

8. Don't forget to write.

While major donors have the capacity to give transformational gifts, annual giving is still important because it involves a greater number of small donors, some of whom will eventually be identified as prospects for significant gifts. The primary way of soliciting annual gifts is through the mail.

Don't let anyone tell you direct mail is dead. Commercial agencies know the power of a well crafted letter in the household mailbox. Check out how many letters or offers come to you from for-profit companies. Perhaps much or most of the material isn't read, but the one that is targeted to you (because of research and segmentation done by a professional mailing house) or lands the day you learn you need a new roof, will catch your interest.

In an article published in Canadian Fundraising and Philanthropy eNEWS, Harvey McKinnon writes that, "People do not hate getting direct mail; in fact, they enjoy receiving printed mail. Direct mail can raise significant sums of money, and it is far from dead. It can work for any charity, not just the high-profile ones. It is as important as major gifts to an organization's overall success."

But, he adds, people do hate mis-targeted, poorly executed and unclear direct mail.

It's a powerful tool that used correctly can broaden your donor base and deepen donor commitment to your cause.

<http://www.canadianfundraiser.com/newsletter/article.asp?ArticleID=2801>

Anyone can send direct mail, but not everyone does it well. Technology has made the writing, printing and mailing of direct mail to current or new donors much easier. But it hasn't changed

the rules of good letter writing or the power of good material that matches the interest and activities of an individual donor.

9. Your reputation tomorrow will be affected by your conduct today.

Protect your reputation. Your reputation can be hindered by resorting to cheaper methods of communication than your donors have come to expect. Use the phone, mail and meetings to engage your best donors and to attract new ones. Certainly don't cheapen the currency of your organization in the market place now or you will be even further behind when the economy improves and all charities begin to ramp up their marketing efforts again.

As Sean Triner states in an article he wrote for Pareto Fundraising: *Your investment income might be down; demand for services may well increase; people are looking at their expenditures and having to make some tough choices; your finance team and your board may well be feeling very nervous. However, if we are to continue, as charities, to address the future needs of our community and our beneficiaries, we need to take a long term view. This means protecting our future revenue, not just services today, by ensuring we don't commit recession suicide.*

<http://www.paretofundraising.com/Text/1224032372134-3300/pC/1196747169542-2956/>

The bar has been raised high by fundraisers in this country. They work in a highly competitive environment with donors who are sophisticated and seeking the best match between organizations such as yours and their own personal values and attitudes. Cutting budgets that reduce the quality of any donor interaction means reducing your chances for future success.

Use this time to ensure your organizational voice continues to be heard. Work so individual donors remain connected to your organizational vision. Invite select new donors to share that vision now. Make sure the train continues to move forward, even if more slowly, and you will weather this current storm.

It may be cold and stormy, and we may not know exactly where we are. But you are not completely at the mercy of the economic landscape any more than a train cannot manage the terrain and the weather it travels through. By focusing on donor retention and good communications you can be better off today, and better positioned to round the corner and pick up speed once sunnier days come our way.

KMA Consultants has worked with clients across Canada in all types of economic climates. Let's work together to make the most of the current opportunities that are out there for all charities.

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The train keeps moving.

How to make sure you're aboard when it starts to pick up speed

Chuck Ferguson is a veteran writer and marketer, an experienced fundraiser and a frequent collaborator with KMA Consultants. KMA asked Chuck to review the mountain of advice and commentary about fundraising in today's economy. This is his report.

When I used to take the train across the frozen prairies we would crawl through the windy open spaces slowed by the wind, ice and snow. Looking out into the blackness of a prairie night there are few landmarks by which to judge your progress. The steward would pass out blankets, pour hot coffee and assure me that the heating system had not been turned off, and the train, while slow in the blowing snow, was making its way forward.

The current economic storm may have put a chill on your marketing activities. But on your organizational journey through these cold economic times, do your donors understand why they are continuing to support you? How well are you inviting others to come along? When the economy warms up are you ready to take advantage of all that springs forth from a revitalizing economy? When I reviewed the wintry landscape of fundraising, nine themes emerged as crucial for those who are determined to do more than merely survive.

1. Don't underestimate donors.

Fortunately, most donors aren't ready to disembark the philanthropic train. A recent survey by Canadian Fundraising & Philanthropy and The Hilborn Group Ltd. found that over three-quarters of Canadians (76%) made charitable donations totaling \$25 or more in last 12 months. Fully 59 percent said they planned to give the same in 2009 as they did in 2008.

(Impact of the Economic Downturn on the Philanthropic Sector 2009 Copyright Canadian Fundraising & Philanthropy and The Hilborn Group Ltd. February 17, 2009)

Only 12 percent said they would give more and of those only two thirds (69%) will increase their donations by more than 10%. The good news is that only 1-in-5 Canadians (18%) expect to give less to charity in 2009 than in 2008. Of those donors who expected to decrease giving, 57 percent would delay their donations until later in 2009 and 30 percent would defer their giving over a longer period of time.

