on looking after the people who already support you. Communicate with your supporters and show them that you care! This is not just easier and less soul destroying than aggressive recruitment, it makes sound business sense. There is increasing evidence that the recession has hit recruitment rates hard but committed donors are staying with charities as long as they are properly looked after.

- Tell them how much you value their commitment in these difficult times and explain how much easier it is for you to plan ahead knowing they will support you through thick and thin
- Explain to them simply and with impact what a difference their support has made and can make in the future
- Keep them informed about new developments and achievements without always asking for money
- Ask them to open doors to others
- Avoid 'pigeon-holing' them as a payroll giver or a community fundraiser, see them as a supporter in a general sense who could engage with you in any number of ways.

And don't forget your volunteers! A committed group of volunteers is a valuable resource. Look after them, understand them, think about what motivates them, thank them, bring them

together and tell them how important they are to you. Are you really looking after your volunteers? And remember lots of people have lost their jobs during the recession and there is evidence of a surge in demand for volunteering opportunities. These are not your traditional volunteers but younger, more skilled people looking for a project or an opportunity not a life sentence as a committee member! Ask yourself whether you are using volunteers as much as you could? Are there opportunities you could offer?

### **3. Remember ‘people give to people’ - practice empathy**

*‘The global financial crisis threatens to undermine all our achievements and all our progress: our progress in eradicating poverty and disease; our efforts to fight climate change and promote development... It could be the final blow that many of the world’s poor simply cannot survive’.* UN Secretary Ban Ki-moon.

Research in the UK and Ireland shows that levels of charitable giving in 2008 / 09 have dropped across virtually all sectors when compared with past years with income from corporate sources particularly hard hit and yet more statutory cuts predicted and we would not wish to downplay or contradict this.

However, the overall picture regarding charitable giving by individuals is by no means uniform. There is some evidence to suggest that, far from deserting their chosen charities or cutting their giving, donors are sticking with favoured charities and some are actually increasing their giving. For example, we could give you several incidences of recent postal appeals to ‘warm donors’ which have out-performed all previous appeals. There is also evidence to suggest that committed giving is increasing - this is a good time to encourage supporters who give regular one off gifts to convert this to standing order or direct debit.

It’s always been the case that, ‘People give to people’ and some important points follow from this:

- Cherish and empower your leaders – committed, passionate leadership is one of the most important keys to fundraising success and survival. Which leaders do you admire in the sector? What makes them so engaging? What can you learn from them? Does your organisation have a professional development policy with an associated budget?
- Remind your donors that it’s the people that we as organisations represent and serve who generally suffer most in times of recession i.e. the poor, powerless and dispossessed. The same is true of causes such as the environment and animal welfare – there’s a danger that these can be demoted to the ‘bottom of the pile’ in times of recession. Think about reflecting this in your fundraising literature and appeals materials.
- If you can, tell specific ‘stories’ and bring your cause to life by using people based case studies and examples of how you are making an impact.
- Remember that other organisations, including small businesses, are suffering as well. Are there ways in which you can offer mutual benefit? Consider ‘asks’ which not only emphasise what they can do for us, but also what we can do for them.

### **4. Evaluate, analyse, build, discard**

A recession certainly focuses the mind! It is the perfect time to evaluate and analyse your fundraising programme. Once you have done this you can decide what you will keep and build and what you will discard.

Without evaluation and analysis, you are working in the dark and making decisions based not on evidence but on guess work. You are in danger of deploying your increasingly scarce resources on fundraising activities which are not a good return on investment.

Fundraisers are more often opportunistic entrepreneurs than planners and fundraising departments are characterised by an endless pursuit of the next new challenge. By nature we tend to rush headlong into the next opportunity without pausing to consider whether the one we just finished really worked. This results in a situation where there's no time to plan and a danger that you won't learn from experience.

Belt tightening inevitably means that you look more carefully at what you do and how you spend your money. When times are hard, there is a natural tendency to be more careful and considered, to adopt rigour and analysis. This is an approach to carry with you even after the recession has lifted.

So, evaluate, analyse, build or discard. After each and every activity or event, formally and rigorously evaluate. Involve everyone in the meeting and insist on honesty. This is about really learning from experience not basking in glory!

Ask yourselves the following questions:

- How much did it cost?
- How much did it raise?
- How much time did it take? Be honest!
- What went well and why?
- What didn't go well and why?
- What would we do differently next time?
- Will we repeat, develop or discard?
- Who will do what and by when?

## **5. Prospecting for gold - data mining, systematic mapping, major gifts for small organisations**

Cold approaches don't work – If you want real money, get leverage. There is no better time than this to make sure that you are making the most of any leverage you can find to open doors and warm up cold approaches.

