

10 Fundraising **Mistakes**



*(and what you can
do about them)*

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— and what you can do about them

Overcome the most common mistakes made by fundraising newcomers and pros alike – and get the money you need to accomplish your mission!



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Electronic Book

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INTRODUCTION

I was a very late bloomer when it came to riding a bike. I seem to remember having training wheels until I was 7 or 8 years old. Thankfully, we lived on a farm, very few people got to see my many tumbles. I had taken to trying on the grass (instead of the gravel driveway) to help cushion the fall a bit.

As we grow up, we seem to forget that doing things incorrectly is often the precursor to learning how to do them the 'right' way. We forget that the process of learning includes figuring out what the wrong things are (and many times learning that the hard way). So, while this report is entitled '10 Mistakes Made by Fundraising Novices,' let's think of mistakes as stepping stones to

learning, rather than as obstacles to trying in the first place.

Here are 10 of the most common mis-steps I've seen organizations make. Do you see your organization in any of these?

1. Isolating fundraising
2. Not building a team
3. Not having a plan
4. Not knowing who to talk to
5. Lack of confidence in your message
6. Not communicating
7. Seeing fundraising as begging
8. Not investing in marketing
9. Not having systems
10. Spending time on the wrong things



MISTAKE #1: ISOLATING FUNDRAISING

Do you believe that fundraising is just as important to your mission as the mission itself?

Many organizations try to separate the two. There's a prevalent belief that fundraising is the dirty aspect of the nonprofit world and is just a necessary evil.

In this new era, the nonprofits that are most successful in fundraising have integrated it fully into the culture of their organization. Fundraising is not an add-on for these organizations. Rather it's a core part of the identity of the organization.

In fact, I know of some ministries that have expanded their mission to include a prayer ministry for the donors. This is

provides additional avenues of communication for donors and has, as a side benefit, increased donation as well.

But, what are some of the things that have changed to create this new era? Seth Godin talked about one of the issues in his book, *The Purple Cow*. No longer is it enough to have a decent product and a mass marketing approach. In order to stand out from the crowd (since in most communities there are many organizations serving the same needs), we now need an amazing product to begin with. Having fundraising staff involved as programs are improved and expanded can help develop a stronger program – that includes input from key stakeholders (in this case, donors).



MISTAKE #2: NOT BUILDING A TEAM

One of the great things in the nonprofit world is, we don't need to go it on our own – although sometimes it really feels like that's the case. Some people that are important to have on board from the beginning include someone who is great with data. You also need several people who are great at relationship building and at least two to three people who are comfortable asking for money. For many organizations, the board provides much of this, especially as an organization is beginning to formalize its fundraising program.

If there's one thing that seems to come up again and again as I talk with Executive Directors and Development Directors, it's that board members don't want to be involved in fundraising. And in some cases, I can't blame them. They've been recruited because someone thought

that they'd say yes - not because of any passion for the cause. They were assured that all they would have to do is show up at meetings. And we get what we ask for.

Here are a few suggestions to help you engage your board more fully in this process:

First, set clear expectations while you are recruiting potential board members. We get what we settle for, so please, don't be afraid to talk about what you really want your board members to do while you are recruiting them.

In many cases though, we've come in down the road a ways and are, for the time being, stuck with those people who were either 1) recruited under a different set of expectations, 2) thought that said expectations didn't apply to them or 3) have gotten used to the status quo of not being involved with fundraising. In this (much more common) situation, here are a few steps to take.

1. Start with one person (or two). If you wait until you have everyone on board, you'll be waiting a long time. Having a little momentum is better than spinning your wheels in place, waiting for the perfect time.
2. Do everything you can to make that one person successful. I've seen the transition from reluctant participant to engaged advocate. The transition occurs for a variety of reasons. Most important, I think, is that they get to see for

themselves what an honor and privilege it is to ask for money. And they see firsthand that most donors are not offended by then ask.

