

United Way of Greater St. Louis STRATEGIC TRANSITION PLANNING SERIES 2018-2019



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TRANSITION SERIES GOAL



Help member agencies gain competence in: navigating through environmental changes, better securing diverse & sustainable funding streams, and exploring/pursuing options, all of which enhance the fulfillment of community needs-based missions

SERIES LEARNING OBJECTIVES

GAIN UNDERSTANDING

- About themselves, their environment and resources to be better equipped for adapting to a shifting funding environment

IMPROVE COMPETENCE

- In seeking funding from diverse sources, beyond the United Way

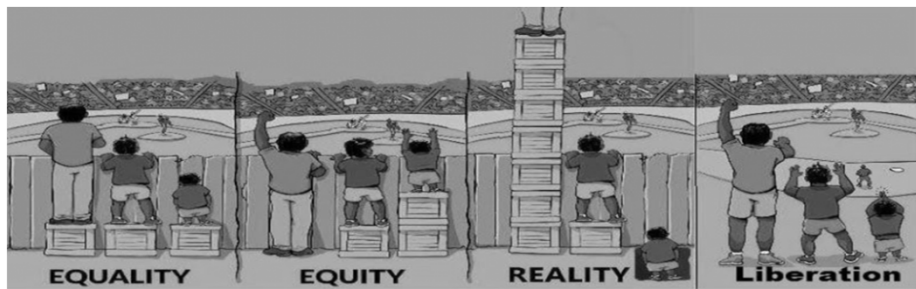
BUILD PROFICIENCIES

- That improve positioning, agility and navigation through environmental changes

ADVANCE EFFORTS

- To develop and implement a strategic transition plan

RACIAL EQUITY LENS CONTEXT

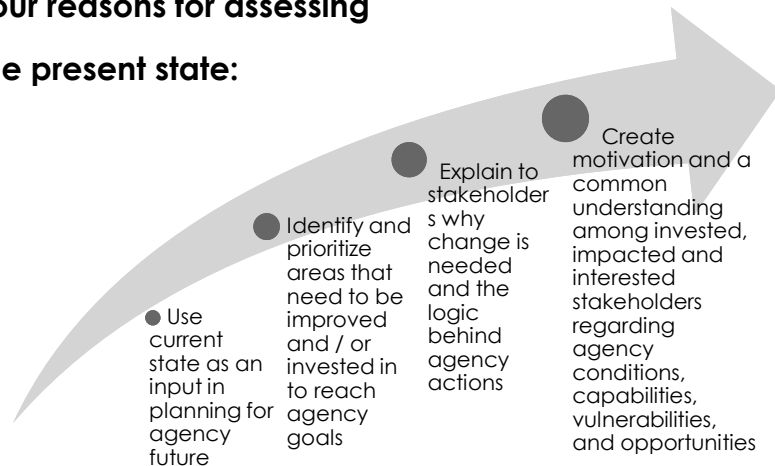


- Different communities (and individuals within communities) situated differently relative to each other
- Differences due to many factors, including history, education, language, access to community assets...
- While intent of policies & programs is to create access for all people (lifting all boats), in practice, universal policies create access to opportunity differently
- A rising tide brings less benefit or possibly hazard if one's boat is leaky or if one does not have a boat.
- Series sessions will provide an opportunity to apply a racial equity lens to topics in hopes of getting all members in our community a boat that floats so that all boats can be lifted.

Member Agency Strategic Transition Planning Series				
Stages progressively build toward culmination of helping agencies formulate a viable plan for better positioning in the current changing funding environment				
Stages:	Assessing an Agency's Current Position	Creating Vision & Setting Strategic Direction	Exploring Resources	Operationalizing the Plan
Intent:	Identifies/refines critical factors that outline agency overall environmental standing, affects current success & future viability. Informs decision-making in subsequent stages	Builds understanding and approaches to change management and consider possibilities, aligned with agency position, to shape future vision & strategic direction	Uncovers resources to be utilized to leverage agency's position amidst change and augment its ability to plan for reaching vision	Aligns vision, priorities & agency position with resources to develop a strategic workplan, outlining actions helping agency better adapt to changing landscape
Sessions:	#1. Series Overview & SWOT #2. Financial Health #3. Fund Devp Tools/Techniques #4. Prgm Financial Sustainability #5. Contingency Planning	#6. Change Management #7. Innovation #8. Vision/Strategic Direction	#9. Board Engagement & Role in Fund Devp #10. Dive into Fund Development #11. Strategic Alliances - P1 #12. Strategic Alliances - P2	#13. Creating an Actionable Transition Plan
Learning Objectives:	Participants will improve understanding about agency condition, including capabilities & vulnerabilities overall and in finance & fund development areas	Participants will shape their agency's future vision, leveraging position, in context of change, utilizing innovation, all to pursue improved mission fulfillment	Participants will identify resources (focusing on revenue generation & program/operational effectiveness) to help further mission fulfillment	Participants will utilize understanding & insight gained to frame strategic transition plan, better positioning agencies in the shifting environment
Correlating Quality Standards:	G: Board drives direction P: Effective program design G: Board financial oversight F: Financial stability F: Financial planning/oversight	G: Board drives direction G: Program effectiveness P: Program positive impact G: Community accountability A: Structure facilitates operations	G: Board meets strategic needs F: Financial stability F: Effective financial planning G: Board accountable to community	G: Board drives direction F: Financial stability P: Program positive impact G: Board accountable to community 5.11.18

