

Nonprofit Fundraising Essentials

Module 4

Building a Community of Donors and Partners



ABOUT THIS GUIDE

In this module, you will learn about the role of relationships in fundraising. Whether you are raising major gifts from individual donors, or seeking partnership opportunities with a local business or corporate giving program, relationships are essential.

These are the four stages of **donor development**:

- + **Identification:** Researching and identifying new leads for prospective donors.
- + **Cultivation:** Building a relationship with a prospective donor and sharing your nonprofit's work.
- + **Solicitation:** Making an ask for funding that is tailored to the prospective donor's interests and capacity to give.
- + **Stewardship:** An ongoing process of expressing gratitude to a donor and encouraging the renewal of gifts.

In this reading, you will gain practical tactics for each stage of this process. You will start by identifying potential donors and defining your value proposition. By the end of the module, you will be able to write a “case for support” that makes a persuasive argument for why a funder should support your nonprofit.

Although this module often refers to high-net-worth donors, remember that all institutions — including foundations, governments, and businesses — are made up of people. To successfully build any partnership, you need to understand that person's priorities and motivations and where your mission aligns.

REFLECTION

Think of the last time you asked someone to support a project, business idea, or cause that you believe in.

- + How did you form the relationship?
- + How did you make the case for supporting your idea?
- + How did the person respond?

IDENTIFYING PROSPECTIVE DONORS

How do you find potential donors who are likely to support your work? The best prospects for your nonprofit will have these three characteristics:¹

- + The ability to give
- + A belief in your cause
- + A connection to your organization

“The most successful approach is to start with the people who are already giving to you,” said Alexandra Trabulsi, Head of West Coast Business Development at Acumen. “Your best advocates will be the people who are already invested in your work.”

Donors are usually connected to other donors, both personally and professionally. Reach out to your existing donors and ask if they would feel comfortable making an introduction.

Before you ask for an introduction, you should have a strong relationship and regularly express your gratitude to the donor. Next, explain your needs and what you hope to discuss. Otherwise, the donor may be reluctant to connect you.

“You should also research other organizations like yours,” Alexandra added. “Find out who is funding them.”

That could be a good signal of who is willing to fund you.”

“After that, you can cast your net to first- and second-degree relationships,” she said. “When you only have a limited number of hours in the day, focus on the people you know. They can open doors.”

In the following sections, you will learn about two more tactics for identifying prospective donors: mapping your network and creating a donor persona.



IDENTIFYING PROSPECTIVE DONORS FUNDRAISING EVENTS

Aaron Kirunda is the co-founder of Enjuba, an organization focused on improving children's education in Uganda through teacher training, textbooks, and spelling bees. During the nonprofit's first two years, Aaron depended on donations of money and office space from the founding team's network.

"Everyone has a network," Aaron said. "Think about the people from your high school, your university, your former employers, and your church. All the workshops you have attended. All the cities where you have lived. When I challenged my colleagues to do this exercise, they realized they knew a lot more people than they thought."

This exercise is known as "network mapping." Start by listing all of the people in the networks of your staff and board members. This includes donors, volunteers, colleagues, classmates, friends, family, and more.

Explore how your network could contribute to your nonprofit's fundraising goals by asking questions like these:

- + Who could make an introduction to a corporate giving program?
- + Who could provide pro bono support?
- + Who has a large number of followers on social media?
- + Who has the ability to make major gifts?

IDENTIFYING PROSPECTIVE DONORS

FUNDRAISING EVENTS

If your nonprofit already has an established community of donors, it can be helpful to sketch a [donor persona](#).

A persona represents the common characteristics, motivations, and behaviors of your donors. These insights can help you seek out similar donors who are likely to give to your organization.

Start by reflecting on the strongest donors in your community:

- + What is their age?
- + What is their profession?
- + What causes are important to them?
- + Why do they give?
- + How much do they give?
- + How did this relationship begin?

You can also interview your donors directly to learn more. Reach out to donors who have been supporters for many years, as well as those who have decided not to renew. These conversations can help you provide a more meaningful donor experience.



ENGAGING YOUR BOARD OF DIRECTORS IN FUNDRAISING

Your board of directors is one of your strongest fundraising assets. However, if a board member doesn't realize they are expected to fundraise, or doesn't know how they can help out, your nonprofit will not benefit from their knowledge and connections.

To make the most of your board, set expectations in your pitches to potential members and during new member orientation. Next, create a fundraising strategy together or share a plan with board members to gain their support.