- A Trust application which has been 'warmed up' in advance by a friendly trustee is more likely to succeed than a cold application
- An approach to a company is more likely to succeed if the door is opened by a peer or an insider
- A donor is more likely to give if someone they know asks them
- Someone is more likely to participate in an event or buy a ticket if someone they know asks them
- People give to people not to causes

How many of you can say that you have fully explored and used the networks and links available to you? Undertake a systematic mapping exercise of all your contacts. This is not

about sending an email – you will be lucky to get an answer. Take the time to sit down face to face with trustees, staff, suppliers and talk to them. Explain why you need their help and why it works if people open doors. But first of all find out who they are so that you can prompt them and help them remember – for example, find out what school they went to, where they studied, what boards they sit on, where they live? Prompt them and they will respond. Develop a ‘matrix of contacts’ and decide which of your contacts has the best links. Of course, all of this needs done with sensitivity – you will get nowhere if people think that you will use the information in an insensitive or ham fisted manner.

Bizarrely, the recession is also a good time to think about Major Gifts. There are still people of wealth out there who, every day, are making major personal gifts or gifts connected to their business activities. Securing large amounts from relatively few wealthy people is often known as ‘major gift fundraising’ or ‘big gift fundraising’. Small charities tell us all the time that they are ‘too small for major gift fundraising’. In our view and experience, major giving is not complicated and should not be regarded as the preserve of big, sophisticated organisations. It is about 3 things:

- Being clear about why you need the money and expressing that clearly and emotively
- Identifying people to ask and identifying people to lead
- Asking for money (a key fundraising skill!).

Your mapping exercise will flush out people who could, if cultivated and asked, make a gift. But have you looked carefully at your own database of supporters and exploited their full potential? Mine your database for:

- People who have given a relatively high level one-off gift over the last 2-3 years
- People who give regularly at a reasonably high level
- People who, if cultivated and asked, could be persuaded to give a larger gift

As a rule of thumb, an individual who is giving you more than £50 per month, probably has the disposable income to give at a higher level. Remember - ‘You don’t convert a stranger into a major donor’, Scott Nicholls

## **6. Remember the 80 / 20 rule**

Vilfredo Pareto (1848 – 1923), was an Italian industrialist and economist who introduced the concept of the ‘Pareto Principle’ or ‘80 / 20 rule’ built on observations of his such as that 80% of the land in Italy was owned by 20% of the population. It is a common rule of thumb in business and can be applied in lots of ways; e.g.

- 20% of marketing activity brings in 20% of contacts
- 80% of sales come from 20% of clients
- You might wear 20% of what’s in your wardrobe 80% of the time
- 80% of interruptions at work come from the same 20% of people!

The key issue to grasp as fundraisers is that 80% of our income can often come from 20% of our funders or supporters. The general rule is that roughly 80% of the effects come from 20% of the causes (it’s not always 80 / 20 of course but the general rule applies). A number of issues follow from this:

- You should always do ‘the big stuff’ first, especially if you are a small, less well resourced organisation. We’ve lost count of the number of times we’ve gone to do a piece of fundraising consultancy to find that an organisation has, for example, been planning an event that will net them £500 / €500 tops and yet they haven’t applied to the local council’s ‘community chest’ (or a similar appropriate fund) where £2,000 / €2,000 is virtually sitting waiting for them!
- Do you know who your key funders, donors and supporters are? How do you know? Are you doing everything you can to retain and deepen their support e.g. making sure they are appropriately thanked and finding ways of involving them in your organisation?
- Have you applied to all relevant funders e.g. statutory sources, European sources, trusts and foundations, local funders, special funding initiatives? Grant applications represent one of the quickest, best value for money fundraising activities – are you covering all possible bases re this?
- Are there fundraising programmes that have great potential for you that you’re not implementing at the moment? An example of this can be legacy campaigns – any organisation that receives money from the public should probably have a means whereby anyone can leave them a gift in their will, yet many don’t. Legacies are one of the most vital sources of income to the not for profit sector globally.
- Have you carried out any form of risk analysis on your organisation’s income? What would happen if your top 3 donors or funders withdrew their support? How can you avoid this happening?

