



Fundraising' Silver Bullet: Stewardship

2018 MNN Annual Conference

Learn. Network. Inspire. Impact.

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WELCOME!



Today's Agenda

- ☐ **Welcome and Introduction**
- ☐ **Stewardship: Definition and Practice**
- ☐ **Best Practices for a Capacity Constrained Organization**
- ☐ **Case Studies**
- ☐ **Debrief and Close**

Our Goals Today

DEFINE

- **Understand what stewardship is and its importance**

EXPERIENCE

- **Build your experience** in stewarding donor relationships

BUILD BEST PRACTICE

- **Understand what stewardship looks like and tips for success** *in a capacity constrained organization*

Are These Your Goals?



Build Your
Development
Capacity

Raise
Increased \$\$

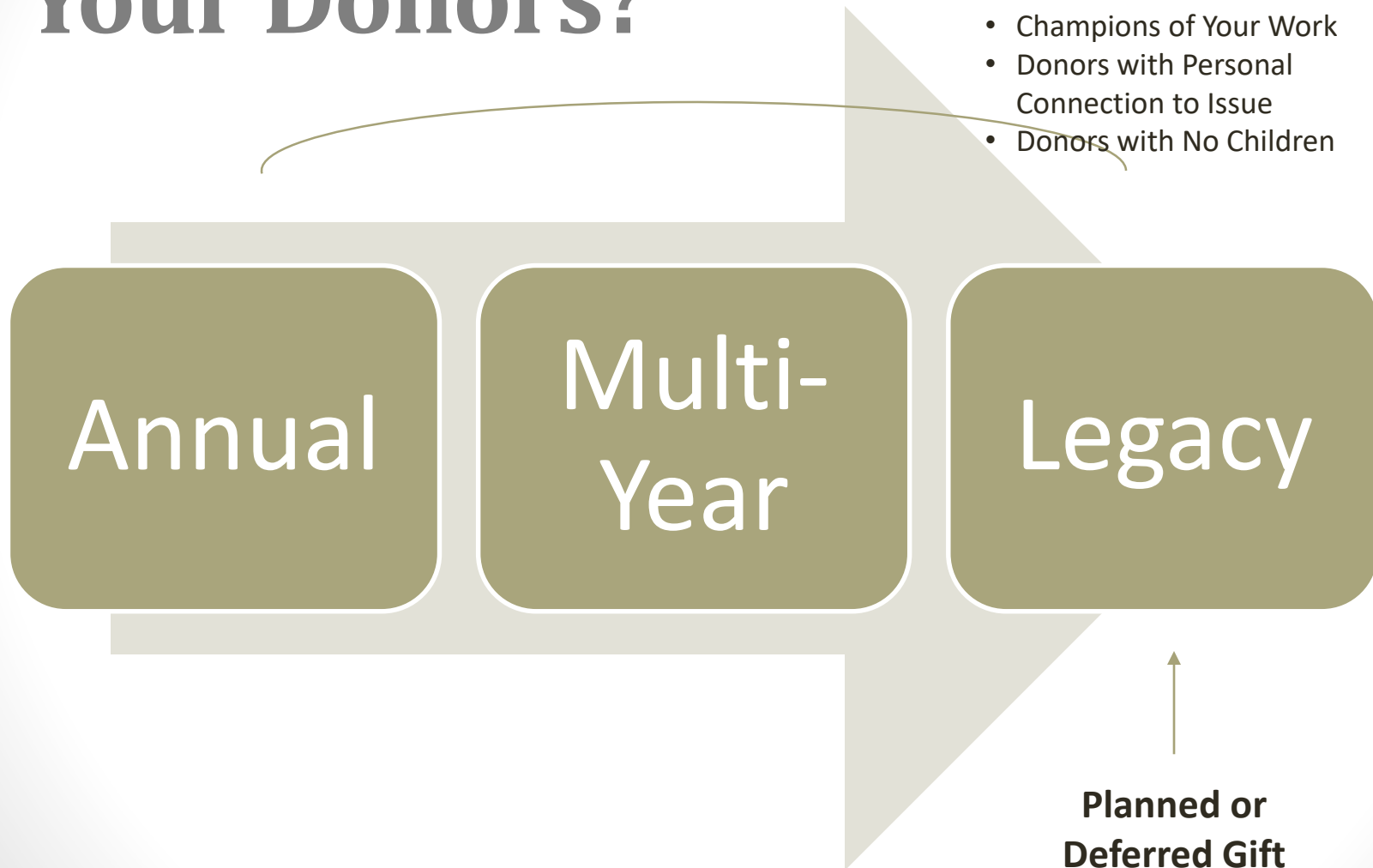
Achieve
Financial
Sustainability

To Serve More Clients, Improve Operational Efficiency
and Increase/Scale Organizational Impact

Where are Most of Your Donors?

