



Working Together for a Better World

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for tools and guidance

Through Strategy, Teamwork, and Leadership

I'll take you on a journey to new places

VIII. Developing the Right Strategies for Fundraising Success

25 Proven Strategies for Fundraising Success: How to win the love and support of donors is the third book in my *Civil Society Series*. To get full value from the worksheets here, please get the paperback or e-book at [The Civil Society Series](#).

In decades of consulting with nonprofits around the world, I have seen successful implementation of all twenty-five strategies for fundraising growth. Different strategies often support each other. Some of these strategies are essential for every organization, especially the first four.

Best to you!

Ken


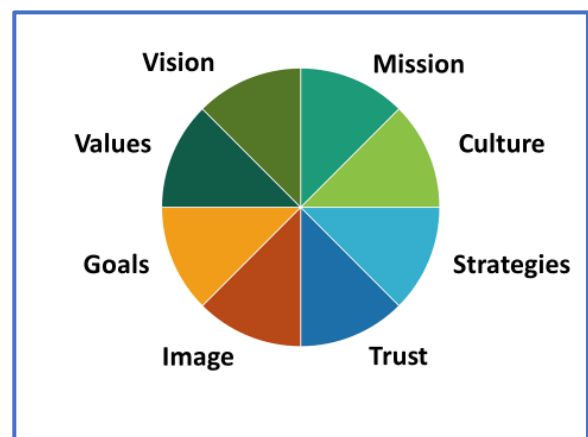
Strategy Review

- Strategy starts with your VISION, MISSION, VALUES, and CULTURE.
- **Goals** define WHAT YOU WANT to achieve.
- **Strategy** determines HOW you will achieve those goals.
- **Objectives** describe WHAT YOU DO to get there.

If your goal is to get to the top of the mountain, how to do that is your strategy – you could fly there, build a train to the top, or walk up. The strategy you choose will determine so much in all your further planning, budgeting, staffing, monitoring, and managing.

Mountain Climbing

• Goal:	Get to the top of the mountain
• Strategy:	Walk up
• Objectives:	Climb 20% each day
• Activities:	Get financial sponsors Select team Train hikers Identify trails, camps
• Monitor:	How are we doing? If a blizzard happens?
• Manage:	Change the trail, get...

The Ultimate Strategy that guides all other strategies:

1. Transforming your organization to independence and self-reliance – Key for most NGOs

Three must-have strategies for every organization:

2. Creating value for society and beneficiaries (participants) – For the public benefit
3. Providing value for donors to increase support – By making their dreams come true
4. Building capacity in the organization for superior performance – To do even better



Strategies about who you are – and how you appear in the marketplace:

5. Establishing your image and reputation – To be well known
6. Gaining the public trust – To be respected and worthy of support
7. Positioning your organization compared to government and business – To be valued
8. Differentiating yourself in competition with other charities – To be selected

Strategies to be a more developed, diversified, and sustainable organization:

9. Understanding the hazards of relying on big donors – OK at first but very risky to continue
10. Diversifying your sources of funding – Essential for sustainability, growth, and learning
11. Developing new markets and new products for new donors – Opportunities for everyone
12. Expanding your community outreach – To grow when you are local or have branches



Strategies to grow income from five types of prospective donors:

- 13. Growing your support from individuals – To increase funding, stability, and influence
- 14. Growing your support from local, regional, and national government – For greater impact
- 15. Growing your support from corporations – To leverage their marketing and public relations
- 16. Growing your support from grant-making donors – For innovation and capacity building
- 17. Growing your support from volunteers – To gain so much in so many ways

Strategies to get more “bang for the buck” through internal management:

- 18. Using your events strategically – To gain coordination and synergy
- 19. Integrating all outreach efforts – To work together smoothly and persuasively
- 20. Enforcing a cost-control strategy to improve efficiency – To have more for program
- 21. Investing in increased effort and budget as growth strategy – To accelerate growth



Strategies to enable the organization to leap forward in fundraising and impact:

22. Creating new partnerships – To gain needed capacities from partner organizations
23. Supporting the development of civil society – To grow from expanding philanthropy
24. Assuming leadership to assure strong appeal to donors – To step up for FUNdraising
25. Adopting Total Organization Fundraising™ – To bring everything together for success



A Story from My Own Work

While at Foster Parents Plan, we took the following critical steps as we selected and implemented our fundraising strategies and supporting tactics:

