

**EPF Regional Advocay Seminar
Nordic Countries**

**Fundraising and cooperating with private
partners**

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1. Introduction to relationship-based fundraising



First of all...

Fundraising ≠ raising funds



- ❖ a definition from The Cambridge Dictionary: *“The act of collecting or producing money for a particular purpose, especially for a charity”*

“vs”

- ❖ an evergreen definition for fundraisers worldwide: **fundraising is the gentle art of teaching the joy of giving** (H. Rosso)



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... this means that fundraising involves

- **relationships first, then money**
- emotions + rationality
- mutual trust (*slow but continuous process*)
- accountability and ethics (*reliability*)

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Relationships – the 3Ps rule

People

give to **p**eople

to help other **p**eople



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... SO:

- talking about fundraising doesn't mean talking about money but about people, problems within a community, work to be developed, future plans
- people give to people to help other people, not to an organization
- this way, an NGO becomes the “executive donor’s arm”, that means that it does what a donors would do



Emotions and rationality – remember that...

*The essential difference between
emotion and reason
is that emotion leads to action
while reason leads to conclusion
(D. Calne)*

...

and you (as an NGO) need people to take action!



On the rational side ...

fundraising is
a **combination** of
strategic activities able to make the
sustainable development of an NGO (*its future!*)
possible



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Raising funds, then, means:

- go **outside**,
- **communicate**;
- **ask** for support in a structured, permanent and well-organized way,
- firstly **inform**, then **make aware** and, finally, **involve** your potential donors



Tip nr. 1

Remember that, when you approach a fundraising strategy for an NGO,

*each person
within the organization
should be involved*



fundraising is not a sport for solitary people!



2. Diversification is the key



The structure of sustainability – **funding sources**

- individuals
- companies
- foundations
- club service
- public funds/EU funds





If you consider

fundraising as a vehicle to reach sustainability for your organization,

your funding mix should be

well-balanced and rationale

Some figures - **individuals**

- the most important source within a fundraising plan – *approximately 60% of funds within a typical fundraising campaign comes from individuals*
- individuals usually donate to more than one organization – *consider this as a great opportunity rather than a bane!*
- **consider the relationship with your donors as a love-based one: be passionate, accurate (take care of them!), honest and transparent, open-minded and, last but not least, loyal!**



Some figures - **companies**

- try not to consider them just as your ATM
- have a look beyond pharmaceutical sector and map your prospects from a different point of view
- think at companies not only within a one-to-one relationship - *it is mostly like a one-to-many relationship!*
- there are a lot of ways to fundraise from companies, and sponsorship is just one among the others. Try to think at vehicles able to involve the community within (and around) the company: payroll giving, match giving, CRM initiatives are interesting even effective vehicles!



... but the question in the background remains:

how to identify and reach “my” prospects?

1. People donate to people to help other people (*the 3 Ps rule, again*)
2. Map you constituency
3. Profile them and set up your database for fundraising (*better: your CRM for fundraising*)



The constituency

A constituent is **everyone interested in your NGO**

e.g. your

- *members, Board members*
- *donors (present and past), participants (present and past),*
- *volunteers (and former volunteers),*
- *beneficiaries*
- *suppliers*
- *people with interests similar to those of your NGO*
- *everyone who is or has been involved in some way with the NGO*



Tip nr. 2

- *each NGO has its own constituents*
- *they are at the heart of fundraising for a NGO, usually intended as its stakeholders*
- *in order to develop a fundraising plan, the **Constituency model** is the best tool to map people around your NGO*



The Constituency model

The *Constituency model* is
aimed to identify
potential sources of donors,
based on relationships
(from the centre – *the Board* - outwards)



The donors at the heart of fundraising

If raising funds means
relationships with donors and prospects,
then you need to know them

...

how?



The donors at the heart of fundraising - the LAI model

3 indicators that you can map to better know your donors and prospects

- **Linkage**
- Interest
- Ability (in the sense of the financial capacity to give)



Matching your constituency

with the map emerged from the LAI model

for each name within your prospects' lists

to obtain

a predictable map of your potential donors

...you “simply” have to follow this map to engage and cultivate them!



