

Annual Fund Case Study: Greater Minneapolis Crisis Nursery©

A Strategic Development Plan and a Professional Staff Committed to the Cause is Essential to a Successful Annual Fund

In one year The Greater Minneapolis Crisis Nursery acquired 1,287 new donors. In the same year, 454 donors increased their level of giving from the previous year. In this case study I've outlined the strategies and techniques used for donor acquisition and retention.

Annual fund success is definitely a process not an event. When I began work with the Nursery two years prior, I first focused my time and attention on building a strategic development plan and building a professional development team to carry out the plan. Despite internal re-organization, limited fundraising, and hiring a development team, the annual giving program grew 6%.

My second year with the Nursery they embarked on a \$3.1 million dollar capital campaign. The development team carried out the strategic plan for building the annual fund along with the Development Committee of the Board. In the midst of a capital campaign, the Nursery's annual giving program increased by 12% that year.

By the third year a number of pieces were firmly in place. A professional four person development team had been together for two years, the original development plan had been refined and targeted, and a disciplined media relations campaign began to yield results. The Nursery gained much publicity due to the opening of its second shelter, including an article in TIME MAGAZINE which I promptly received reproduction permission and subsequently mailed that same week to the Nursery's 4,000 donors. That mailing raised \$29,000 in a matter of four weeks. That same year the annual fund grew by 31%. Overall, in three years Greater Minneapolis Crisis Nursery's annual fund nearly doubled.

SUGGESTED STRATEGIES FOR GROWING AN ANNUAL FUND

Donor acquisition strategies:

Cultivate media relations

In one year, the Nursery appeared 69 times in print and 9 times on television including NPR, Time Magazine, The LA Times, and ABC World News Tonight.

What you can do: Obtain a list of selected media contacts (source: Schmidt's Media Directory) and routinely e-mail press releases to select TV news, radio, community newspapers, city magazines and trade publications.

Develop a speaker's bureau

The Nursery incorporated a speaker's bureau aggressively promoted in the community and encouraged local groups to host community events their behalf.

What you can do: Prepare a comprehensive speaker's bureau manual which includes organization contact information, sample script, organization history, statistics and facts, board list, common answers to common questions. Next find listings of faith communities and community groups – all exist to support the community and give away funds to achieve that goal. Send a mailing in January or February to these groups to schedule speaking engagements – it works best if you ask groups if you may address their group during a specific month (for example: April is National Child Abuse & Neglect month).

Establish Board Member participation

When you establish the practice of Board participation in fundraising you eliminate the need for explanation when a new board member joins your organization – the expectation is clear. What you can do: Require board members to commit to assisting the development effort. Board members need to financially support your organization. It's much easier to go to the larger community or write a grant if you can say, "Yes, we have 100% board participation in our fundraising efforts". The amount doesn't matter – it's the percentage of participation you strive for. Board members should be asked directly if they are connected to funding sources, have funding sources of their own or are willing to roll up their sleeves and raise money. A practice I recommend is to have your board send a letter to their personal address book asking for support.

Convert Capital Campaign donors to annual donors

Several donors to the Nursery's Capital Campaign were new donors or were not regular Annual Fund donors. What you can do: Establish a strategic plan to approach Capital Campaign donors asking for long-term support.

Acquire or purchase lists

The Nursery purchased or traded lists with similar organizations for direct mail acquisition. This isn't just an important piece of your development plan – it is essential. About 50% of donors do not renew their gifts after the first year and, by the fifth year; almost 90% have fallen off. It can cost up to 10 times as much to reach a new donor as it does to communicate with an existing one. What you can do: When you develop your annual fund plan – make sure a strategic and systematic tactic is in place to allow for on-going donor acquisition. Capture names or e-mail addresses whenever possible.

