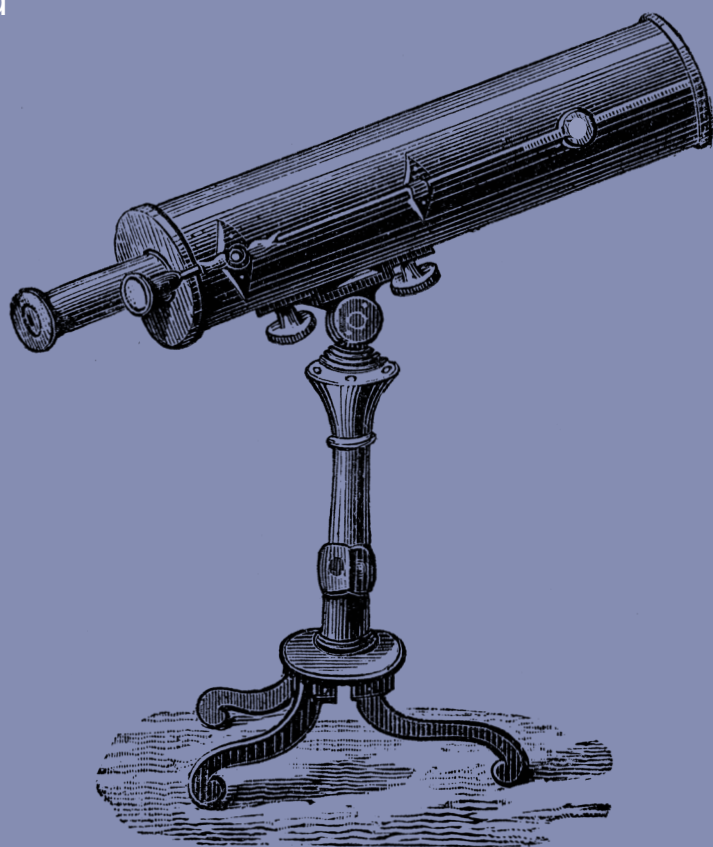Third edition

Fundraising Strategy

Claire Routley and
Richard Sved

dsc
directory of social change

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Chartered Institute of Fundraising

'Though the fundraising environment is changing rapidly, the fundamental principles, tools and techniques of sound strategic planning remain essential for fundraising success. When you're working in fundraising day to day, including at a senior level, it's good to be reminded of some of the tools that can help you see things from a fresh perspective. Read this book cover to cover or dip into the different sections; it's a practical book for newcomers to the sector and experienced fundraisers alike.'
Beth Crackles, Director of Fundraising and Communications, Day One Trauma Support

'This book is a really helpful companion for any fundraiser who wants to think more strategically about their work, or who has been tasked with leading a strategy process. The models and practices shared in the book can be redeployed as fundraising programmes develop and change, and as fundraisers' remits and responsibilities evolve and grow. I wish it had been available years ago when I was starting out!'
Louisa Johnson, Head of Fundraising, Full Fact

'Strategy is certainly the buzzword of all buzzwords these days with hundreds of books, courses and resources out there on the subject. Often, these are tailored for the business rather than the not-for-profit community – few are easy to understand and fewer relatable to our sector. So, if you are interested in fundraising strategy for your charity, I highly recommend this absolutely brilliant book. It is a clear and concise walk-through of developing your fundraising strategy, full of applicable examples that will help you tremendously. You'll need this one on your shelf as well as for your whole leadership team and board!'
Cherian Koshy CFRE, Director of Development, Des Moines Performing Arts

'At last! The book I wish I'd had 20 years ago. I feel I had to stumble towards this, drawing on a range of sources, but here it is: a definitive guide, grounded in real-world examples. I know this will help any fundraiser build and implement their strategy effectively, for I have seen the principles work. It should be standard issue across the sector.'
Matt Parkes, Director of Development, Diocese of Westminster, and Trustee of the Chartered Institute of Fundraising

'This is a fantastic book for anyone tasked with the (often daunting) assignment of writing a fundraising strategy. Whether you aren't sure where to start, are stuck in a rut with your current approach, or are eager to get others around you engaged with the process, there is something for you. The book's plethora of handy, clearly explained and accessible tools mean anyone can get stuck in.'
Leah Selinger, Director, Selinger Consultants

'This is a really welcome guide to the elements of creating and implementing a fundraising strategy, filled with useful and practical tools to create a fundraising plan grounded in insight. The content on fundraising ethics, inclusion and diversity, and emergent and agile strategy makes this book incredibly relevant in today's changing fundraising landscape.'
Katie Simmons, Director of Fundraising Strategy, British Red Cross

'It's one thing knowing you need a fundraising strategy, but it's a completely different thing being able to write one that is sensible and achievable. This book strikes a brilliant balance between walking you through the process of writing a meaningful strategy and explaining the rationale behind each step.

I particularly love the fact that Claire and Richard assess each tool in an impartial manner, addressing the weaknesses of each tool as well as the strengths. When you combine that with the case studies and the rich evidence base, you will have everything you need to get buy-in from even the most sceptical managers or trustees.