STAGE 1: ASSESSING AN AGENCY'S CURRENT STATE

Four reasons for assessing the present state:

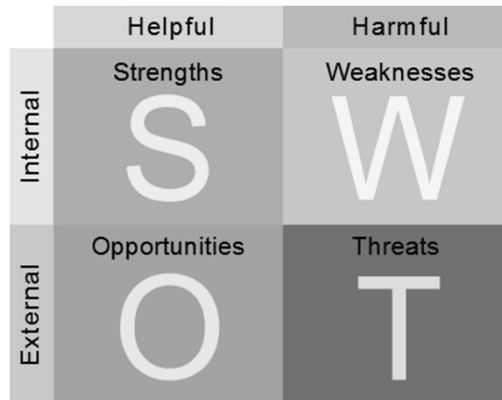


SESSION 1: SWOT Analysis

5.17.18

Presented by: **Rebecca Bennett**
Emerging Wisdom

- Grounds plan
- Provides realistic view of agency's capabilities and vulnerabilities
- Identifies internal strengths and weaknesses
- Examines external opportunities and threats



SESSION 2: Financial Health

6.14.18

Presenters: **Judy Murphy & Amy Altholz**
RubinBrown

Common financial sustainability benchmarks include:

- Operating reserves
- Liquidity evaluation
 - Days of Cash on Hand to Pay Expenses
 - Current Liquid Assets/Current Liabilities
- Funding gap analysis
- Diversified funding streams
- Budget vs. actual analysis



 **RubinBrown**

SERIES ROLES & RULES

Roles

Facilitators

- Guides learning and sharing
- Conducts exercises
- Maintains schedule

Participants

- Are open to learning
- Share knowledge & insight
- Check for understanding

Rules

- Manage your comfort
- Listen actively
- Ask questions and encourage others to share
- Minimize distractions
- Respect all views and opinions
- Enjoy yourself!

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United Way of Greater St. Louis STRATEGIC TRANSITION PLANNING SERIES Session 3: Fund Development Tools and Techniques July 12, 2018



wendy dyer
Fund Development Consultants



SESSION PURPOSE

- Continue "Assessing Current Position" stage with a focus on Fund Development
- Improve insight about key fund development components and corresponding planning processes, helping agencies build or enhance their development planning and implementation efforts to in turn improve effectiveness in securing diverse and sustainable revenue streams



LEARNING OBJECTIVES



Participants will:

- Better understand fund development models and which suits their agency
- Advance learning about primary components of fund development planning processes
- Apply knowledge gained to build toolkit of ideas for pursuing contributed income

Session 3: Fund Development Tools and Techniques

Presented by:

wendy dyer
Fund Development Consultants

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No Money, No Mission*

Today!

- Reality checks and philosophies
- Where are you in your fundraising plan
- Different types of nonprofit funding models
- Development Plans
 - No silver bullets
 - Concepts to make you think
 - Emerging and relentless issues
 - Build your toolkit of healthy habits and best practices