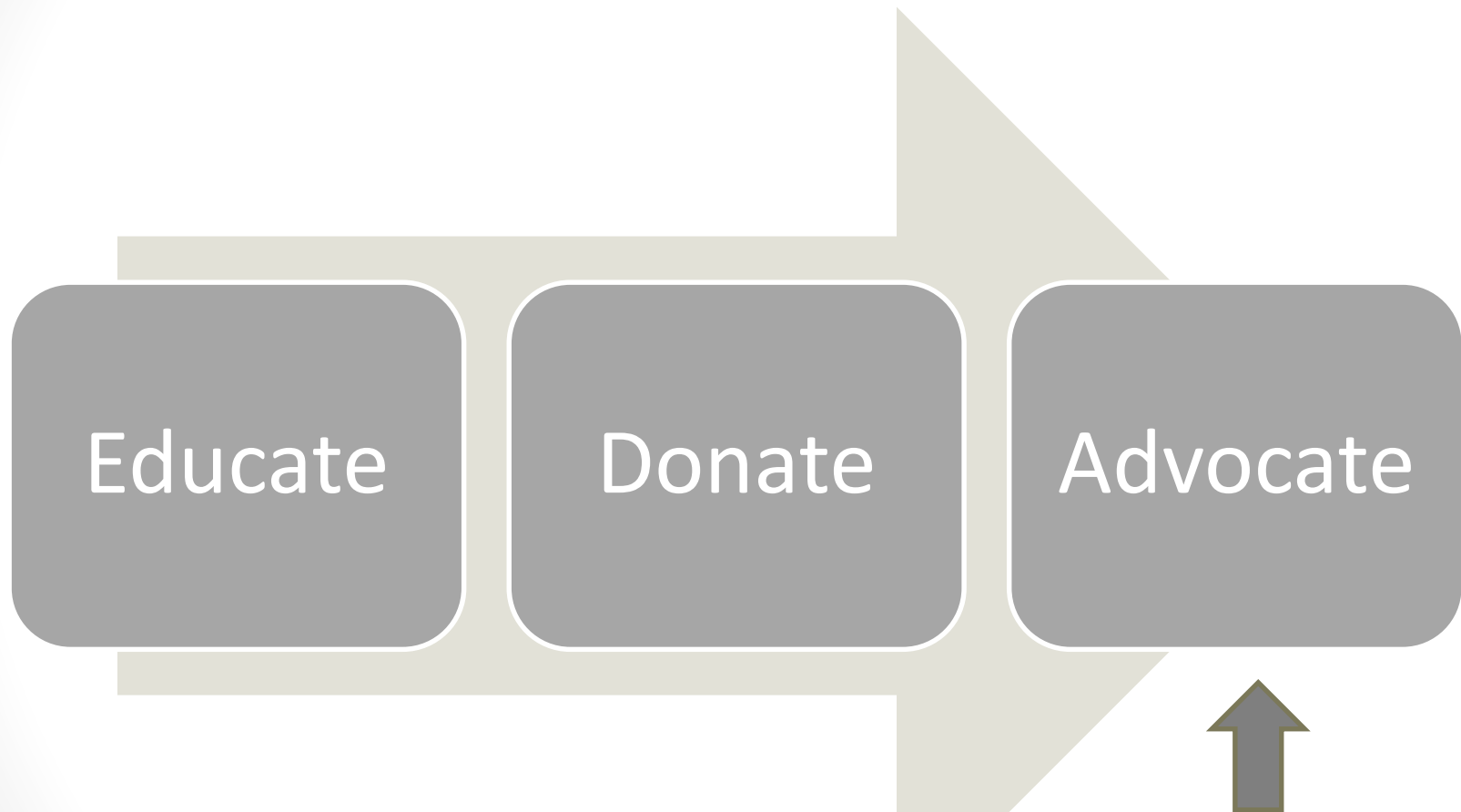
Great P.G. Prospects:

- Loyal Donor (regardless of level)
 - Smaller Annual Donors
 - Larger Annual Donors
- Board
- Champions of Your Work
- Donors with Personal Connection to Issue
- Donors with No Children