Increase grant research and proposal submission

The Nursery used the internet and other research tools to identify both local and national fund sources. What you can do: Understand there are two types of grant funding. The first is corporate and large foundation grants with stringent guidelines. The second is small family foundations and businesses; most whom don't have guidelines. The latter where treated more as an individual than a corporate funder. It's an important distinction in terms of how you communicate with them. If you have an organization where your programs can be "touched and felt", like the crisis nursery – encourage site visits regularly. Looking at a sleeping child speaks volumes and often that's all one needs.

Hold volunteer-hosted special events

The Nursery formed a volunteer committee from the community. The committee focused on bringing their friends/colleagues to the Nursery for a tour and then lunch with the kids. What you can do: Encourage your organizations closest friends to bring their friends to events, or visit the place they volunteer. Let them know they are more than a donor or volunteer, but also an ambassador for the organization.

Donor retention/upgrade strategies:

Design giving clubs

The Nursery's board researched the giving clubs of other area non-profits. They also spent a fair amount of time and effort developing the names of the giving clubs to develop a unique and appropriate brand or identity for each giving level.

Create a monthly giving club

Through this process they also introduced a monthly giving club. This program served two purposes. First, the program evened out the cash flow over the course of the year. Second, the opportunity to give monthly allowed certain individuals to contribute a greater amount than they would otherwise consider if making a single gift. To identify potential candidates for the monthly giving program, they ran a report from their donor database to identify individuals who had made three or more gifts within the previous fiscal year. These individuals were mailed information about the monthly giving program.

Target select donors for personal solicitation

The Nursery analyzed giving patterns and identified prospects for gifts at the highest level of their gift clubs. These individuals were removed from basic direct mail programs. Each prospect was assigned a specific ask amount and a solicitor. A personal phone call and tour of the shelter was planned and progress on each solicitation monitored on a regular basis. Each solicitor was assigned a minimum of ten donors.

Cultivate a strategic relationship with each corporate supporter

The Nursery encouraged employee volunteer programs with local corporate supporters. Board membership was considered for major corporate supporters. It's important to note that today more than ever before corporations give or give more to organizations where their employees volunteer.

Encourage site visits

The Nursery's development team and staff aggressively contacted donors to encourage them to visit the shelter. The opportunity to see the children's faces first-hand is a powerful and emotional experience.

Promote special occasion gifts

The Nursery actively promoted special occasion giving where gifts are made in honor or memory of a loved one or colleague. Gifts made in honor of Mother's Day or the Christmas Holiday. In most cases, these gifts were given in addition to an annual fund contribution.

Aggressively use return gift envelopes

The Nursery placed gift envelopes in thank you letters, newsletters, tax receipts, information packets and annual reports. We even sent a mailing three times a year (during low cash-flow months) which was simply a reply gift envelope within a #10 envelope (no letter enclosed). Many donors will give every time you present an opportunity to give. Proof: The "envelope within an envelope" mailing consistently raises \$8,000 - \$10,000 when mailed to roughly 3,000 donors.

Tailor solicitations to individual interests

Whenever the development staff interacted with donors and corporate supporters, they listened for the individual's interest in specific programs offered by the Nursery. When soliciting, donors were provided options for supporting the program for which they had expressed interest. Some donors are not sufficiently motivated to support a general operating fund. An opportunity to support a specific program in which they have an expressed interest can motivate an annual fund donor to increase their annual fund gift, or will encourage a non-donor to begin to give.

In closing, there are four critical elements that are the foundation for a successful annual fund:

1. An organization with a good reputation
2. A strategic, deadline-oriented, development plan with clearly established fundraising goals
3. A professional development team who is strongly committed to the cause (and gives to it!)
4. A fundraising database that's user friendly and flexible enough to track many dimensions of data in a manner which ensures the integrity of the information once it is pulled from the database in the form of a report

If you have questions or comments regarding this case study, or would like more information on how to boost your organizations annual fund, contact Marcie Wagner directly at marcie@wagnerfundraising.com.



CASE STUDY