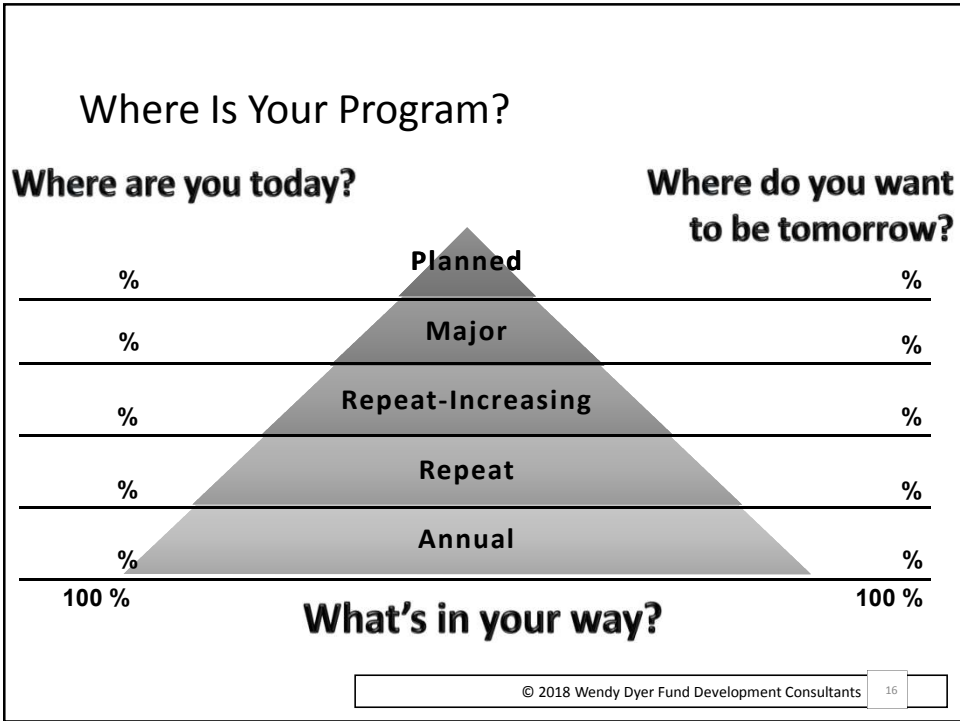
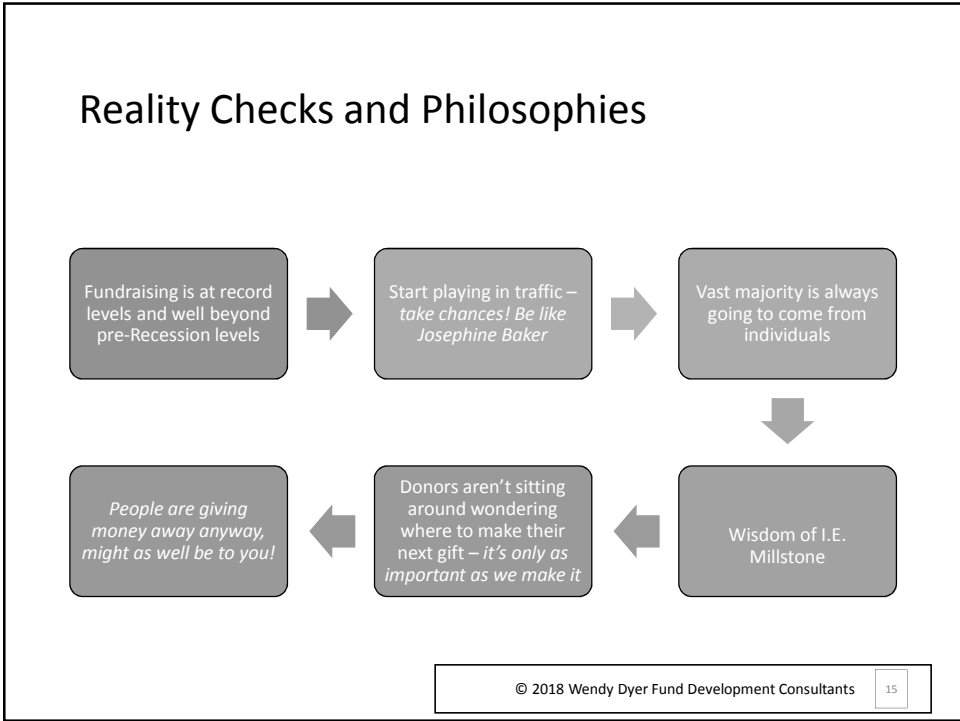


*famous words of Gary Dollar!

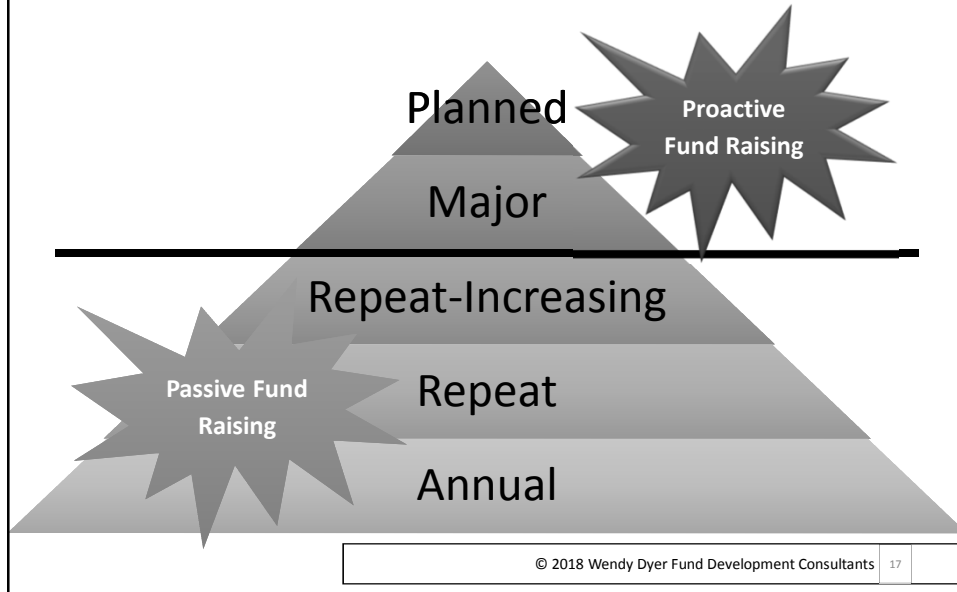
Exercise: Fundraising - a love/hate relationship