3. Have that advocate share their experiences. It's one thing to have a paid staff member or consultant talk about raising funds. It's a complete other for a board member to see one of their own - who was reluctant not so long ago - now being enthusiastic about asking for donations.
4. Lastly, talk about fundraising at every meeting. Dr. W. Edwards Deming taught us that we should expect what we inspect. Using a dashboard of some sort makes that easier because then you're sharing the same type of information at each meeting.



MISTAKE #3: NOT HAVING A PLAN

My mom came to visit several months ago and we went on an excursion to Berea, Kentucky. Not only is it a quaint town with great Kentucky craft stores, it was also my father's first residence in the United States. He was a gymnast (from Denmark) and spent some time at Berea College in the mid-60's as a gymnastics instructor.

Taking some time to reflect on where we come from is a great way to refocus and develop future plans and goals. That's one of the reasons ongoing evaluation is so important. We talk a lot about future goals and plans, but it is equally important to know where we are now. Directions to get from Washington, DC to Atlanta and directions from Orlando, FL to Atlanta would be quite different.

A plan gives you something to aim for and, more importantly, helps you to proactively decide how to invest your time allocated for fundraising.

It might be fun and sexy to talk about big dreams and big ideas, but developing your plan is just as important. Here are a few ideas of things you can measure and develop plans to improve on:

- **Contacts With Each Current Donor.** Try to find creative, low-cost ways to convey your thanks. Marketing theory says that someone needs to hear/see/read something seven times for it to really sink in. This could include update emails, newsletters, thank you cards (both from staff and from your clients), in-person meetings, phone calls, etc. The number and quality of the contacts should be appropriate to the value of the gift.
- **Donors Renewing Gifts.** If this number is falling, try sending out a survey to those lapsed donors to see if there is a theme for why they aren't renewing. Other studies have found that about 93% of people indicated it had something to do with communications (rather than the economy, less expendable income, etc.).
- **New Donors.** Are there new people who are choosing to support your organization? If not, chances are you'll be running in to trouble with declining revenues soon.



MISTAKE #4: NOT KNOWING WHO TO TALK TO

How effective would you be in the game of darts if you were blindfolded? Not very, I would guess! It's the same in fundraising – if you don't know who your primary target audience is, you might as well be blindfolded.

If you've been in the fundraising field for any length of time, I'm sure you've heard the terms linkage, ability and interest. It never hurts to revisit the basics, so here we go:

- **Linkage.** Most gifts to organizations do not come from strangers. They come from people who are connected to, or linked to, your organization in some way. Board members and volunteers are typically the closest. The clients themselves, family members, vendors, companies that might benefit indirectly from what you

do and the community around your physical location are some categories that might apply to your organization.

- **Ability.** Next, you want to identify whether or not those individuals (or groups) have the ability to make a gift to your organization. This can be accomplished with a focus group or through paid research (there are prospect researches who specialize in finding this information).
- **Interest.** Do they have any interest in your cause? Just because they are connected and have the ability doesn't mean that they're interested. In a major gift program, you'll likely be meeting with people individually to help determine whether your organization is the right one to fulfill the donor's philanthropic goals. If it's not a good fit, they might know others who would be (don't forget to ask that question). With overall giving programs, social media has given us new ways to let potential givers express interest in our cause. Facebook pages, Twitter, LinkedIn pages, Causes, etc. If you're looking at purchasing a list, be sure that you're narrowing it beyond wealth indicators (i.e. a ministry might want to focus in on people who have contributed to other religious causes or an environmental group might want to focus in on people who have subscribed to environmental-related publications).

Easy, right? Well, simple at least. Linkage. Ability. Interest.



MISTAKE #5: LACK OF CONFIDENCE IN YOUR MESSAGE

In 2000, I had the opportunity to go through Leadership Orlando. Of particular interest to me were the days in which traditional nonprofit issues were covered. I'll confess much of the information was review for me – low graduation rates, high rates of students on free and reduced lunch programs, teen pregnancy. As I started getting settled in for a day of review, I noticed that the business leaders around me were looking shocked.