1. Researched markets and worked with a consultant on differentiation and growth strategy.
2. Established our overall strategic directions (vision, mission, values, and stretching goals).
3. Built on our current assets and competencies and supported staff development.
4. Conducted creative sessions with strategic thinkers and marketing experts.
5. Developed new strategy and plans for marketing (media) and fundraising (personal).
6. Reallocated the budget and hired new staff with marketing and research expertise.
7. Created a culture of learning, confidence, experimentation, and commitment.
8. Brought onto the board new members with marketing and research expertise.
9. Expected to struggle initially to find the right tactics and implementation.
10. Focused on how we could add value to donors through marketing and fulfilment.
11. Continued research to find insights from program needs and marketing opportunities.
12. Experimented and innovated to overcome barriers and challenges.
13. Learned from our own experience by monitoring and evaluating our success and failures.
14. Kept working at it, tested it, and expanded what worked.
15. Surpassed our three-year goals and celebrated our success.

Twenty-five Proven Strategies for Fundraising Success

When the new strategic plan, culture, and strategies were in place, it was the staff who made it successful – my colleagues in research, house appeals, prospect marketing, advertising, public relations, donor service, testing and monitoring, donor education, new school programs, finance, systems development, staff development, programs support, and management – along with new board member expertise.

Results? We tripled the income for the organization from \$10 million to \$30 million (\$64 million in 2022), overwhelmingly from individual donors. This laid the ground work for a following executive director to double the income again through the strategy to generate funding from major grant-makers including the U.S. Agency for International Development. We achieved this success by working together through strategy, teamwork, and leadership.

You can now move on to select the strategies that offer the most potential return on investment.



Preparation to Develop Your Fundraising Strategies

The fundraising strategies you choose will have a major impact on your objectives, tactics, activities, personnel, resources, and success.

Strategy is the roadmap to get to your goals, crafted for the special situation of your organization and its stakeholders. A strategic statement is a clear and logical explanation of *how you will progress* (what path, what means) to reach a particular goal. Once you clarify a strategy, you can set objectives, tactics, and priorities, allocate resources, and determine the new skills and capacities needed to successfully reach the respective goal.

KEY POINT: Your challenge as fundraising director, executive director, board member, or other smart and determined staff member is to develop, promote, and support the most effective fundraising *strategies that are right for your specific organization.*

Let me share two key quotes from my book:

- ◆ “The London Business School describes building strategic and competitive advantage through several thought processes: good strategy flows from (1) identifying your key resources and competencies, (2) is intended to overcome obstacles, and (3) identifies and exploits rivals’ weaknesses. In the end, good strategy (4) leads to a unique value-add that appeals to your customers or, in our sector, your donors. At its best, good strategy (5) takes advantage of your resources and competencies and anticipates and responds to changes you will face.”
- ◆ “Michael Porter emphasizes that competitive strategy is about being different and deliberately choosing a different set of activities to deliver a unique mix of value. He states that a focused competitor targets the special needs of a subset of customers and designs activities accordingly. Although he is writing for business entities, the ideas he advocates are fully applicable to nonprofit organizations. You will have different categories of donors and they will need different services and different benefits.”

As you begin, review your organization’s vision, mission, values, and goals as well as any internal or external research you have completed. Also, take into account your most innovative thinking and any donor and competitor assessments you have conducted.

Your goal is to get to the top of the mountain. How to do that is your strategy – you could fly there, build a train to the top, or walk up. The strategy you choose will determine so much about the objectives, activities, personnel, and budget.

The challenge is to select which new fundraising strategies [the HOW] will propel your nonprofit forward and upward. In the previous chapter, I summarized the twenty-five proven fundraising strategies. This chapter will guide you to select the strategies that are most needed or offer the most potential return on investment. For now, limit your focus on what you can realistically achieve in the next year and do it with energy, commitment, and creativity. Come back later to select your next priorities.

Preparations to Select the Appropriate Strategies for Fundraising:

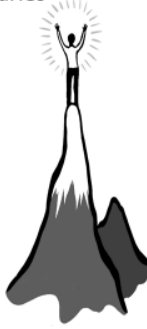
1. Refer to your summary of *strategic directions* on which to build strategy (vision, mission, values, and goals). What do you most need to do to achieve success?
2. Identify the key *strategic issues* (the top three to five problems and challenges your organization is facing). What are your biggest challenges for fundraising?
3. Refer to lessons from your own *internal research and analysis* to help identify possible strategies. Where have you done best and least in past fundraising?
4. Use insights from your *external research* and conclusions to help identify possible strategies. What are the most attractive opportunities?
5. Brainstorm *potential innovations* to overcome the problems and challenges you have identified. What are new possibilities that attract you the most?
6. Identify the *priority publics* or groups that *each* strategy will attract and involve. Who are your priority publics for this strategy?
7. Identify *what was lacking* in the past related to *each* strategy. What new skills and what else are needed to succeed with each strategy?
8. List your most significant *current skills and assets* on which to build *each* strategy. Where can you grow fundraising results with the greatest confidence?
9. Think deeply about the *potential of each strategy*. Which will give you the greatest distinction and value-added in your field?
10. Select your *top new strategies* that are most needed. Which potential new strategies offer the best return on investment for your organization at this time?