Finally, develop a shared agreement on responsibilities and milestones to formally bring board members into the execution of your fundraising strategy.

What might these responsibilities look like? Here are several ways that a board member can contribute to fundraising, in addition to “making the ask”:

- + Identify potential donors and make introductions
- + Arrange a corporate giving campaign or pro bono services
- + Invite their network to attend your events

- + Host gatherings at their home or donate event space
- + Contact existing donors to express your nonprofit's gratitude

Over time, you should meet regularly with board members to understand their interests, motivations, and how they can best contribute to fundraising.

Remember that fundraising is a learned skill. You can hold training sessions to build the abilities and confidence of your board members. Additionally, seek out ways to make the experience enjoyable and recognize your board members for their successes.

CONNECTING WITH PROSPECTIVE DONORS THROUGH EVENTS

You can identify potential donors and cultivate your relationships by hosting and attending events. Events are a great opportunity to build your community, strengthen your reputation, and creatively showcase your impact.

For example, Acumen is a nonprofit venture fund that invests in companies with entrepreneurial solutions for problems of poverty. One investment has been particularly powerful for connecting with prospective donors: chocolate.

Acumen hosts chocolate tastings in partnership with Uncommon Cacao, a company that sources cacao from smallholder farmers and sells to premium chocolate makers. Attendees are invited to sample chocolate from ethical supply chains, meet with the founder, and learn more about the work of Acumen and Uncommon Cacao.

Here are several ideas for engaging with prospective donors through events:

- + Host a panel discussion with experts on a topic of interest to potential donors
- + Invite potential donors to experience your impact through events like

graduation ceremonies and chocolate tastings

- + Speak at conferences in your industry
- + Ask a board member or current donor to host a gathering in their home

These are several best practices to keep in mind when hosting events:

- + Start with a concept note that defines your audience and intended outcomes
- + Set measurable goals
- + Research your guests before the event and prepare talking points
- + Follow up with attendees within 24 hours to share a new resource or call-to-action
- + Send a personal thank-you to important prospects

DEFINING YOUR VALUE PROPOSITION

Before you can fundraise effectively, you also need to understand what sets your work apart from other nonprofits. This is known as your **value proposition**, or the unique value that your nonprofit provides to donors and beneficiaries.²

Ashish Shrivastava is the founder of Shiksharth, a not-for-profit organization that improves the quality of childhood education in rural and tribal areas that are affected by conflict.

Looking back on his first year of fundraising, Ashish said his greatest mistake was not differentiating Shiksharth from the hundreds of other nonprofits in India that provide educational services for children.

“For any donor in Mumbai or Delhi, they can easily go to a slum near their home and support a child,” Ashish said. “What would motivate them to support someone in a tribal area [400 kilometers away]?”

After many pitches to donors online and in person, Ashish learned how to express what set Shiksharth apart: “I explain that our work is not only about these children, or this particular geography, but about building peace in the larger ecosystem.”

Take a moment to reflect: **What value do you provide to donors and the world?**

A study by the U.S. Trust asked a sample of wealthy donors to describe their primary motivations for giving. They responded:³

- + Belief in the mission
- + Belief their gift can make an impact

In Module One, you discussed your mission and impact. You also learned that fundraising is an opportunity for nonprofits and donors to work together toward a shared vision.

Therefore, these elements are the foundation of your value proposition for donors:

- + The problem your nonprofit is addressing
- + The impact you can achieve with the donor’s support

To further develop your value proposition, examine your strengths and weaknesses in relation to other nonprofits. Start with these questions:

- + What impact have you achieved to date?