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3. Cultivation is the *next big thing*



The *structure of sustainability* - Pareto principle:

80% of funds

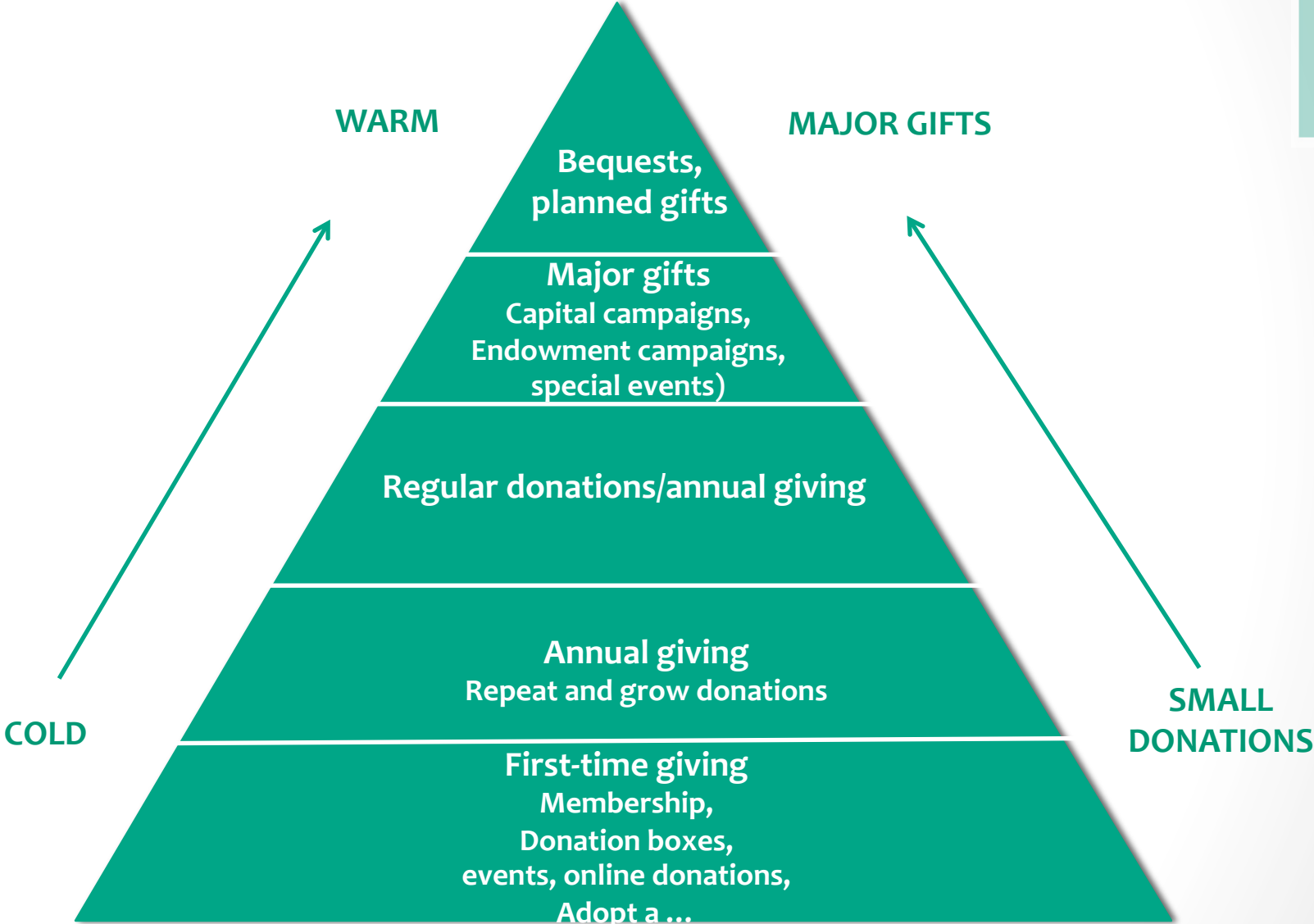
comes from

20% of our donors



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The pyramid of fundraising



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The objective of the entire fundraising plan is

to climb the pyramid



the logic of the pyramid is based on a
continuous development based on the relationship
(between the NGO and its donors)



Reaching prospects – fundraising vehicles

- personal meetings
- personal/personalized mailing and emailing
- personal phone calls
- events
- general mailing and emailing
- face-to-face/door-to-door
- social networks
- crowdfunding
- media coverage



The Ladder of effectiveness

from general
(general mailing/emailing, medias, ...)
to personal
(personal mailing/emailing, personal meetings, ...)



the more personalized you vehicle is,
the more effective will be your fundraising



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4. Sum up + conclusions



Recap - the culture of fundraising

- from cost to **investment**
- from shareholder to **stakeholder**
- from attention to **responsibility** (*I care*)
- from one-shot donations to **reciprocity/interest** (*and sustainability*)



A few final thoughts on fundraising

- ❖ Fundraisers should put themselves in their donors' shoes.

It helps if you are a donor yourself. No one should be a fundraiser without being first a donor.

Fundraising is not selling. Fundraisers and donors are on the same side. They share a relationship of shared conviction.

Fundraising is about needs and achievements. People applaud achievement, but give to meet a need.

Great fundraising requires imagination. Too much fundraising looks like more of the same.

Thanks for your attention!
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