Prior to that experience I had often gotten upset (and somewhat angry I'll confess) that business leaders in our

community weren't doing more about social issues. As I learned that day, it wasn't that they didn't care - they just didn't know there was a problem. Based on their new knowledge, a group from our class adopted a public school in a low-income area and collected school supplies and financial donations, volunteered in the classrooms, and put together a celebration for the families in the neighborhood.

This awareness dramatically changed the way I communicated about what the health clinics I worked with did. Instead of getting frustrated, I chose instead to recognize that a large part of my job was to educate the people I talked to about the needs of the community.

By researching the needs of the community and sharing that information, rather than just sharing about the needs of the organization, I was better able to recruit others to become a part of the organization.

In addition, researching the needs of the community reinforced, and grew, my belief in that needy cause.



MISTAKE #6: NOT COMMUNICATING

Long-term supporters are the life-blood of successful fundraising programs. So why is it that we so often take our long-term supporters for granted?

Think about it for a moment. How absurd would it be if we only called our parents when we wanted money? Okay, maybe that's not a great example. Let me try another one. What if you only talked to your boss when you wanted a raise? How long do you think you would keep your job?

It's all about communication. I had a phrase that I used so often in college that my friends used to tease me about it. "Communication is the key" I'd say – whether it was a relationship question, job question etc. I guess I said it so often though because it was – and still is – true. I might

clarify that a little further now by saying the effective communication is the key.

Communication is definitely the key when it comes to building long-term friends (i.e. supporters) for your organization. Here are three communication tips to help you get started:

- **Communicate Regularly.** It might be tempting to try to cut back on messages that you send out. I know we're all overwhelmed with the amount of information we're processing each day. So it's tempting to cut back – to save other people from that information overload. Cutting back is not the answer. The real answer is to make your communications more meaningful. Make it something they look forward to receiving. Share stories about people your organization is helping. Whatever you do, make it more meaningful – rather than cutting back.
- **Communicate Emotionally.** This is where stories become so helpful. Instead of stating: 'this makes me angry,' share a story that would evoke anger. Let others experience it for themselves; let others come to their own conclusions about how they feel. When you read through your materials, pay special attention to assumptions that are made – instead, provide the backup that led you to that assumption so that the reader can make their own assumption as well.
- **Communicate Appropriately.** There are so many possibilities for communication these days. The most

important thing then is to find out where your people hang out and where they get their information. Then pick a few different ways to communicate and build an integrated message. This means (1) communicate where they are and (2) use different mediums to reinforce your message.



MISTAKE #7: SEEING FUNDRAISING AS BEGGING

There is a difference between doing anything to get a one-time gift and asking people to invest in a cause they believe in.

In the first, people beg, plead and do anything else that is required. In the latter, we build relationships with people, find out what their passions are and find out if our organization is the right one to accomplish their goals. It becomes as much about helping the potential donor identify the causes that they want to be involved with as it is about asking for a gift.

What it really comes down to is the mission of your organization - and not the money. A forward-thinking

fundraising strategy is about investment – not small one-time gifts.

Even if you have board members who are not comfortable with asking for gifts, there are other ways for them to be involved in the fundraising process. This could include writing to or calling donors to thank them for their gifts. Speaking with current donors can ease them into becoming more involved in other aspects of fundraising.

I'm a big advocate for 'as-you-go' fundraising. Basically, providing board members (and other volunteers / staff) with information that is easy to share and drop in conversation. If we see a good movie, we're going to talk about it. Why wouldn't it be the same if you're having a good experience with a nonprofit organization?



MISTAKE #8: NOT INVESTING IN MARKETING

In a difficult economic time, it's more important than ever to raise awareness and introduce more people to your cause. The primary reason: If people don't know about the need of the community and your organization, they won't become involved (or give). As Dan Pallota said in the Harvard Business Review, "spending money to build demand for the great causes of our time is as central to those causes as direct service — maybe more central, as it is the only way nonprofits have any hope of reaching the scale of the problems they confront".