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Where Is Your Energy?



Stanford Innovation Review – 10 Nonprofit Funding Models

Heavily Individually Funded:

- Heartfelt Connector – broad based appeal – Susan Komen
- Beneficiary Builder - societal benefits – Universities
- Member Motivator – self interest - Churches/NPR

Funded by single individual or a few foundations:

- Big Bettor – medical research/environment



Heavily Government Funded

- Public Provider – collective interest – foster care/other human services
- Policy Innovator – requires high level gov't champion – human services/educational
- Beneficiary Broker – must influence government decision makers for reimbursed funds – health/housing

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Last 3 Models

Funded by Companies

- Resource Recycler – uses goods that are surpluses in for-profit – food banks

Mix of funding

- Market Maker – altruistic to purpose – organ transplants/environment
- Local Nationalizer – supports local high profile needs – Teach for America/Big Brothers

Exercise: What's Your Model and Why

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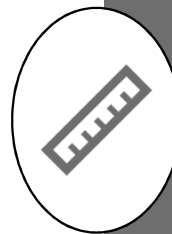
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Small Group Exercise: What's Your Model and Why

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Key Elements to Development Plans

- Can be any style you like
- Historic giving in various buckets
- Vision for the year – where will the \$ go
- Buckets of sources
- Specific tasks within each bucket – and person responsible
- Measures to stay on task and accountable – dashboards!



Exercise: Review and discuss Development Plan Templates

Do You Know Your Return on Investment?

Grants = $.20/\$1.00 = 400\%$

Events = $.50/\$1.00 = 100\%$

Major Gifts = $.10/\$1.00 = 900\%$

Mail appeals = $.20/\$1.00 = 400\%$

Donor acquisition = $1.25/\$1.00 = (-)200\%$

Costs 6-7 times more to secure new donors

3 out of 4 donors NEVER COME BACK!

Exercise: Development Assessment

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Individual Exercise: Development Assessment

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Individual Fundraising Pathetic Retention Rates*

<\$100: 17%

Up to \$249: 33%

Up to \$999: 64%

Up to \$4,999: 57%

Up to \$5,000: 53%

Overall NFP retention: 32-40% (20% predicted)

Why are larger gifts more retainable than smaller?

*MarketSmart

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Study Behaviors – NOT Demographics

Repayer

**Casual
Giver**

**High
Impact**

**Faith
Based**

**See the
Difference**

**Personal
Ties**

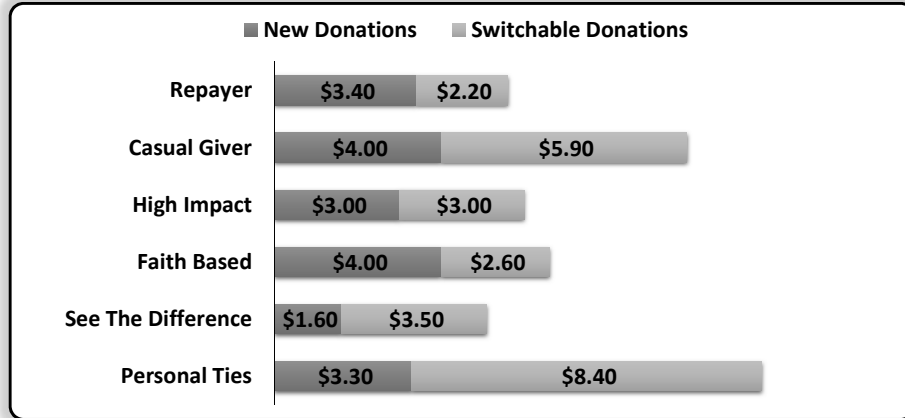
- ☐ **Prioritize investments based on what will drive donor behavior**
- ☐ **Understand how to manage and approach your core groups**