Whether you are writing your first fundraising strategy or your hundredth, you will find something in this book that will make your strategy stronger.'
David Burgess, Director, Apollo Fundraising

'Strategy is real work and it can be overwhelming. It requires fundraisers to roll up their sleeves, ask difficult questions and, ultimately, knuckle down and put pen to paper on a plan. This guide is one of the most honest I've read about how to navigate that process and build a dynamic fundraising strategy for your organisation. Richard and Claire have taken inordinate care to walk fundraisers through manageable steps as they distil both the science and art of strategy with reassuring aplomb. This is a resource that I shall myself have on my desk, and one that I will encourage all my charitable clients to also dig into. It is a book that every fundraiser should be referencing time and time again.'
Niduk D'Souza, Vice-President of Strategy and Marketing, Up Fundraising

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It should be understood that this publication is intended for guidance only and is not a substitute for professional advice. No responsibility for loss occasioned as a result of any person acting or refraining from acting can be accepted by the authors or publisher.

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To Neill and Kate, with love

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About the Fundraising Series

For hundreds, if not thousands, of years generous people have given of their resources to improve the lives of others. Underpinning that benevolence are the people who ask for support on behalf of causes and for those in need – the fundraisers. As a group, they are often little known and little celebrated, but they are a driving force in enabling others to express their philanthropy and experience the joy of giving.

Over the last century or so, fundraisers' work has become more and more professionalised. The role of the fundraiser is achieving professional recognition through the establishment of the Chartered Institute of Fundraising (CIoF), the development of fundraising education and a growing interest in codifying professional ethics. Rightly, fundraisers are increasingly acknowledged as having a particular set of skills, and their knowledge base is growing in size and scope.

This series aims to help fundraisers build their skills and grow professionally. Each volume addresses a key part in the spectrum of fundraising techniques. As fundraising evolves and develops, new titles in the series are added and old ones revised. Each title explores a particular fundraising activity: looks at the current best practice; helps establish future strategy; and, where relevant, considers the historical, ethical and theoretical context for that activity. The series offers something for anyone who is aspiring to be a professional fundraiser, whatever the size or type of their organisation or the stage of their career.

The Centre for Philanthropy at the University of Kent is proud to partner with the Directory of Social Change and the CIoF in the development of the series, as part of our shared mission to open up insights from the academic world to practising fundraisers. We'd also like to pay tribute to fundraising academic Adrian Sargeant for his early championing and stewardship of the series.

This series wouldn't be possible without the hard work of many people from authors to contributors to the publishing team who shape the text; we thank everyone who has contributed to its development.

Dr Claire Routley
Dr Beth Breeze
Centre for Philanthropy
University of Kent

About the Directory of Social Change

At the Directory of Social Change (DSC), we believe that the world is made better by people coming together to serve their communities and each other. For us, an independent voluntary sector is at the heart of that social change and we exist to support charities, voluntary organisations and community groups in the work they do. Our role is to:

- **provide practical information** on a range of topics from fundraising to project management in both our printed publications and our e-books;

- **offer training** through public courses, events and in-house services;

- **research funders** and maintain a subscription database, *Funds Online*, with details on funding from grant-making charities, companies and government sources;

- **offer bespoke research** to voluntary sector organisations in order to evaluate projects, identify new opportunities and help make sense of existing data;

- **stimulate debate and campaign** on key issues that affect the voluntary sector, particularly to champion the concerns of smaller charities.

We are a registered charity ourselves but we self-fund most of our work. We charge for services, but cross-subsidise those which charities particularly need and cannot easily afford.

Visit our website **www.dsc.org.uk** to see how we can help you to help others and have a look at **www.fundsonline.org.uk** to see how DSC could improve your fundraising. Alternatively, call our friendly team at **020 4526 5995** to chat about your needs or drop us a line at **cs@dsc.org.uk**.

About the authors

Claire Routley

Claire Routley has worked in fundraising for almost 20 years for a number of different charities, ranging from a local hospice to Age UK. Claire is now a consultant specialising in legacy and in-memory fundraising and is an in-demand speaker at conferences across the UK. She is a fellow of the Chartered Institute of Fundraising where she also teaches across its range of fundraising qualifications. Claire holds the world's first PhD in Legacy Marketing and is also a chartered marketer.

Richard Sved

Richard is Director of 3rd Sector Mission Control. He is an experienced senior manager having, by the time of publication, led the fundraising team at nine national charities including Girlguiding, Epilepsy Society and the National Literacy Trust. Richard specialises in income generation, strategic planning and charity governance, and is a proud and enthusiastic consultant, trainer, fundraiser, blogger, trustee, volunteer and mentor. Outside work, Richard enjoys playing in a brass band and helping to organise his local parkrun.

Foreword

Charities have never had so many different sources of income, communication channels and content to choose from when trying to reach new donors and nurture relationships with long-term supporters. While off-line channels remain vital to the fundraising mix, digital transformation has permanently changed the way we interact with all supporters. All these new and exciting ways to inspire giving, raise the profile of your cause and further your organisation's mission mean that a robust fundraising strategy is even more critical.