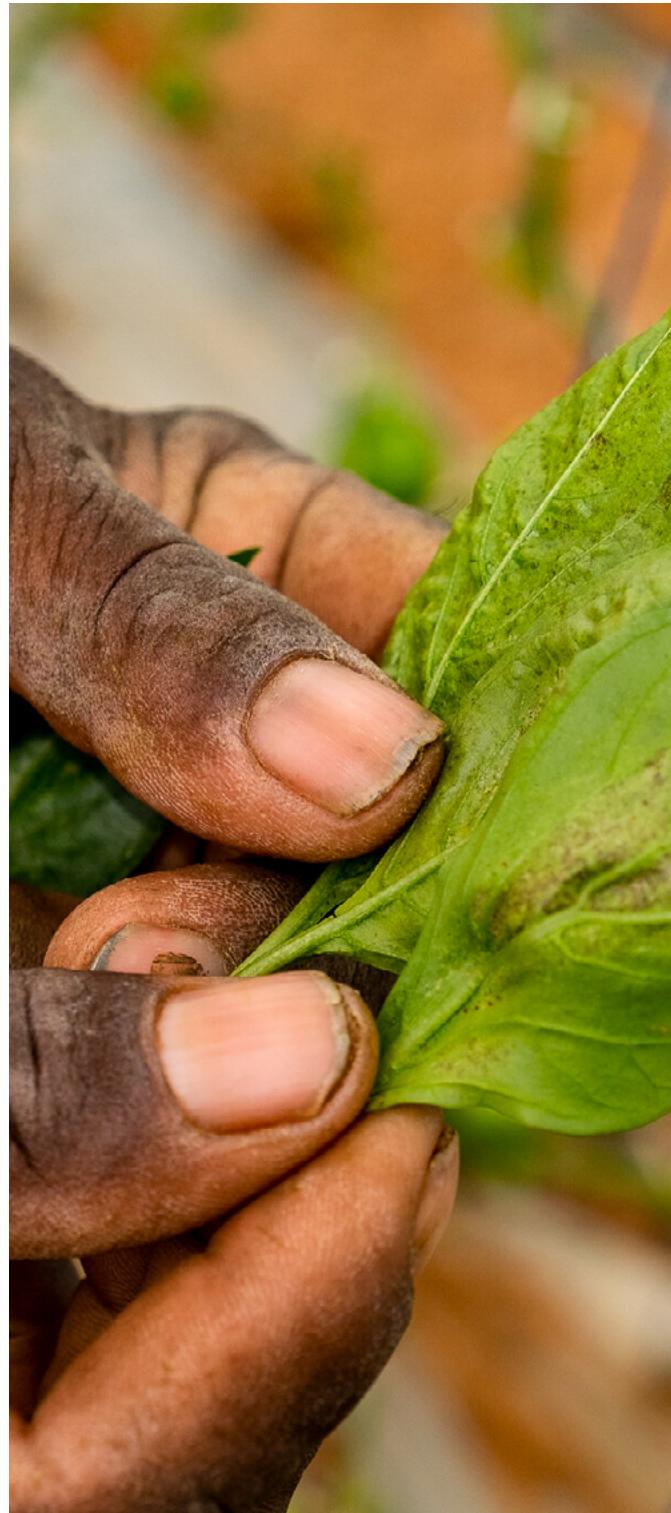
³- CCS Fundraising, *Snapshot of Today's Philanthropic Landscape: A Guide to Philanthropy in the U.S.* (8th Edition, 2019); Bank of America, *The 2018 U.S. Trust Study of High Net-Worth Philanthropy*

- + Are you solving a critical or unaddressed need?
- + Do you have a particularly innovative or effective approach?
- + How do your staff and board enable your organization to reach its goals?
- + After researching other organizations in your sector, what else sets you apart?

Finally, consider the other benefits you provide for donors. They can be tangible or intangible, such as:

- + Membership in a community of like-minded partners and staff
- + Interaction with beneficiaries and visits to project sites
- + Opportunities to learn about an innovative approach or a sector of interest

When you have a strong understanding of your nonprofit's value proposition, it will become much easier to make a compelling case for a donor's support.



UNDERSTANDING A DONOR'S PRIORITIES AND MOTIVATIONS

Imagine that you have successfully arranged a first-time meeting with a prospective donor. What happens next?

Your goal is to find out what is important to the donor and how they like to give. This will help you create a value proposition that speaks to them.

“It’s really about doing your homework,” said Kathy Bergs, Chief Development Officer of Peace Parks Foundation. “If you can meet [the donor] in person, and understand who they are, how they think, and what they value, you can hone your proposal much more easily.”

Prepare for the meeting by researching the donor and the causes they support. If they are an individual donor, start with their LinkedIn profile and social media. If they represent a foundation, explore the strategy and funding criteria on their website.

During the meeting, make sure to listen more than you speak. You can prepare a list of questions to spark meaningful conversations with potential donors, for example:

- + What are you most passionate about? Why?
- + How would you describe your personal mission?
- + What inspired your first philanthropic gift?
- + What are your giving priorities?
- + Which of our programs do you find most compelling?
- + Why does this cause matter to you?
- + What other organizations do you see effectively addressing this challenge?
- + What do you believe will transform this problem area?
- + What are the most critical results you expect our organization to achieve?