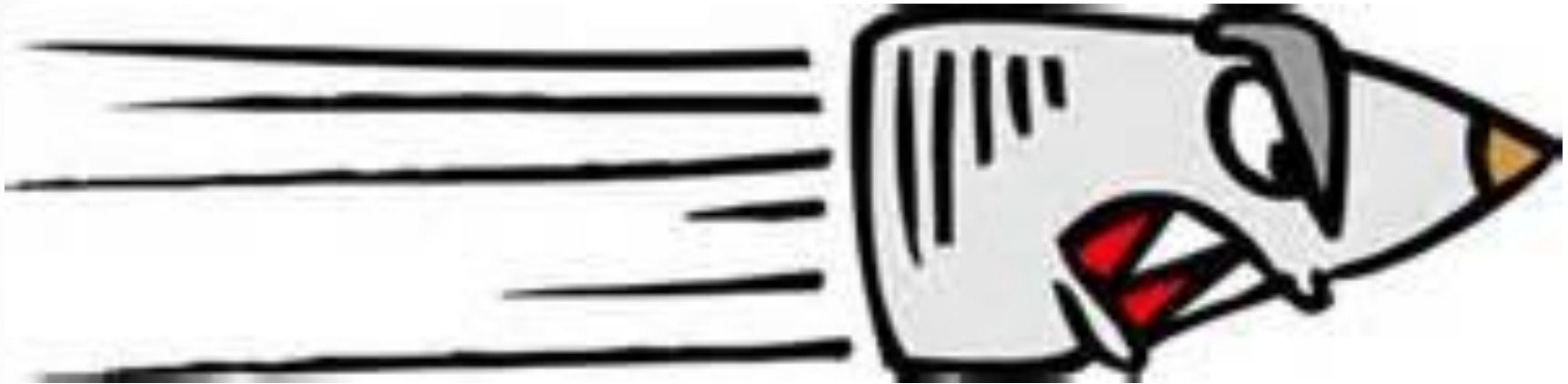
Is Your Challenge ... *Inspiring Potential*

Donors to Learn, Contribute and Invite Others As Well



“Fundraising is proclaiming what we believe in
such a way that we offer other people an
opportunity to participate with us in our vision and
mission.” – Henri J.M. Nouwen

If so, then Let's Begin ...



STEWARDSHIP:

Development's Silver Bullet

What business are we in?