Source: Money for Good

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Market Opportunity by Segment (\$B)

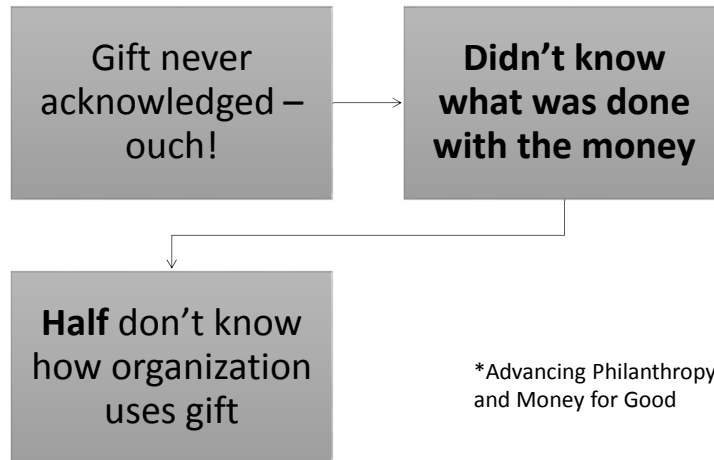


Source: Money for Good

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Reasons Donors Leave/Don't Give*



*Advancing Philanthropy and Money for Good

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Why It Matters

Retention in other industries*

- Fitness clubs: 72.4%
- Trade orgs: 85%
- Costco: 91%
- *Fundraising Authority says will be less than 20% in the future (Millennials/Centennials). Why are we so bad?*

• *MarketSmart

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How Did This Happen?



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What Do Donors Want?

<input type="checkbox"/>	To be known and valued	<input type="text"/>
<input type="checkbox"/>	To know where their money went	<input type="text"/>
<input type="checkbox"/>	To know their gift made a difference	<input type="text"/>
<input type="checkbox"/>	<i>Thank-before-you-bank</i>	<input type="text"/>
<input type="checkbox"/>	<i>In 30 days tell them what you did with their gift, literally</i>	<input type="text"/>
<input type="checkbox"/>	<i>In a few months tell them what it accomplished</i>	<input type="text"/>

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Exceptional Stewardship Doesn't Cost Much!

<input type="checkbox"/>	Do you TRULY have...	<input type="text"/>
<input type="checkbox"/>	<i>An Attitude of Gratitude?</i>	<input type="text"/>
<input type="checkbox"/>	<i>(I know 2 organizations who do)</i>	<input type="text"/>

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Cautionary Tales – WWYD?

1

Exhibit A. Visited shelter. Took \$100 check. Bland reaction. No sharing with the board members. No thank you email. No thank you letter 3 weeks later. Name was wrong!

2

Exhibit B. Gala. Took friend. Friend gave \$5,000. Husband gave \$2,500. Top two donors of evening. Nobody came over to table. Nobody said anything at checkout. Nobody called. Wondered why I hadn't called. Say what?

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If You Lack an Attitude of Gratitude

- Amy Cuddy – fake it till you make it – *fake it till you become it*
- You can never over thank – **it's impossible**
- Randomly scroll through database and call a donor just to say thanks
- Establish a volunteer phone bank for thanks

Discuss: local philanthropist who got one call
Exercise: small group brainstorm how to build gratitude into the Plan



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Small Group Exercise: Building Gratitude into the Plan

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Gift Tables – Excellent Planning and Execution Tools
\$200,000: top 2 @ 20%; next 4 at 20%

Gift	Quantity	Prospects Needed	Cumulative Categories
\$20,000	2	8	\$40,000
\$10,000	4	16	\$80,000
\$5,000	8	24	\$120,000
\$2,500	12	36	\$150,000
\$1,000	20	60	\$170,000
\$500	30	90	\$185,000
\$250	40	80	\$195,000
<\$100	many	many	\$200,000

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Blackbaud Calculator top gift 10%

Gift Range Chart

Goal Amount:

Gift Range	No. Gifts required	No. Prospects required	Subtotal	Cumulative total	Cumulative percentage
20,000.00	1	4	20,000.00	20,000.00	10%
15,000.00	1	4	15,000.00	35,000.00	18%
10,000.00	2	8	20,000.00	55,000.00	28%
7,000.00	3	12	21,000.00	76,000.00	38%
5,500.00	3	12	16,500.00	92,500.00	46%
4,500.00	5	20	22,500.00	115,000.00	58%
4,000.00	7	28	28,000.00	143,000.00	72%
3,000.00	7	28	21,000.00	164,000.00	82%
2,000.00	10	40	20,000.00	184,000.00	92%
Under 2,000.00	16	64	16,000.00	200,000.00	100%
Totals	55	220		200,000.00	