2. Stay connected to your current donors.

Announcing to donors that you are cutting back on services and fundraising is like the train steward telling passengers that the train is running late and losing momentum. Passengers will look for alternative travel options. Likewise, your donors will choose other agencies to support if you don't demonstrate how you plan to make progress through the cold, dark times.

This does not suggest you can be cavalier about finances or secretive about your actions, or anything other than prudent and responsible about managing your entire organization. Instead, use communications to draw donors into your story, what you are accomplishing, and what remains to be done as part of your mission. Make them collaborators rather than simply an audience.

Dini Partners surveyed some of the top philanthropists in the United States to understand their giving attitudes in 2009. They concluded that major donors will respond to "attentive stewardship and transparent communications" in this volatile time. Many donors will focus on current relationships and direct giving to charities dealing with marginalized people and those living in need.

(Dini Partners Survey, January 2009, www.dinipartners.com)

Work with your donors now to give them flexibility in supporting you. And make them feel connected even if they can't give more, must delay their gift, or even put off making a decision.

The key to ensuring they remain faithful to your organization when they eventually make giving decisions is to invest in good donor relations now. It is far cheaper to motivate existing donors than acquire new ones. Staying connected is a savvy long-term investment.

3. Stay visible.

Nobody is buying cars right now. But Toyota is still advertising. Ford is keeping its name out there and trying to connect with customers. Even GM is continuing to make noise in the marketplace. And Chrysler is promoting its future through its emerging line of eco-friendly vehicles.

These companies know that during a severe economic downturn the marketplace often becomes quieter. Those who continue to connect through good marketing and communications will be the first choice of consumers when things improve.

You are in the business of not-for-profit work because you believe in the difference you and your colleagues can make by fulfilling the mission of your organization. Good communications that provide opportunities to support that mission will still garner donor support.

4. Donor interest is shifting to serving people.

Position yourself accordingly.

During a recession Canadians want to do their part to help out their neighbours. That is why, today, charities that deliver forms of social service are the highest priority among Canadians – outpacing health related charities which have been the highest priority since 2006. In fact, Canadians who say they will give more in 2009, identify social services as their highest priority (28%) while health related charities come in at 4th place with 12% support among Canadian donors.

(Canadian Fundraising and Philanthropy Survey, Feb, 2009)

Believe that you are doing donors a favour by giving them a way to validate their social conscience and their beliefs around community and concerned involvement.

With the right cause and the right project, some organizations are proceeding to capital campaigns, even in this environment. As always the key is effective leadership, and high levels of trust with constituents.

5. Bad news calls for determined action, not paralysis.

We can take our cue from the tenacity of health related charities. They have driven much of Canada's philanthropic innovation in the past. So even though in December 2008, fully 84 percent of health care fundraisers responding to the Association for Health Care Philanthropy Survey expected to be "somewhat" or "very negatively" impacted due to the economic recession, they're not bowing out: even as the economy worsened, 65 percent said they still planned to increase their development activities, particularly in the areas of planned giving, major gifts and donor relations.

(The Effect of the Economic Recession on Health Care Philanthropy, Association for Health Care Philanthropy, 2008)

Now is not the time for charities driven by human and community need to withdraw from the market and their donors. Building your donor dialogue is crucial, no matter how long it takes the economy to recover.

6. Remember: Donors want to make a difference.

Canadian commentators agree: Most Canadian donors support numerous charities and they will remain faithful to those who continue to reassure them of the difference they make through their gifts. People still value the opportunity to make a difference – perhaps more so today, even if their capacity to give might be diminished or delayed.

Have you looked at your case-for-support, outlining your organizational strengths and objectives in light of why people should support you now? Recast your commitment to those you serve and seize the opportunity to alert the donor or prospective donor that they can be part of a solution by supporting your agency.

(If you want to read more results from KMA's research among donors, see also What are donors looking for before they give? <http://www.kmaconsultants.ca/pdf/faithtoday.pdf>)

7. Focus on major donors.

KMA Consultants is telling all clients that now is the time to especially focus on major gifts. The obvious reason is that focusing on the 20 per cent of constituents who typically give you 80 per cent of your funds maximizes your results. But according to KMA President Ken MacLeod, major donors bring many additional benefits with them:

- *Major donors set a positive visible example of significant contributions that can be motivating to others in your constituency.*
- *A good relationship-based major gift program produces friends for the cause, not just cash for the crunch.*
- *Because of their high degree of commitment and involvement, major gift donors are excellent sources of feedback on everything about your work.*
- *Many major donors tend to expand their involvement, from task-force assignments, to board appointments, to other volunteer roles and even draw in other potential donors.*

According to MacLeod, these principles are especially valuable in today's economy, when resources are tight. Major gift programs are essentially simple to implement, and make manageable demands, compared to some other initiatives. Your effort can grow by increments, and each investment can produce strong results. With a high level of sensitivity and effective relationship management, your work on major donors can produce major results.

“Work with your donors now to give them flexibility in supporting you. And make them feel connected even if they can't give more, must delay their gift, or even put off making a decision.”



Ron McClory, Ken MacLeod and Larry Matthews in front of KMA's first client, Yonge Street Mission in Toronto, ON.