The traditional marketing funnel aims to move people from Awareness through Consideration and Preference to Action and Loyalty. Nonprofit communication also aims

for action and loyalty. If someone is aware that there is a need, they can consider various ways to address that need (whether through existing organizations or on their own). They select their preference and then take action (volunteering, donating or engaging in some other work). Ideally, they will become advocates for the organization and increase their involvement (perhaps by encouraging others to become involved with the organization or through a planned gift).

When marketing about a nonprofit organization there are two different messages that need to be communicated.

First, educate the community about the need (to increase awareness). If potential advocates do not know that there is a problem, they won't become engaged in it.

Next, build credibility of the organization (to increase the possibility of your organization being selected as the way to address the community need). You'll want to make the case that your organization is the best one suited to address those challenges.

A Story of Two Nonprofits

I encourage you to visit the following two websites. Both address issues related to water in third world countries. Both are engaged in meaningful work. At the risk of oversimplifying their differences, one chose to invest heavily in public relations and development and the other did not.

In 2006 (their first year of operation), Charity: Water spent \$105,234 (or 30.3%) of their total budget on development and public relations. Their second year they raised just over \$1.6 million and spent 15% on development and public relations. It was an investment that paid off. Their 2008 Annual Report shows that their total revenues were \$6,642,022.

Global Water is a similar organization that was founded in 1981, but has not indicated any expenditures for marketing or fundraising. Their total revenue in 2008 (per their IRS Form 990) was \$56,943.

A Note of Encouragement

We live in a very generous society and people want to support those causes they are engaged in and passionate about. By raising awareness and inviting people to engage in the organization (whether through giving, volunteering or advocating for your cause in another way), you will be one step closer to fulfilling your mission.



MISTAKE #9: NOT HAVING SYSTEMS

Every once in a while, I'll find a surprise while I'm searching through the files on my computer. Recently I came across my thesis from my Master's degree about fundraising and community health centers.

Out of curiosity, I decided to scan through it. It seems that some things haven't changed. Here's what I had to say about some of the most important aspects of fund development:

- Build Relationships
- Segment
- Communicate appropriately
- Provide Recognition
- Use Stories

I'm still trying to figure out how it took me 51 sources to reach those conclusions - but it was a thesis after all!

Regardless, it's exciting to see how technology has expanded the ways that we are able to accomplish these basics. We're able to track and more easily access information about interests (remember the days of 3x5 cards and a hole punch?). We're able to more easily create targeted messages and send it out to just the people who are interested in it.

But, lately I seem to be running in to more and more groups who are trying to run their systems from homegrown Access databases and Excel spreadsheets. There's so much more that a good donor management system can provide.

In case your board and senior staff is looking for justification to back up your request to upgrade to a 'real' donor management system, here are some thoughts regarding the two primary purposes of such a system:

- Define the people with whom the organization's leaders should meet.
- Reinforce a thoughtful, disciplined approach to fundraising.

How do you decide who you will meet with personally and who will receive other types of correspondence? In order to use your donors gifts wisely, it's so important to segment your donors. Now it's possible to sift through raw

data, sort it, and try to visually gauge your strongest givers over time. But it is very time consuming and the process leaves open the possibility for human error. Most donor management systems will allow you to group your donors based on certain criteria to ensure that people don't fall through the cracks.

Data also helps to support a thoughtful, disciplined approach to fundraising. All of the literature relating to direct mail emphasizes that we need to test different approaches to see what works best for our own donors. What works in an international membership association won't be the same as what works for a local ministry (and vice versa). Do you have a one page letter with lots of white space? Or a four-page letter? It depends - test! A good donor management system will allow you to enter the data and easily pull a report that lets you compare those different campaigns.

Technology - e-mail and now social media - have added a whole new range of possibilities (and a near infinite number of data points to track). In an ideal world, your email campaign and social media campaigns could all be tracked from the system, and software providers are beginning to make changes to allow that. The possibilities are exciting.