The Relationship Business

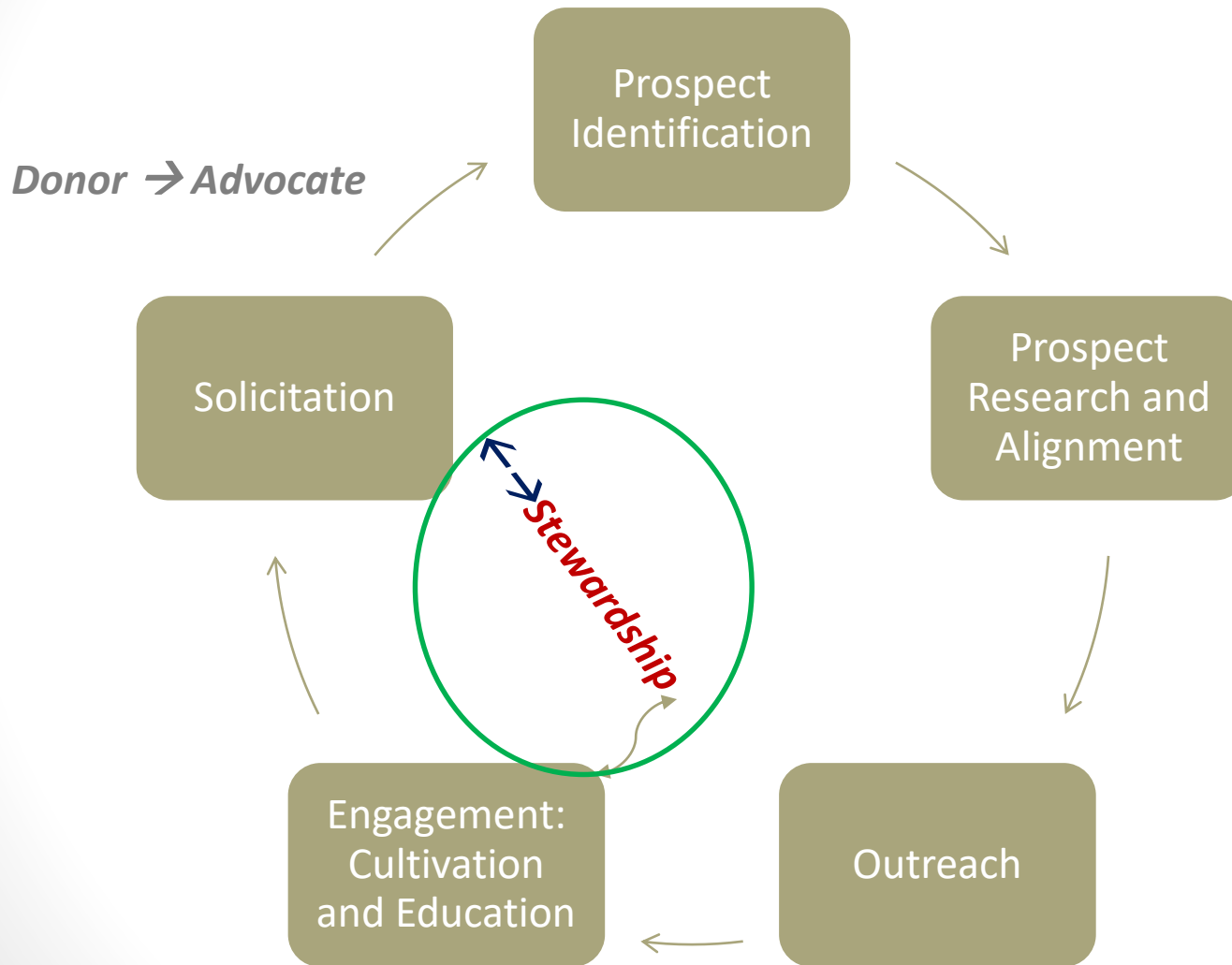
DEFINITION

Stewardship:

The **relationship driven activities** that occur to ensure that every **donor** has an **amazing philanthropic experience** with your organization

Cultivation → Solicitation <-> Stewardship

Where does stewardship fit in?



Building the Model Development Program

Organizational Commitment to Fund Raising

- Organization Wide Philosophy Toward Fund Raising
- Formalized Development Plan

Dedicated Human Resources and Skill Excellence

- Board as a Fund Raising Body
- Leverage Non-Board Volunteers
- CEO as a Fund Raiser
- Dedicated Development Staffing Resources

Diversification and Sustainability

- Diversified Revenue Model
- Sustainable Fund Raising Model
- Building Reserves and Endowment

Comprehensive Development Strategy

- Established Major and Leadership Giving Program
- Formalized Corporate Partnership Program
- Developed Foundation Relations Program
- Excellence in Stewardship and Donor Retention
- Planned and Deferred Gift Program