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Annual Fund/Major Gift Planning

Gift	# Needed	Prospects Needed	Identified	Secured	Cumulative Categories
\$20,000	2	8	(Joe Blow, Sally Pally)		\$40,000
\$10,000	4	16			\$80,000
\$5,000	8	24			\$120,000
\$2,500	12	36			\$150,000
\$1,000	20	60			\$170,000
\$500	30	90			\$185,000
\$250	40	80			\$195,000
<\$100	many	many			\$200,000

Exercise: Your Gift Table

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Individual Exercise: Your Gift Table

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Today's Realities

- Matures give to numerous organizations (\$169)
- X'ers give to fewer (\$173)
- Millennials's give to even fewer (\$95)
- In most cases: still approached by someone they know
- Though give via social media, 91% of Millennials want face to face interaction
- Communications preferred via email
- Centennials – up and coming next generation – always mobile/never alone

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New Realities – Great Opportunities!

- Online giving still represents *small portion of total*
- Alarming # of companies offering online giving platforms, i.e. Classy, IOBY
- Staggering growth rates double digits every year*
- Viewing websites via desktop is rapidly declining
- 50% of emails are read on phones
- 72% of donors said their online giving experience needs improvement
- 85% of unread text messages are read within 15 minutes



Discuss: Is paper mail going away?

Exercise: small group discussion on building multi-channel approach in Development Plans

*Online Fundraising Scorecard and Decision Analyst Study

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Small Group Exercise: Building A Multiple-Channel Approach

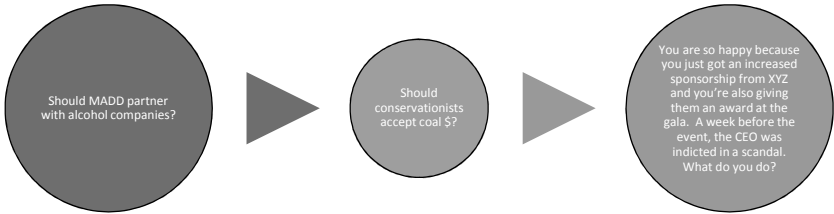
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Corporate Giving



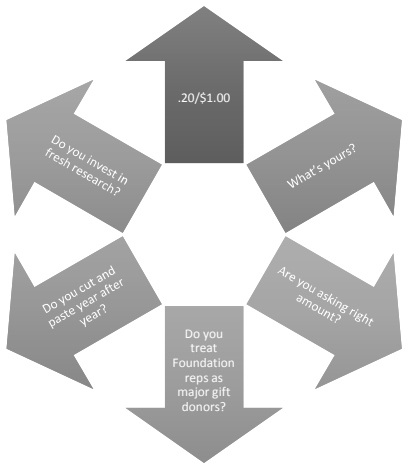
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Things to Consider - Corporations



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Foundation Giving



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Development Plans

Simpler the better

Roadmap to make you move

Visit regularly

Hold each other accountable – pleasantly – lift each other up

Exercise: begin filling in elements of your Plan

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LOGO

Fund Development Plan 2018



FUNDRAISING GOALS

Gift Revenue	2016 Actual	2017 Actual	2018 Projected	% To-Date
Corporate/ Foundation				
Individuals				
Events				
Public Funding				
Associations				
Total				

MESSAGING

Key Message #1:

Supporting Messages:

Key Message #2:

Supporting Messages:

Key Message #3:

Supporting Messages:

STRATEGIES: 2018

1. Engage Board members in fundraising

Tactic	Timeline/Decision Points	Measures

2. Encourage Major Gifts

Tactic	Timeline/Decision Points	Measures

STRATEGIES: 2018

3. Sustain Annual Campaign

Tactic	Timeline/Decision Points	Measures

4. Create Events People Want to Attend

Tactic	Timeline/Decision Points	Measures

STRATEGIES: 2018

5. Increase Corporate/Foundation Support

Tactic	Timeline/Decision Points	Measures

6. Strengthen Communications

Tactic	Timeline/Decision Points	Measures

Development Plan – Template #2

ACTIVITIES	WHEN	WHO	HOW
Individual Giving			
1. Major gift prospect interaction	Mthly prospect mgmt meeting		
2. Create Giving Society			
3. Maximize Database	Mthly reports to track lapsed/ incr/decr		
4. Convert more event donors into Annual Fund			

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Messaging			
1. Sizzle exercise with board	September board meeting		
Events			
1. Strategize prior to event to identify 3 prospects for follow up			
Grants, public and private			
Corporate			

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DEVELOPMENT PLAN - Template #3