Now I know what you're going to ask next. So what donor management system should I choose? Should I switch? Well, that depends too.

Your first step is to do a complete analysis of what you want your system to be able to accomplish. Then you'll want to pull together a list of 3-5 systems that offer what you need that are also in your price range. Finally, schedule demonstrations with those and make sure they do what you need before making your final selection.



MISTAKE #10: SPENDING TIME ON THE WRONG THINGS

Do you suffer from 'shiny object syndrome?' If so, you're not alone. It seems like every few weeks or so there's another tool that's being launched that will be the next best thing for nonprofit organizations. It's easy to run from one thing to another, spinning our wheels and never accomplishing the primary goal. In fact, some weeks you may not even remember what the primary goal was! (Or maybe that's just me.)

Do you remember [Alice in Wonderland](#)? One of my favorite quotes from the book is that "if you don't know where you are going, any road will get you there."

Identify what your primary goal is. Develop a basic plan with 3-5 strategies that will help you accomplish those. Allocate your time to those strategies and move forward. And the next time someone comes to you with something you 'have' to try, let them help you determine which strategy needs to be put on hold to accommodate the new idea.

As your fundraising program grows, you will have more ability to test new tools and be on the cutting edge of things. But for most of us, it has to be okay to be in the second group of people who adopt the latest and greatest thing.

You can raise the money your organization needs. Don't be overwhelmed by everything that everybody tells you needs to be done. Just pick the important things to focus on. You can do it. Really.



CONCLUSION

In this e-book we've covered some of the primary mistakes I've seen organizations make as they begin – or grow – their fundraising efforts. In addition, I've offered a few tips to help you address this issues. Let's review:

1. Isolating fundraising – Integrate fundraising into every aspect of you organization (including the board and programs)
2. Not building a team – Build up leaders among your staff and board to work with you.
3. Not having a plan – Develop a simple plan to help you get started. Start by focusing your efforts on key indicators that you identify.

4. Not knowing who to talk to – Follow the Linkage – Ability – Interest framework to help you identify your target audience
5. Lack of confidence in your message – See communicating as an education opportunity and do research to confirm the need in the community for the work you do.
6. Not communicating – Stop seeing your communications as burdensome on the receiver – and see it as a welcome resource for your donors.
7. Seeing fundraising as begging – Look at fundraising as an opportunity to identify people who have a heart and passion for the work that you do (it's not about recruiting everybody, but about recruiting the right people).
8. Not investing in marketing – Recognize that people will not support what they have not heard about.
9. Not having systems – Systems will help you stay on track related to communications and fundraising. Invest in the right system.
10. Spending time on the wrong things – Stick to your plan. While you need to be somewhat flexible, keep an eye on the things that are most important for your organization right now (and that you have resources to accomplish).

You Can Do This!

If you would like more guidance in growing your organization's fundraising program, take a look at my ['8 Weeks to Fundraising Success'](#) Program. It walks you through a step-by-step process of developing a plan and case statement customized for your organization's needs.

ABOUT THE AUTHOR:



Kirsten Bullock, CFRE, MBA is a fundraising coach who works with leaders of nonprofit organizations and ministries to increase their funding through board engagement, communications and other outreach. She earned her designation as a Certified Fund

Raising Executive in 2002 and, since 1995, has worked with health care organizations, social service providers, national and local ministries, and international membership associations. Kirsten is currently serving on the PAC Board and Research Council of the Association for Fundraising Professionals. She is an AFP Master Trainer and is the author of *Simple Steps to Fundraising Success*.

She offers multiple free resources on her website, including a weekly roundup of fundraising ideas and news: www.bullockconsulting.net.

When not working to equip and empower people in the nonprofit sector, Kirsten sculpts, is attempting to learn to speak Danish and enjoys living in historic New Albany, Indiana with her husband Rob and dog Cedar.