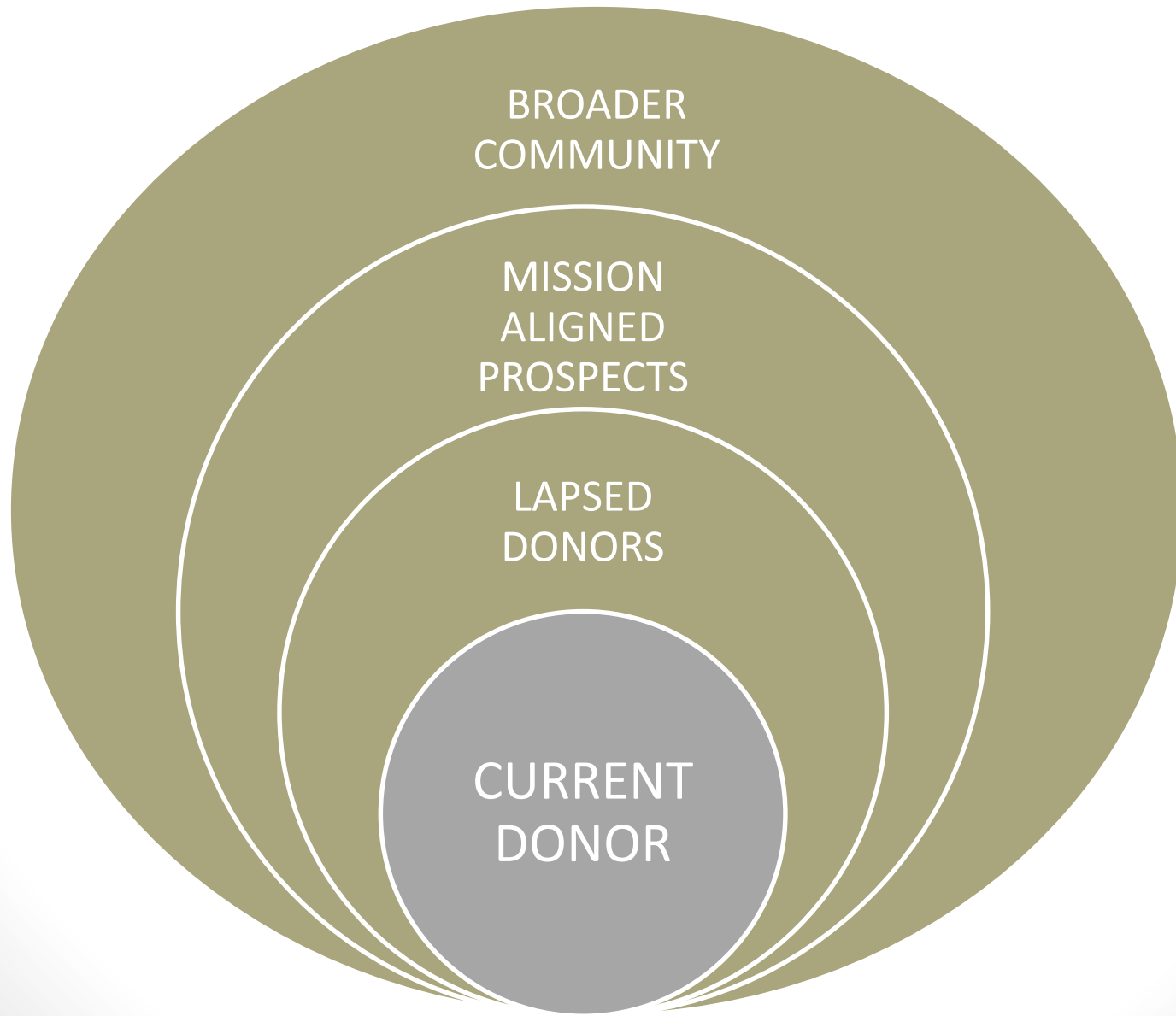
Track Record of Success

- Demonstrated Revenue Growth

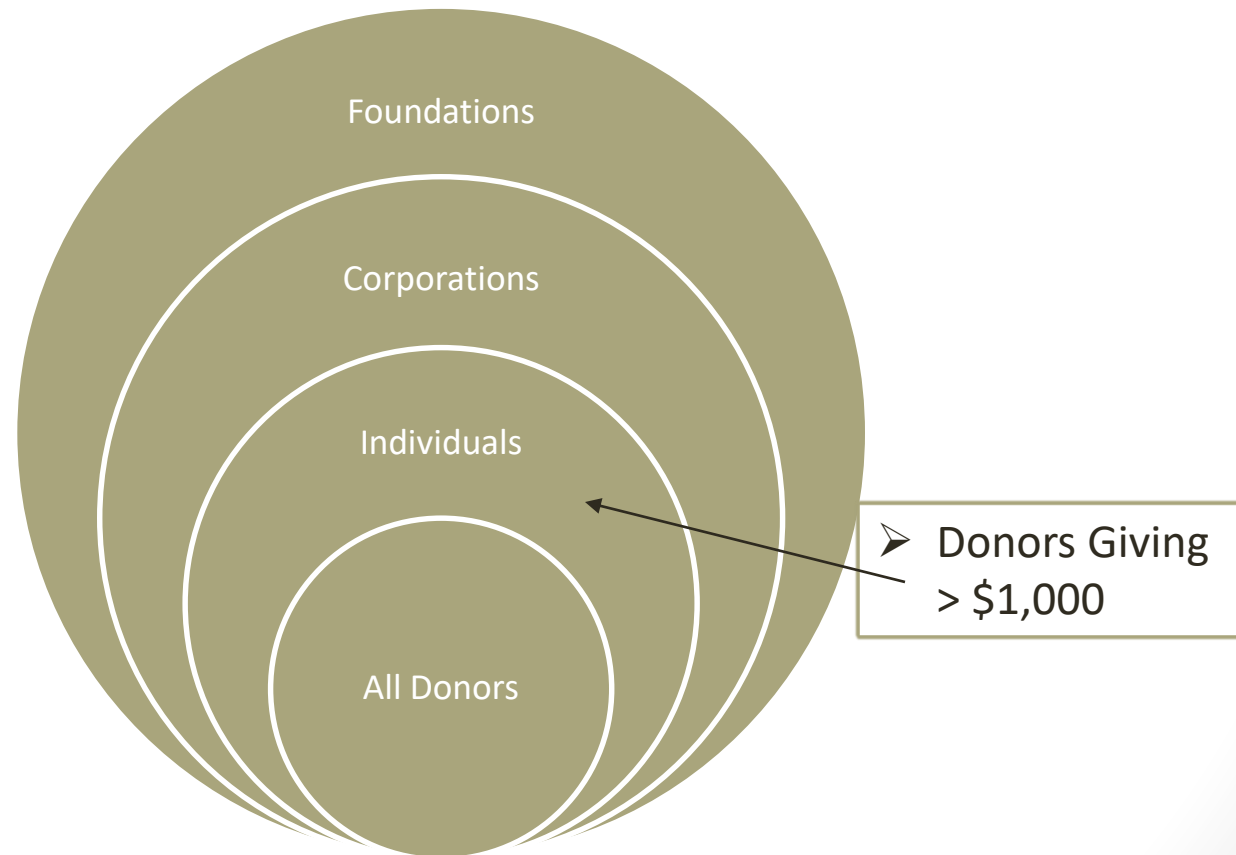
Systems and Integration

- Documented Procedures and Excellence in System Utilization
- Development Integration with Program, MarCom, Governance and Finance Functions

Who is your next best donor?



Do you have ‘Donor Retention’ as one of your top 5 KPI’s?



What Are Your Retention Levels?

	FY17	FY16	Desired
Individuals / Families	??%	??%	65 – 75%
Contributors of \$1K or More	??%	??%	80 – 90%
Corporations	??%	??%	75 – 80%
Foundations	???	??%	80 – 90%
Overall	??%	??%	65 – 75%

Excellence in Stewardship and Donor Retention

<p>No formal stewardship plan. Retention < 50%</p>	<p>No formal stewardship plan but tactics organically and sporadically implemented. Retention $50\% < x < 60\%$</p>	<p>Draft stewardship plan in place. Staff focused on retaining and upgrading supporters. Retention $60\% < x < 75\%$</p>	<p>Formal stewardship plan in place for overall management of donor program but not for each funder of \$1K+. Retention $75\% < x < 85\%$.</p>	<p>Formal stewardship plan in place for overall management of program and for each \$1K+ funder. Retention > 85%.</p>
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1

2

3

4

5

Where is your organization?

Our DEVELOPMENT PLAN =

Pursue and Receive Foundation Grants +



+



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Low Retention. High Donor Churn.
High \$ Cost. HIGHER Opportunity Cost.

WHY STEWARDSHIP?

FAMILIAR?		FUTURE?
Annualitis	→	Multi-Year , Sustainability
Donor CHURN	→	Donor RETENTION
Donors	→	Advocates
Fund Raising Business	→	Stewardship Business