Amazing menu of items to fund – and associated costs

•List out where the donations will go

Fundraising goal (annual increases should be in range of 4-10%)

SOURCE	2017 Actual	2018 Projected	Increase/decrease
Individuals			
Holiday appeal			
Spring appeal			
Fall appeal			
Newsletters			
Email appeals			
Major Gifts			
Special Events			
Golf			
Trivia			
Gala			
Wine			
Foundations			
Corporations			
In-Kind			
Earned Income			
Other			
Investment Income			
Total			

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Goal #1 – Individuals and Major Gifts

Healthy Habits:

- Talk to our donors – do annual survey; host a focus group – always look for feedback to determine what the donor finds most compelling and how they want to be properly recognized
- Use donor behaviors to guide, i.e. repayer
- Strive to build two healthy groups of individual prospects
- Identify handful of those who have 1) interest and 2) capacity to give at higher levels
- Conduct simple donor research to qualify
- Stay disciplined with prospect management – meet regularly
- Do _____ “asks” annually – once per year ask to double gift
- Set goal on personal, 1:1 visits
- Involve board members through creative ways to reach donors to opening doors to stewardship – utilize talents they already have
- Use same sizzling content for multiple social media platforms
- Stay “pleasantly persistent” with major gift donors

OBJECTIVE 1: TO INCREASE ANNUAL GIVING (BY % OR BY # OF DONORS)

Activity	By Whom	By When
Add mailing		
Launch email initiative		
Have Young Professional Board host happy hour		

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OBJECTIVE 2: TO IDENTIFY # OF MAJOR GIFT PROSPECTS AND NURTURE RELATIONSHIPS

Activity	By Whom	By When
Run query on database for cumulative giving		
Do hand-research on 25 prospects to determine giving capacity		

Goal #2 – Foundations

Healthy Habits:

- Treat foundation managers as major gift donors
- Make effort for them to know your program before you submit proposal
- Speak to the 'one' instead of the masses – use statistics carefully – paint the picture and take them where they can't go
- Learn grants ratio – how much dollar amount in requests vs. what is awarded – plan accordingly
- Conduct annual research to find new foundation prospects
- Review foundation donors to similar organizations via annual reports, etc.
- Seek new and interesting stories and statistics to bolster and freshen requests

OBJECTIVE 1: TO INCREASE GRANT SUBMISSIONS AND THEREFORE AWARDS

Activity	By Whom	By When
Meet deadlines for 25 grant submissions by establishing internal deadline 7 days prior		

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Host 'lunch and learn' and invite foundations		
Send newsletter with personal note to foundations new to us		

OBJECTIVE 2: TO IDENTIFY # OF NEW GRANT PROSPECTS

Activity	By Whom	By When
Read "Grantwriting for Dummies"		
Attend writing session		

OBJECTIVE 3: TO IMPROVE GRANTWRITING SKILLS

Activity	By Whom	By When
Use Foundation Directory at Library for new search		
Verify with St. Charles library branch		

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Read other grantwriter's proposals		

Goal #3 - Corporations

Healthy Habits:

- Only seek partnerships with companies whose missions align with ours
- Subscribe to the Business Journal to keep alert to new businesses in area
- Recruit middle management professionals to board
- Maximize matching gifts

OBJECTIVE 1: TO SECURE # OF SPONSORSHIPS

Activity	By Whom	By When
Recruit Special Gifts Committee to screen prospects and strategize		

Goal #4 – Events

Healthy Habits:

- Plan prior to event to meet/greet ____ prospects and sow seeds for follow up opportunities
- Include in the programming/messaging true costs of care so donors begin to see their donations in context

OBJECTIVE 1:

Activity	By Whom	By When

OBJECTIVE 2:

Activity	By Whom	By When

Individual Exercise: Building/Enhancing your Plan

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Nonprofit Dashboards – Best Practices

- One size does not fit all; include key performance metrics most important to your agency
- Include context:
 - Budget
 - Prior Year
 - Benchmarks
- Lead towards performance, progress and outcomes
- Guide the agency's priorities and decisions
- Limit number of key performance metrics
- Highlight unexpected and unusual variances
- Consistently seek feedback from users and reassess

