

# How To Develop An Efficient And Effective Fundraising Strategy

Many years ago when I was a University student I decided to use all my savings buying shares in a public limited company. It was a pretty dumb decision! The problem was I wanted a profit in days, not months and certainly not years! They call it day trading. I look back now and cringe at my naivety. You probably don't need me to tell you that it was a plan that lost me several hundred pounds.

Thankfully, I'm a quick learner!

Now I don't look back and blame the stock market. The fault wasn't in the London Stock Exchange, but in the way I viewed 'investing'. That was the problem.

**Developing a fundraising strategy is similar in many ways to making a financial investment.** Any financial advisor will tell you there are right ways to make an investment and wrong ways. There is also no single, 'perfect' way to invest. Ultimately, many investments are a matter of risk assessment and personal choice.

**Diversify Risk** When you think about fundraising do you think about diversifying your risk? Do you think about investing time and money today to reap rewards years into the future? Or are you just looking for the easy option?

I meet many charity trustees and executives who are looking for a fast and generous return on their fundraising. What's the big secret they ask? What will make our fundraising successful? In most cases they're asking me because they've been running out of funds – and have been for some time! Sometimes it feels like they're asking me to cash in a savings account that they haven't been putting money into!

When thinking about your fundraising strategy, why not treat it like an investment portfolio? What are the current trends? What are your high-risk, high-return options? What's a safe bet? What are the long term gains?

There are plenty of fundraising options available. I've put together a list that will help you see what areas you have covered and what other opportunities you can work on<sup>1</sup>. I've also included my own personal overview on each section, though these are meant only as introductions.

## **A. Institutions**

1. Grant-making Trusts, Foundations and Statutory grants
2. National lottery
3. EU funding

The staple diet of most charities, invaluable for smaller start-ups. Plenty of form-filling here so you'll need to either get your head down or find someone who'll do the dirty work for you. If you're new to this area don't jump straight in thinking it's easy. There are ways and means to target institutions and apply for funding. Buying a good directory is just the beginning. Make sure you meet the institutions aims and requirements before applying and be creative. A good mix of emotive writing along with clear and specific plans and you're on the right track.

## **B. Events**

1. Fundraising Events for Individuals (e.g. Treks, marathons, parachute jumps)
2. High Value Donor Events
3. Sponsored Days & Community Events: schools, churches, community groups, supporter groups.
4. Events to tie in with a campaign or fundraising strategy e.g. high-profile launch events, handing over of a petition or a publicity stunt.

Events are usually the first thing the general public think of when they think of fundraising. There are plenty of independent event companies you can partner with. Just don't expect all your event sponsors to turn into long-term commitments.

## **C. Corporate**

1. Corporate Giving
2. GAYE (Give As You Earn)
3. Corporate sponsorship: e.g. publications, events, projects, equipment
4. Corporate events: auctions, dinner card pledges, awareness raising for future fundraising

Businesses often have their own personal agendas. Big brands usually want a big brand charity to match. It will save you time and effort finding out if your charity's services fit into their plans before writing a long appeal letter. Local companies will always prefer to support a local

charity. There's lots of information on the web about tax incentives for corporate giving and Give As You Earn. See [www.cafonline.org](http://www.cafonline.org) for information on this and other tax incentives. **D. Individual Giving**

1. Regular Giving from Face to Face: street, doorstep, private sites
2. Direct Mail
3. Telemarketing
4. Legacies
5. Child/Animal sponsorship: one to one, representative

Individual Giving is the big one. For established charities these five disciplines are the bread and butter of their existence. For smaller growing charities this type of fundraising should be your goal. Invest in Individual Giving and reap the future benefits.

### **E. New Media**

1. Viral emails & SMS
2. Direct response SMS & emails
3. Welcome/thank you SMS & emails

As in the name, this area of fundraising is relatively new. Plenty of testing is underway at present – many failures and some successes. Take what new media companies say with a pinch of salt and do your own research. But don't dismiss this kind of fundraising. With the success of X-factor and Big Brother style voting, responding by text and telephone won't be going away.

### **F. Trading & Gaming**

1. Gaming: lottery, sweepstakes, scratch cards, raffles
2. Trading: Christmas, mid-year catalogues, gift catalogues

Gaming is potentially a great source of fundraising – just make sure you know all about the Gaming Board for Great Britain (now called the Gambling Commission). See [www.gbgb.org.uk](http://www.gbgb.org.uk) for more information.

Trading can help build the brand of your charity but remember you're also competing against the commercial sector as well as other charities. Keep an eye on the rewards versus the effort – you maybe better off putting your resources elsewhere. One last tip if you are trading, whatever you're selling don't forget to ask for a donation too! It's amazing how many charities miss this simple opportunity.

**Spread the Risk** When constructing your fundraising strategy you will want to weigh all the pros and cons of the disciplines mentioned. Remember, diversification is key. But how you allocate the proportions of your budget will be completely up to you.

Good luck!

© Jon Ireland 2006 (article first published in the Charity Organiser 2007)  
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