Higher Cost of Donor Acquisition	→	Lower Cost of Donor Acquisition

Staff Time Utilization – Decrease Cost of Acquisition: *“It takes far fewer resources (time, money and effort) to renew or upgrade a current donor that it does to find, cultivate and ask a new prospect.”*

Do You Have a Relationship Management System?

- Donors and prospects assigned to staff and volunteers as relationship officers?
 - Define (and lead implementation of) strategy to ensure great donor experience
 - Steward the donor through a series of 'moves' to ensure deepest connectivity to the organization
- Does your organization, its staff, and your volunteers embrace a 'culture of philanthropy' that everyone has a role in donor stewardship?
 - All staff performance objectives include a deliverable re: stewardship and fundraising.
 - Fundraising is embraced as a fuel to organizational success and impact realization

EXAMPLE: Development Plan Goal:

Strengthen Donor Relationships and Increase Donor Retention of \$1K+ Donors from ____% to ____%

Strategies to Achieve Objective

FY19 Q1/Q2

- Design formal stewardship plan to increase cultivation and donor engagement.
 - Define stewardship plan at high level based on funding source and gift level. (ie personal thank you note or call by CEO vs. 'thank-a-thon' to donors who contribute smaller gifts)
 - Test plan with select funders (ie board members) to ensure activities are meaningful
- Develop donor-specific stewardship plans and prospect-specific cultivation plans for each potential funder that can contribute \$1,000 or more.
- Assign top donors/prospects to select staff and select volunteers to steward the relationship.

