

Developing Your Fundraising Strategy

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What is a fundraising strategy?

A roadmap from where you are now to where you want to be in the future - in fundraising terms. It will cover:-

- How much you want to raise
- From which sources
- Over what timeframe

Starting points

There are three key documents that you need to look at before you can begin work on a fundraising strategy:

- Accounts – answers the question: “Where has our income come from in the past?”
- Business plan - answers the question: “What do you plan to do in the future?”
- Budget - answers the question: “How much will it cost to do it all?”

The fundraising strategy answers the question...

- Where will the money come from to pay for it...?

Content of a fundraising strategy

- Introduction
- Analysis of your fundraising history
- How much you need to raise over the next three years and for what purpose
- Funding already in place
- Analysis of your case for support
- Analysis of funding climate: opportunities and threats

Content of a fundraising strategy

- Analysis of potential income streams
- Targets (financial and non-financial)
- Infrastructure required to support the fundraising
- Resources required
- Fundraising investment budget
- Action plan year one

Research required before you start

- Where has your income come from in the past – consider – do you need to diversify?
- Internal (SWOT) analysis (strengths weaknesses, opportunities and threats)
- External (STEEPLE) analysis (social, technological, economic, political, legal, ethical)
- Research each of the different income streams

Exercise

STEEPLE analysis:

With your neighbour, discuss any current or future issues under each of the STEEPLE headings that may affect your fundraising over the next three years.

The main income streams

- Statutory (grants, service level agreements, contracts)
- National Lottery funders (Awards For All, Big Lottery Fund, Heritage Lottery Fund, etc.)
- Grant-making Trusts
- Corporates
- Individuals
- Income generation

Exercise

- What are the different ways in which corporates financially support charities?
- What are the different ways in which a charity might raise money from individuals?

Research

The bulk of the work associated with developing the fundraising strategy will be research.

This requires the ability to research statutory funders, trust funders, potential corporate supporters, and individual fundraising methods, including researching major donors.

Setting aims and objectives

AIM: in the next financial year, we aim to raise £50,000 from individual donors by:

Objective 1: Doing three direct mail appeals to our donor database, each with an income target of £10,000 (one each in April, August, and December)

Objective 2: Identifying and recruiting at least two major donors and securing £10,000 gifts from each of them

Setting aims and objectives

AIM: In the next financial year, we aim to raise £100,000 from trusts by:

Objective 1: Securing at least one lead gift of £30,000

Objective 2: Securing at least three gifts of £20,000

Objective 3: Securing at least two grants from trusts that have not funded us before

Setting aims and objectives

AIM: To begin soliciting corporate support for our charity by:

Objective 1: Securing at least five raffle prizes from local companies

Objective 2: Getting a local employer to match the amount raised from an employee fundraising event

Objective 3: To sell one page of advertising (4 adverts) in our newsletter)

Warning...

Don't be bullied into setting a financial target for something that you have never done before!

Your fundraising strategy should feature pilot projects – things that you have never done before – you are testing these ideas to see whether they work for your organisation.

Return on investment

You have to 'speculate to accumulate' so it is vital that your organisation has a fundraising investment budget.

There is no such thing as fundraising expenditure there is only fundraising investment.

With this in mind the question then becomes not: "How much we can afford to spend on fundraising?" But: "What type of fundraising gives us the return on investment we want to see?"

But of course it's never really as simple as that...

Costing the strategy

Once you have decided which methods of fundraising to employ you will need to consider the resources you will need to generate your target income.

Remember that the biggest cost will be staff time – that means you!

THANK YOU FOR LISTENING!



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