Based on research and innovative thinking, the output from these steps is:

- A short statement of each specific strategy
- The critical issues and challenges it addresses
- Current skills and assets it uses
- Value added and appeal to donors
- Priority publics for this strategy
- New skills and other needs for this strategy
- Expected benefits from this strategy
- Steps to develop and test the strategy
- Possible objectives that flow from the strategy

Some Fundraising Strategies

1. Transforming for Independence and Self-Reliance
2. Creating Value for Society and Beneficiaries
3. Providing Value to Donors
4. Building Capacity for the Organization
5. Establishing Image and Reputation
6. Gaining the Public Trust
7. Positioning Yourself Comparatively
8. Differentiating Yourself Competitively
9. Relying on Big Donors (Very Risky)
10. Diversifying Sources of Funding
11. Developing New Markets and Products
12. Expanding Community Outreach



13. Focus on Individual Contributions
14. Focus on Government Grants
15. Focus on Corporate Support
16. Focus on Grant Making Donors
17. Focus on Volunteer Support
18. Using Events Strategically
19. Integrating Efforts to Accelerate Growth
20. Enforcing Cost Control for Efficiency
21. Investing in Effort as Growth Strategy
22. Creating New Partnerships
23. Support Development of Civil Society
24. Assuming Leadership to Assure Appeal
25. Total Organization Fundraising™



You should select a reasonable number of *new strategies* to develop for fundraising – enough to boost results and also be manageable for implementation (probably three to five new strategies). Be sure to base your fundraising strategies on your internal and external research, your strategic directions, and your completed donor assessments.

If needed, please refer to my book on *Strategic Planning and Culture for Nonprofits: Clear and doable steps to create motivating plans and the supporting culture you need for success* as the basis for your work in strategies. It provides detailed guidance on strategic planning including strong values, energizing culture, strategic positioning, trustworthiness, and other key issues. The initial chapters cover: what is strategy, goals versus strategies, and strategies versus objectives and tactics. You may benefit from reviewing the advice in the initial sections in that book:

- Chapter 1: What is strategy management for a nonprofit organization?
- Chapter 2: Steps to create your strategic and operational plan – Overview
- Chapter 3: Preparation and research for strategic and operational planning – Start Now

KEY POINT: A strategic statement is a clear and logical explanation of how you will progress (what path, what means). Strategy is the road map to get to your goals, crafted to fit the special situation of the organization and its stakeholders. Identifying strategies requires creativity and insight. Three traditional business strategies are uniqueness, better service, and lower price. Strategy is the basis for decisions, setting objectives and priorities, and allocating resources.

When you and your team are ready, start by completing **Worksheet I** below to select which fundraising strategies you will develop for implementation. Next use **Worksheet II** to expand and update your assessments of current and prospective donors, partners, and other supporters. Then use **Worksheet III** to develop each of the fundraising strategies you decide to pursue. And finally use **Worksheet IV** to develop the supporting objectives and tactics for your selected strategies.

WORKSHEET I. FUNDRAISING STRATEGY: SELECTION		
Based on the seven steps above, select new priority strategies for fundraising.		
Strategy	Will you....	Select
1. Transformation	Move to a higher level of development?	
2. Value to society	Demonstrate your value to beneficiaries and society?	
3. Value to donors	Demonstrate your value to donors and non-donors?	
4. Capacity building	Get all departments to build their capacities?	
5. Image	Present yourself more effectively to priority publics?	
6. Trust	Convince donors, non-donors and others to trust you?	
7. Comparison	Show you are better than business and government?	
8. Differentiation	Show you are a different and better NGO than others?	
9. Big donors	Develop a few more donors for stability?	
10. Diversification	Diversify more fully in new fundraising?	
11. New markets	Innovate and develop new products and new markets?	
12. Community outreach	Expand your outreach into new communities?	
13. Individuals	Develop capacity to raise money from individuals?	
14. Government	Develop capacity to raise money from governments?	
15. Corporations	Develop capacity to raise money from corporations?	
16. Grant makers	Develop capacity to raise money from grant makers?	
17. Volunteers	Develop capacity for a better volunteer program?	
18. Events	Work to secure more results from events?	
19. Communications	Manage to get all communications integrated?	
20. Cost control	Work for cost savings to do more in key functions?	
21. Budget	Secure greater investment for fundraising growth?	
22. Partnerships	Strengthen partnerships for your NGO and others?	
23. Civil society	Get your organization to help develop civil society?	
24. Leadership	Step up to leadership throughout the organization?	
25. Total organization fundraising	Get everyone to support fundraising to attract donors?	