FY19 Q3/Q4:

- Increase # of donors and prospects who have at least one meeting per year with staff or volunteers.

FY18	FY19	FY20	FY21
____%	____%	____%	____%

Building Your Stewardship Strategy

	Engagement	Communication	Recognition
Macro			
Micro			

MACRO: Shared experience by all donors who give at the same level

MICRO: Custom-designed experience for each donor

KEY: *What does your donor want? What will most inspire them and provide them with the best experience?*

Donor Stewardship: MACRO

Donor / Level	Thank You and Recognition	Communication and Engagement
Individuals / Families		
\$25,000 or more		
\$10,000 - \$24,999		
\$5,000 - \$9,999		
\$2,500 - \$4,999		
\$1,000 - \$2,499		
\$500 - \$999		
Less than \$500		
Highest Priority Prospects		

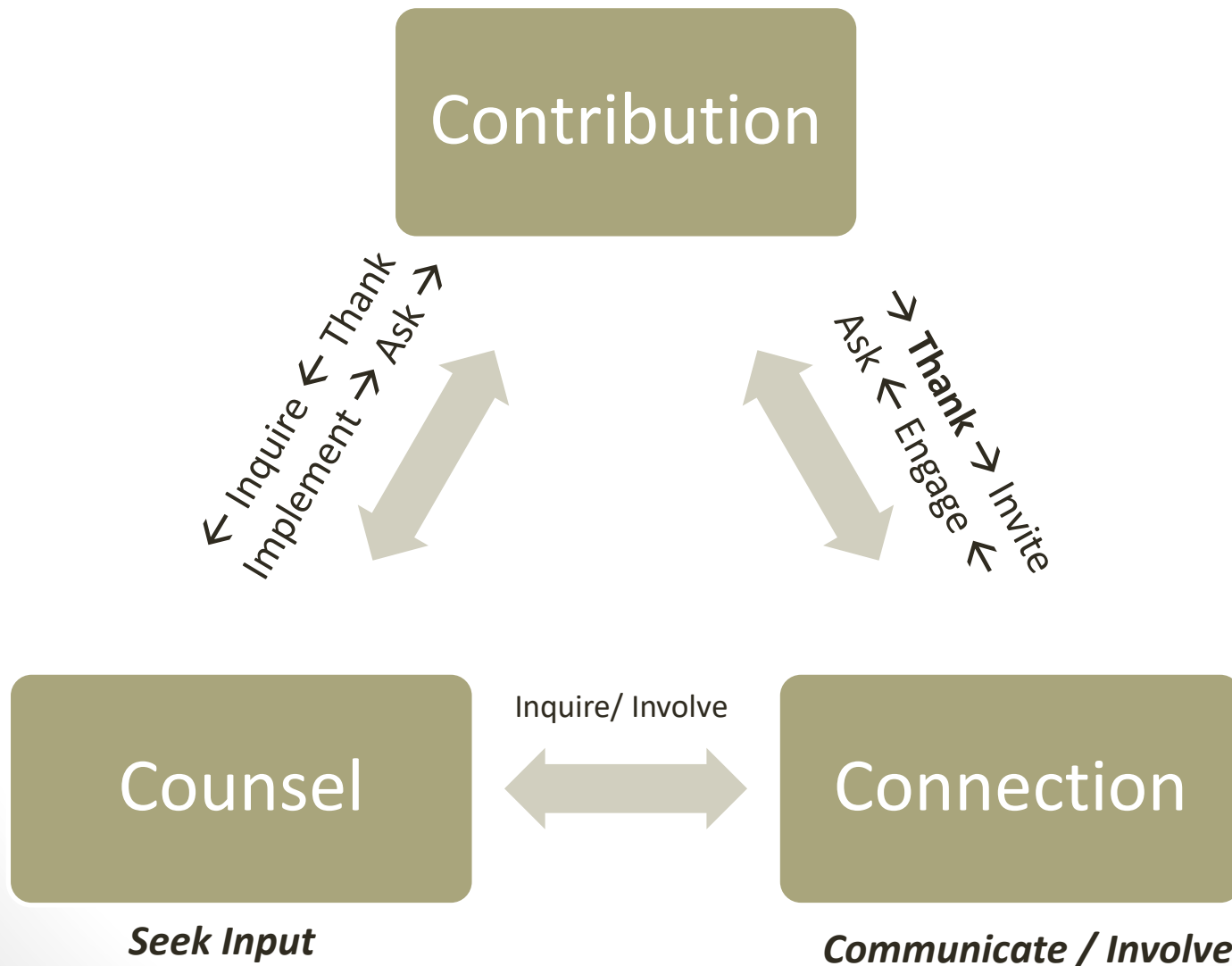
Donor Stewardship: High Level

Donor / Level	Thank You and Recognition	Engagement
Individuals / Families		
\$10,000 or more		
\$5,000 - \$9,999		
\$1,000 - \$4,999		
Highest Priority Prospects		
Foundations		
\$25,000 or more		
\$5,000 - \$24,999		
Highest Priority Prospects		
Corporations		
\$10,000 or more		
Less than \$10,000		
Highest Priority Prospects		

Stewardship Basics to building your macro and micro plans

- Treat People Well
 - Look for opportunities to create ‘Wow’ moments for your donors.
- Have a written stewardship plan – it’s your road map!
- Follow the plan!
- Don’t assume: ask the donor!
- **Know the details**
 - Names: Spouse, Kids, Pets
 - Donor favorites
- Communication: Reporting is key
 - Monthly newsletters
 - Quarterly impact reports
 - Tours
 - Monthly coffee chats
 - CEO’s weekly or monthly e-mail update
 - Unexpected email good news correspondence – brief, one item – ‘pass read on phone test’
 - Investor conference calls or ‘state of the _____’ 1x or 2x / year
 - Annual Report
 - Visits with Program or Project staff
 - Informal meetings with Board Members
- Throw good parties!
- Someone HAS to focus on or ‘own’ stewardship
- **Speak Your Donor’s Language** – Lose the Jargon!

Engagement



Engaging Your Donors

- *How can your donors authentically help your organization advance? What would you like their feedback on or their advice?*
- *What shared experience can they have with you that will tie them more deeply to the work of your organization?*
- *What barriers (that you can control) stand in the way of making these donor relationship-building experiences happen?*

TIPS FOR A CAPACITY CONSTRAINED ORGANIZATION

Tip: Prioritizing Donors

\$\$\$



Donor Stewardship: MICRO



Tips for a Capacity Constrained Organization

- Establish Donor Retention as an Organizational KPI