## **7. Negotiate harder, renegotiate and ask for added value.**

In our experience fundraisers sometimes forget that there are two sides to an organisation’s balance sheet – income (i.e. what you raise) and expenditure (i.e. what your organisation spends). Our aim need to be to increase the former and decrease the latter whilst ensuring that we are not jeopardising the quality of our services or disregarding the needs of our people e.g. staff and volunteers. There are a few key issues to bear in mind:

- Are there cuts that could be made in your expenditure that would really not be noticed or could be made up for in other ways? For example, one small organisation we know cut a significant amount from their budget through buying a good quality colour printer and printing their own stationery rather than paying for printed items.
- Everyone is aware of the need to provide good value for money and to ‘go the extra mile’ in the current economic environment. Now is a good time to negotiate better deals with your suppliers and to renegotiate deals that may have been in operation for some years. They really won’t be surprised at your wanting to talk about this!
- Could your suppliers provide ‘added value?’. For example, through sponsoring a fundraising event, selling event tickets or providing ballot items?
- Are there items you are buying which you could get donated? This could range from the secondment of staff through to the donation of small items of equipment. There are dangers with this e.g. you can’t really complain if a donated item is substandard and some donations ‘in kind’ can be more trouble than they are worth.
- Cost cutting can be counter-productive. For example (and we would say this of course!), at a time of recession there’s a good argument for increasing the amount being spent on training, marketing and consultancy

## **8. Value and promote partnerships.**

A recession is a time when funders of all kinds are seeking to squeeze as much value as they can from the gifts they make or the deals they do. Unspoken concerns are rising to the surface like:

- Why are there so many charities?
- What is the difference between them?
- How do we choose?

Evidence of collaboration or genuine partnership may strengthen your ask. (Imagine you're a grant giver and you get an application from Anytown Children's Home. The next application you read is one from Anytown Community Partnership consisting of 5 organisations working together for children in the area. Which one has the potential head start?).

Consider the possibility of forging partnerships between charities, whether fundraising or service led. Are there organisations with a similar ethos and complementary work that you could approach to develop a joint project? Are there organisations in quite different sectors that could come together and, in doing so, catch people's attention? For example, could an overseas charity partner with a local charity or a children's charity partner with a charity concerned with older people? A few things to consider when exploring or creating partnerships:

- Is the potential partner in tune with your mission and vision?
- Is the joint message too complex?
- What is each one bringing to the party (staff, expertise, time, contacts, investment)?
- How will the logistics be handled? (Communications, clear roles, responsibilities and time-scales). Consider drafting a written partnership agreement.
- What is your potential share of the fundraising cake? What investment is required?
- Who 'owns' supporters after the campaign ends?

## **9. Be realistic in the ask (but don't always revise downwards!)**

It stands to reason that, in hard times, everyone is looking to provide more for less. This can be true for grant givers and we could give you several examples where organisations have decided to revise their project budgets downwards and to ask for less than they were previously asking for – in many cases this has proved a successful strategy. However, there are obvious dangers and pitfalls, for example:

- Some costs simply can't be reduced without affecting quality of service.
- Some funders are still able to provide support at past levels and it would be a shame to ask for less than we might have received! For example, a recent survey of UK trust funds 'bucked the trend' and revealed that many larger trusts had not done as badly with their investment as feared and were planning to give more in the coming years, not less. It's increasingly important for us to do as much research as we possibly can on funders (e.g. get their annual report, read their guidelines, talk to organisations they've supported in the past) – this kind of in depth research can often produce excellent results.

- We may even want to take a decision to approach a particularly supportive funder with an increased ask in order to cover funds that have been reduced elsewhere – again this needs thorough research.
- Face to face and telephone contact with our key funders is an absolute must – if we can get to meet or talk to them then we really should. As with virtually all fundraising, one to one contact will significantly increase your chances of success.

## **10. Consider getting some professional help**

A recession may be a good time to buy in high quality outside advice. An objective eye can help unlock a problem, suggest a constructive way forward, assess potential, move an intractable issue forward. For example, good consultants can also be used to pilot a new approach or undertake a specific time limited project e.g. scoping a new potential market or testing a fundraising idea with potential supporters. Using a consultant gives you access to a level of experience and expertise that you could not afford on a salaried basis. Whilst they may seem expensive, consultants can work out much cheaper than taking on a staff member and they don't have the disadvantages of unexpected sick leave or disciplinary issues.

However, you need to be careful who you hire:

- Prepare a clear brief
- Seek references
- Probe about areas of real expertise
- Beware of consultants who say they can do everything

## **Conclusions**

Unfortunately, there's no quick fix, no 'silver bullet' to deal with the effects of the recession. However, a recession is an excellent time to get 'back to basics' and to ask some hard questions about what your core aims are. Virtually everything we've mentioned today is standard 'best practice' when it comes to fundraising. In conclusion, the way to deal with 'hard times' is for us all to up our game, to do what you do better and to continue to powerfully communicate the fact that what we are doing is often of great importance and value to those we provide service for.

*Alice Garrad and Trevor Gill  
For Training People*