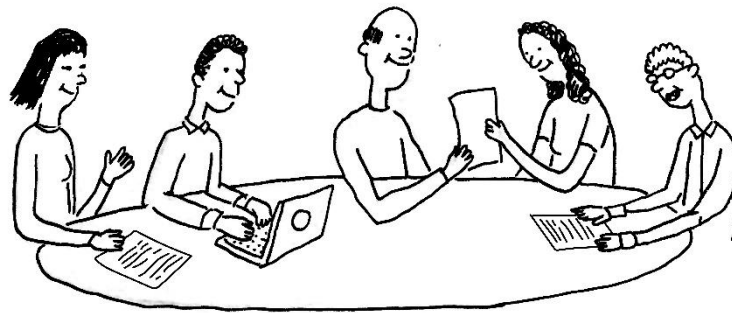
Twenty-five Proven Strategies for Fundraising Success

List here the strategies for fundraising you have selected to develop (Don't choose too many!)

- 1.
- 2.
- 3.
- 4.
- 5.

Questions on drafting the fundraising strategies

1. What research do you need to complete before you begin?
2. Who will participate with you to develop these strategies?
3. How will you use the strategies to develop operational plans?
4. How will you assess the success of each strategy?



Twenty-five Proven Strategies for Fundraising Success

Now, you can turn to actually writing your strategy statements. After confirming the key components of your strategic plan, use the right-side column in the second page of the worksheet below to list the key components of each strategy, as suggested in the left-side column.

The output from these steps to build strategy is 1) a short statement of each specific strategy, 2) its response to critical issues and challenges, 3) how it builds on our assets and competencies, 4) its appeal to donors, 5) priority publics for the strategy, 6) expected results of the strategy, 7) new skills needed, 8) leadership for the strategy, 9) first-year objectives, and 6) evaluation.

An organization should have a reasonable number of strategies for fundraising implementation – enough to achieve results and also be manageable (3 to 5 strategies, more as you progress).

Note: Save each new strategy under its own name for further use.

WORKSHEET III: Statement of Each Fundraising Strategy

Always based on Vision, Mission, Values, and Goals

Complete the next pages of this worksheet for each strategy you have selected. But first your strategic plan!

Enter your vision, mission, values, and goals here. Let them guide you as you plan.

1. Our vision is

2. Our mission is

3. Our values are

4. Our key goals are:

1.


2.

3.

4.

5.

Twenty-five Proven Strategies for Fundraising Success

<p>Write the strategy selected in the next box to the right.</p>	<p>Use a separate worksheet for each strategy you have selected.</p> <p>Complete details for each strategy as prompted by questions below.</p>
<p>Statement of this strategy to increase fundraising </p>	<p>Strategy # __:</p>
<p>Critical issues it addresses and challenges it will overcome?</p>	<p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p>
<p>Current assets and competencies it will use (i.e., exploits)?</p>	<p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p>
<p>Value and appeal to donors it gives you in your field (i.e., uniqueness, fame, some other advantage)?</p>	<p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p>
<p>Priority publics for this strategy (list categories of current and potential donors)?</p>	<p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p>
<p>What are the benefits or results from this strategy?</p>	<p>1.</p> <p>2.</p> <p>3.</p>

Twenty-five Proven Strategies for Fundraising Success

	4.
What new skills are needed? New resources?	1. 2. 3. 4.
Who leads this strategy? Current staff needed? Other requirements?	1. 2. 3. 4.
What are objectives for the first year as you implement this strategy?	1. 2. 3. 4.
How will you evaluate the strategy? How will you test and improve it?	1. 2. 3. 4.

Twenty-five Proven Strategies for Fundraising Success

	Tactics
Civil Society	Objectives Tactics
	Objectives Tactics