- **Build a Culture of Philanthropy**
- Establish a Relationship Management System
- **Have a multi-year development plan and make sure donor stewardship is a featured goal**
- Focus on your current donors
- **10 / 5 / 3**
- Someone has to focus on and own stewardship as a mission-critical priority
- **Invite your donors ‘inside the tent’**
- Do the basics well!
- **Never take a gift for granted ... express true, authentic appreciation**

QUESTIONS

Stewardship: Development's Silver Bullet

Case Studies

Case Study #1

BACKGROUND:

- You have a donor who annually gives you \$500. You only tend to see the donor once a year when she attends your annual event. She's friendly with one of your board members (and attends the event as a guest of your board member).
- You'd like to invite her to consider a gift significantly greater than \$500 in the next 6 – 9 months.

YOUR PLAN:

- What questions will you ask yourself and what will you do between now and when you solicit this donor to steward a great relationship and prepare the donor to positively respond to your upcoming request?

Case Study #2

BACKGROUND:

- One of your board members contributes \$1,000 annually but has spotty attendance at your board meetings. You invited the board member to join your board more because of their capacity to give than your belief that they'd attend and participate in board meetings (they had said that their attendance would be a challenge).
- They've never been asked to give ... they just send in \$1,000 each November.
- This donor has significant capacity, and you'd like to invite this donor to consider a \$10,000 gift before November.

YOUR PLAN:

- What will you do between now and when you solicit this donor to steward a stronger relationship and prepare the donor to positively respond to your upcoming request?

Case Study #3

BACKGROUND:

- One of your favorite donors contributes \$5,000 to your organization.
- You'd like to invite the donor to be on your board but they live in Massachusetts May – October and live in Florida the rest of the year.
- The donor likes your work and tends to send in the gift simply responding to your annual appeal.
- This donor has significant capacity, and you'd like to invite this donor to consider a \$10,000 gift.
- And, you'd like this donor to help introduce you to their friends.

YOUR PLAN:

- What stewardship plan will you develop to attract a greater gift and potential deeper engagement to achieve the objectives described above?

Key Learnings

- **My greatest learning and take away from today's session is ...**

Questions

Thank You!

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