In return, there are four questions that every fundraiser should be ready to answer, according to the book *Getting to Giving*:⁴

- + Are you doing important work?
- + Are you well managed and financially sustainable?
- + Will my gift make a difference?
- + Will the experience be satisfying to me?

As you discuss your nonprofit’s work, pay attention to whether the donor is engaged and listening. If they seem to be uninterested in a particular program, shift the conversation to other programs — your

“Plan B” — that excite them or meet their funding criteria.

After your first meeting, schedule a follow-up conversation. Leave behind a proposal or a pamphlet so they can learn more.

If you have a shared connection — such as another donor — ask whether that connection would be willing to reach out and advocate for your work.

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MAKING THE ASK

You have built a strong relationship with the donor and know your motivations are aligned. Through research and conversation, you understand the donor's ability to give. Now, it is the right time to ask for their support.

"You should phrase these conversations as an opportunity," said Kathy Bergs. "Share your enthusiasm, your excitement, and your passion. Then, figure out how they would like to engage."

In the course of conversation, you may find a natural moment to discuss the options for supporting your nonprofit: "How would you like to be invited to make a gift?"

There is no formula for an "ask." However, you can start with these points:

- + Reference their interest in the cause
- + Explain your nonprofit's mission and need
- + Request a specific amount
- + Describe the impact of their contribution
- + Listen

Remember that people want to give, but they are unlikely to give unless they are asked. You can tailor your request depending on whether you are seeking

general operating support or funding for a particular program or initiative.

What might an "ask" look like in real life? Here are two examples:

"Vidya, I would love for you to consider becoming a member at \$5,000 a year. Your gift will help us restore Africa's wild spaces for future generations. As a member, you will be invited to visit our project sites to observe this work in person. How does this sound to you?"

"Joshua, you have been a wonderful supporter over the past five years. I'm here to ask you to help us make an even greater impact during a critical time by contributing \$100,000 to our Annual Fund. This gift will help us scale our program to 10 new cities and deliver life-changing services to families in need."

"Be ambitious in your ask," advised Lynda Mansson. "I know many donors who are ready to fund big things if the proposal is well thought out and the organization is credible. By doing your research, you'll know what's reasonable to ask."

If the donor verbally agrees to make a contribution, follow up to confirm the next steps:

- + Processes (e.g., an application or contract)
- + Other needs (e.g., the approval of a family member)
- + Restrictions and conditions of the gift
- + Timeline

If the donor declines, always listen and be respectful. This can lead to other opportunities in the future, such as connections to their network of donors, or funding a different program when the time is right.

Additionally, recognize there are other ways for a donor to support your nonprofit. If they are unable to donate money, you can ask: “Would you be interested in contributing in other ways?” They might offer to volunteer their time and skills, donate equipment and event space, or arrange a corporate matching program.

Finally, if you are feeling anxious about asking for money, remember that this is a relationship between partners who each contribute toward a shared vision.

“I had to learn how to own my voice and be an equal partner,” said Alexandra Trabulsi. “It can feel like there’s a power dynamic. Through practice, you can realize your worth in the conversation.”

“I realized that the donor has the *resources* to invest in the *transformative change* that we are able to make,” she said. “Once you level the playing field, it becomes much more comfortable to engage in fundraising.”

STEWARDING THE RELATIONSHIP OVER TIME

The final stage of donor development is “stewardship,” the ongoing process of expressing gratitude to a donor and encouraging the renewal of gifts.

It’s more expensive to acquire a new donor than to retain an existing donor. Maintain the relationships you have built and help donors become proud advocates of your work.

MEET REPORTING REQUIREMENTS AND COMMUNICATE REGULARLY

If you are working with a foundation, start by understanding the progress and financial reports expected. Then provide accurate and timely information. Approach your reporting as an opportunity to engage with the donor about your successes and challenges, rather than an obligation to “check a box.”

“The worst feeling is being treated like an ATM,” said Lynda Mansson. “The grantee asks for more money, and then

they leave and we don’t hear from them again. Instead, there should be a regular flow of information. We want to hear what’s going well and what isn’t.”

“We don’t want to only hear the happy things,” she added. “It shows a lack of transparency and foresight when a grantee calls you the day after a crisis hits, rather than seeking your help months earlier when you could have averted the crisis.”

Additionally, not every interaction with a donor should be an ask. Instead of making an ask, you can:⁵

- + Ask for advice on a problem
- + Share an update on a new program
- + Tell a story from a beneficiary or project site
- + Invite them to attend an event
- + Offer an opportunity to volunteer or spread the word

“Help them truly become a supporter of the work you’re doing,” said Krupa Patel, co-founder of the business incubator Anza in Tanzania. “Then they can advocate on your behalf.”