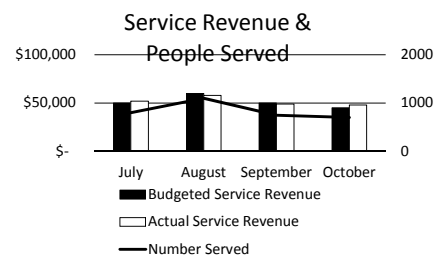
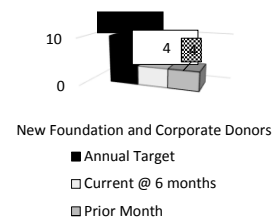
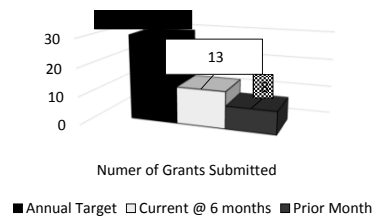
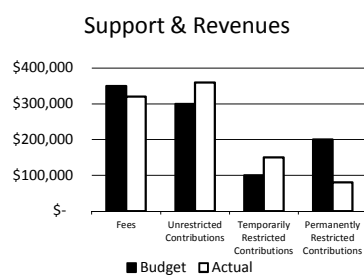


Example Key Performance Metrics

- ❑ Total Donations Raised; Unrestricted vs Restricted Income
- ❑ Giving by Type (Individuals, Corporations, Foundations, etc.)
- ❑ % Increase in Total number of Individual Donors; #/Giving by New Donors; % increase of Total individual Gift
- ❑ Grant Proposals Submitted/Donor Solicitations
- ❑ Net Income, # Participants, ROI by Special Event
- ❑ Donor and Giving Retention

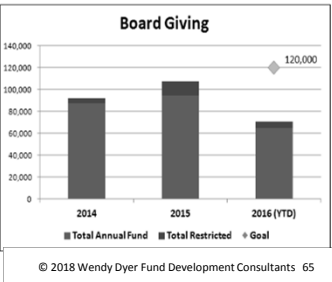
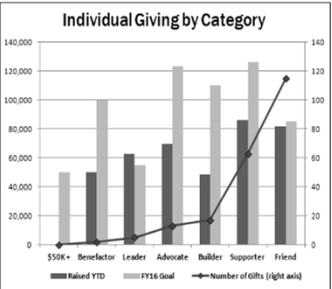
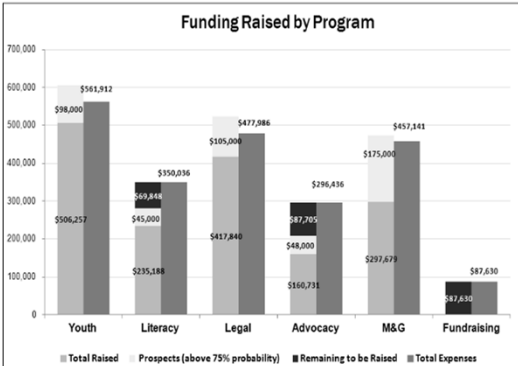
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Potential Dashboard Performance Metrics

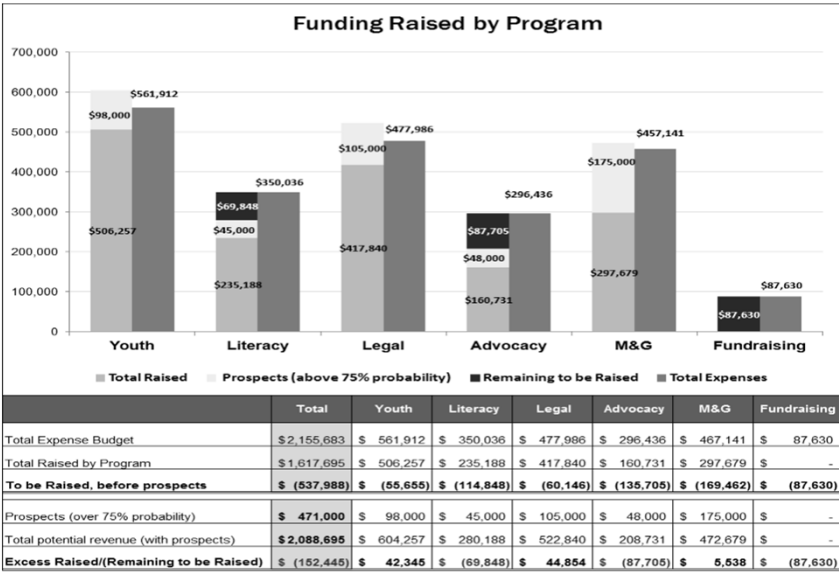


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Potential Fundraising Dashboard



Fundraising Dashboard: Zooming In



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That's It – For Now!

- Identify at least two things you can start doing differently – embed best practices into your healthy habits
- Build your Development Plan
- Next Fund Development Session in Transition Series: Board engagement/Sizzling messages; Working your plan and messaging – getting comfortable being uncomfortable – 10 seconds of courage!

Remember:

- Donors aren't sitting around wondering where to make their next gift
- The decision is only as important as we make it
- Go Get it Started!

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Member Agency Strategic Transition Planning Series

Please contact Julie Simon at
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with questions, comments or concerns