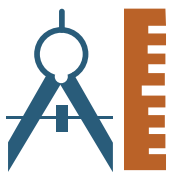


Successful fundraising is no longer as simple as matching a compelling case for support with the aspirations of a financially capable donor. Philanthropic expectations (institutional and donor) have evolved such that fundraisers have to develop deep skills in facilitation and process management in order to move beyond securing loyalty gifts and into partnering with donors who co-invest with institutions to accomplish shared objectives. We call this skill set being able to *sell the mission* of a not for profit organization, in the same way that consultative sales people in the commercial sector have for many decades. The key is to do so while preserving the integrity of the organization's ability to execute against the vision established by its founders and guided by its executive and volunteer leadership.

An essential part of that skill building is avoiding the three common dysfunctions of fundraising.



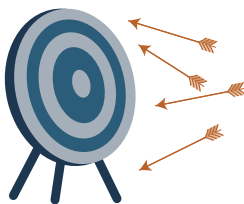
## **DYSFUNCTION #1: MEASUREMENT (ALONE) DRIVES RESULTS**

Too often the focus of managers, and consequently their frontline fundraisers, is on achieving activity metrics. We call them "busy" metrics because by themselves they do a good job of quantifying how much activity gift officers are undertaking, but they don't give us an idea of the productivity, typically measured in dollars raised and relationships progressed toward a gift. In short, busy and productive are two different things.

We hear quite frequently from managers seeking to drive performance increases that "its all about getting the meeting", "If we're active, the dollars will follow", "what gets measured gets done". And while we wouldn't argue with these statements at their face value, the unfortunate reality is that measurement is only part of what makes gift officers both efficient and effective. If management is not equally focused on the sequence and quality of each donor interaction – what we call a disciplined approach to donor engagement – then organizations run the very real risk of missing opportunities to have truly transparent and collaborative dialogues with their donors that lead to faster qualification, shorter solicitation cycles and higher average gift sizes.

By defining a donor engagement process that includes a defined sequence of conversation types, specific gift officer behaviors (active listening, facilitation) and diagnostic questions organizations can maximize the value of every donor interaction without compromising the relationship-based, mission-centric nature of philanthropy.

In combination with activity (e.g. visits and proposals) and output (average gift size, dollars raised) metrics, a defined donor engagement process enables managers to plot donor status on a roadmap to closing that is more highly predictable and explicit than trying to predict dollar outcomes based on how many "visits" are being made.



## **DYSFUNCTION #2: CAPACITY + INCLINATION = ASK**

Assumptions can often lead us astray, and no finer example exists than that of the traditional giving formula: The prospect has financial resources (capacity – we know because research has rated them, and someone Googled their job title) and they like us (inclination - they come to events, give regularly to the annual fund). So, my job is to build a relationship with them over the next year and when it feels right I will ask them for a gift in the amount we need. Sound familiar?

Just because someone has been rated and ranked or (subjectively) been deemed as having a high inclination, has no bearing on whether our organization is on their list of philanthropies to support. Nor does it indicate, should they choose to give, the kind of impact they'd like to have on a priority we (might) have in common. Similarly, by not knowing the donor's decision-making process, how they would like to make a gift and when makes the most sense for them puts us at risk of making perhaps a terrifically eloquent ask of someone who really does trust and like us, yet is far from being able to say yes because we haven't helped them get there.

In short, a donor's "readiness" is a crucial part of the real giving formula and one that needs to be developed using the right tools and discipline in order to yield strong and sustainable giving.



## **DYSFUNCTION #3: FUNDRAISING IS SIMPLY RELATIONSHIP-BUILDING**

At the individual level and within teams, understanding the specific role a fundraiser plays can make the difference between a yes and a no or even a loyalty gift and a transformational one.

More often than not the fundraising role centers on talking with friends about money, which, under everyday circumstances, is something people typically avoid doing. It's crucial to understand that the role of an individual fundraiser is that of a facilitator - not the hopeful spokesperson, the hard closer, the speed dater or the needy friend. Fundraisers are successful by building trust and collaboration in the interest of achieving a common goal. At times that common goal won't be a gift. Fundraisers often discover and cultivate outstanding volunteers and compelling peer advocates.

Effective fundraisers operate as facilitators are adept at managing the delicate balance between business and relationship that is inherent in any successful philanthropic relationship. They often view their role as educating capable donors in that regard. While its important to establish trust and demonstrate competency and a shared set of values with our donors, it is equally important not to allow relationships to stray too far into "friend" territory such that talking about money becomes awkward or simply inappropriate. Indicators of this issue include prospect situations in which gift officers have been "cultivating" a prospect for an extended period of time. The visits are easy to get, but the prospect is simply not moving forward in (or out of) the donor engagement process.

Essential tools in managing an effectively balanced relationship include strong meeting management skills and an awareness of which behaviors (ours and the prospects) can lead to awkward situations when its time to have a giving conversation. Strong fundraisers are excellent listeners and diagnosticians, often hearing what a prospect is really trying to say or adjusting the direction of a dialogue when they see its headed in a philanthropically dysfunctional direction.

The challenge's we've laid out here are both addressable and essential to overcome if front-line fundraisers are going to sustainably secure funds for mission-driven not for profit organizations. Today's hyper-competition for philanthropic dollars requires fundraisers to not only build authentic relationships with their donors but also to apply a disciplined and repeatable approach to donor engagement using specific skills and tools. Enabling strong giving patterns is not rocket science, but it does require discipline and a relentless focus in consistent execution to avoid the common missteps that can trap institutions in dysfunction.