STEWARDING THE RELATIONSHIP OVER TIME

PROVIDE A MEANINGFUL DONOR EXPERIENCE

After you receive a major gift, you cannot return to the donor every year with the expectation of receiving the same funding.

Instead, you need to steward the relationship throughout the year and create a strong donor experience that can be part of your value proposition.

Here are ideas to create a more meaningful donor experience that recognizes your donors' reasons for giving:

- + Arrange visits to project sites and to meet with beneficiaries
- + Invite them to become members of an advisory council
- + Hold gatherings to share a deep dive into your work
- + Invite them to provide their expertise as a volunteer

As a team, think of opportunities to create community, fulfillment, and joy for your donors and partners.

Additionally, meet with your donors collectively or individually once a year to stay accountable for your nonprofit's performance. You can share your results and explore new ideas for the partnership.



STEWARDING THE RELATIONSHIP OVER TIME**STAY ENGAGED WITH PAST DONORS**

Eventually, a funding partnership will end. Stay engaged with your past donors: They can provide advice, connections, and potentially new funding in the future.

“You fundraise faster if you have people who believe in your idea and are opening doors for you,” said Jo Opot, Head of Leadership and Strategic Partnerships at Acumen. “Often, we don’t take the time to appreciate those relationships and focus on what seems like ‘direct’ money instead.”

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WRITING A CASE FOR SUPPORT

In this module's workshop, your team will draft a case for support.

A case for support is an argument for why donors and partners should support your nonprofit. It explains why your nonprofit needs to raise money, how a donor can contribute, and what results you will achieve with their donation.⁶

Your case for support should address these questions:

- + What is the urgent challenge that your nonprofit is addressing?
- + Why is your nonprofit uniquely qualified to address this challenge?
- + What specific resources do you need?
- + How will this donor's gift make a real difference in your work?

Your case for support should be clear, simple, and persuasive. It should inspire an emotional response and invite the donor to achieve your ambitious vision together.

There is no standard format for writing a case for support. You can customize a case for support based on your audience, the situation, and the program you are seeking to fund:

- + An “elevator pitch” or list of talking points

- + Multi-page document with a budget
- + Presentation deck with photos

You can write a case for support for a target audience of all foundations, or a highly personalized version for one high-net-worth donor or corporate funder.

After you have drafted a case for support, you can refer to it for many types of fundraising activities. It will inform your grant proposals, program brochures, presentations, or casual conversations with potential donors.

Finally, a case for support isn't only for engaging potential donors. It can also be used to bring internal stakeholders on board to your fundraising activities.

Dr. Lesley Alborough is a research fellow in the Centre for Philanthropy at University of Kent. Earlier in her career, she was a fundraising manager for the National Trust, an organization that preserves historic sites, countryside, coastlines, and green spaces in the United Kingdom.

“All the gardeners at the National Trust had access to the case for support,” she said. “If a potential donor came to them and said, ‘I have 50,000 pounds. How can I support you?’ the gardener was able to say, ‘50,000 can achieve this for us.’”

BUILDING A SYSTEM FOR DONOR RELATIONSHIP MANAGEMENT

After you have a list of current and prospective donors, you need to build a system to track your engagement with them over time.

Your system should track:

- + Name and contact information
- + The date you engaged with the prospective donor
- + The type of touchpoint (such as an invitation to an event, coffee meeting, or a meeting with an executive or program staff)
- + The next date to follow up

Customer relationship management (CRM) systems like Salesforce or Raiser's Edge allow nonprofits to maintain lists of contacts with past interactions, donation sizes, and reminders to follow up.

However, if your nonprofit has limited resources, you can create your own low-cost and effective system with tools like a spreadsheet and calendar.

"I keep an Excel spreadsheet where I've listed all of my contacts, organized into categories like 'college network' or 'corporate network,'" said Ashish Shrivastava. "I keep track of when I

last reached out and how much they donated. Then I list all the people I could reach out to and identify them as 'hot,' 'warm,' or 'cold' leads."

FINISHING MODULE FOUR

Great work! You've reached the end of the reading. You can explore more articles on developing a major donor program in the Additional Resources section.

In Workshop Four, you will write a case for support that targets a specific donor or type of funder. Take time to review the workshop and reflect on what you plan to write.

Now, it's time to schedule your team meeting and get ready for Workshop Four!