The Chartered Institute of Fundraising (CIoF) is proud to partner with the Directory of Social Change and the University of Kent on the growing Fundraising Series, which covers so many key areas of fundraising. This title in particular provides an excellent step-by-step guide to creating and implementing a fundraising strategy for any fundraiser – whether you are a director looking to develop a joined-up organisation-wide strategy, or a head of a department trying to make the most of your team's capacity and resources. In addition to research-based guidance, this book features case studies from charities at the forefront of fundraising innovation, which demonstrate how the lessons of each chapter have been successfully implemented in practice. I am pleased that the CIoF's own South East and London volunteer group was able to share how it is using data and insight to enhance its training offering.

The COVID-19 pandemic forced the sector to re-evaluate how to develop a fundraising strategy and execute it at pace. In unprecedented and hugely challenging circumstances, fundraisers everywhere stepped up to bridge the income gap, proving that agility, innovation and great supporter experience will help a charity weather any storm. I hope that, through the experiences and guidance shared in this book, these lessons will not be forgotten.

Equally, as the sector adopts more inclusive practices and frameworks, I trust that the advice on equality, equity, diversity and inclusion detailed in this book (including research carried out by the Change Collective at the CIoF) will help your organisation make better decisions. As a sector, we are already making huge progress in this area, but we must keep working towards becoming an equal, diverse and inclusive profession. It is always important to listen to a range of viewpoints and perspectives. No successful strategy can be created in a vacuum.

A good fundraising strategy generates income. A great fundraising strategy does this too; however, it also, as importantly, brings people along on the journey and leaves a lasting legacy. I hope that, with the help of this book, you will be able to shape your strategy from good to great.

Dhivya O'Connor, Interim CEO,
Chartered Institute of Fundraising

Introduction

What do we mean by 'strategy'?

This book explores the various elements of developing and implementing your fundraising strategy. However, before we begin to describe the process, it's helpful to define what exactly we mean when we use the word 'strategy'.

Henry Mintzberg, a Canadian academic who has written extensively on the subject, argues that there is no single definition of strategy, as the term is used in many different ways. His 'five Ps' of strategy encompass:

- **plan:** an intended course of action which is made in advance and developed purposefully;

- **ploy:** a specific manoeuvre designed to get the better of competitors;

- **pattern:** displaying consistent behaviour, whether or not by conscious intention – can be indicative of a strategy which is emerging;

- **position:** finding a distinctive place in the wider environment;

- **perspective:** patterns of thinking or culture, which can be difficult to change.[1]

Mintzberg's five Ps are naturally overlapping and interrelated, and may develop and occur in differing orders. For example, an organisation may fall into a **pattern** of behaviour, recognise that this is a successful way of working and then build it into a more consciously developed **plan**.

In this book, we focus primarily on strategy as a consciously developed **plan** and we outline a planning framework that will help you to develop your own organisation's strategy. This approach offers what we believe to be the best chance of success for your organisation. However, it's certainly worth being aware of Mintzberg's other definitions of strategy, as shown in the five Ps, as your colleagues and others might understand the term differently.

How will this book help you to develop a fundraising strategy?

Over the course of this book, we set out a process for conducting an audit of your organisation's environment, setting objectives, and then planning out a strategy and tactics to deliver that strategy. We explain how to analyse the external environment (chapter 1) in which your organisation is operating, from considering trends in the wider environment to assessing

competitor activity and then reflecting on your organisation's specific market. Throughout the book, where relevant, we also take a more in-depth look at some of the key issues affecting fundraising at the time of writing.

We then show you how to consider the internal factors within your organisation, including how you can both summarise the big picture and focus more closely, and how you can identify your key opportunities by doing a SWOT (strengths, weaknesses, opportunities and threats) analysis (chapter 2). In chapter 3, we provide guidance on how you can use research to fill any knowledge gaps outstanding following the external and internal audits covered in chapters 1 and 2. Chapter 4 considers how you can translate the findings of your SWOT analysis into fundraising objectives, and chapter 5 looks at how those objectives might be delivered through your strategy – that is, how you can make decisions about your organisation's key audiences and messages. We then discuss how to draw up your organisation's tactics by examining the detail of delivering fundraising objectives on the ground and by looking at different fundraising streams (chapter 6). Chapter 7 covers how your strategy might be scheduled and budgeted, and chapter 8 suggests how to monitor and control your fundraising performance.

In the book's final chapters, we consider organisational and stakeholder buy-in, and how to manage change so as to give your strategy the best chance of success (chapter 9). We also discuss how you can ensure that your fundraising tactics are delivered in an ethical way (chapter 10) and consider some of the key issues facing contemporary fundraising (chapter 11). At the end of the book, we explore how you can avoid strategic wear-out, ensuring that your strategy remains effective over time (chapter 12).

Figure 1 illustrates how we suggest you should view the process of creating your fundraising strategy. While this book is arranged in what we feel is the most logical order, we do not advise that you consider each element strictly sequentially. Whereas, naturally, some elements of creating your fundraising strategy will come earlier in the process (such as undertaking a fundraising audit) and some will ordinarily take place towards the end of a cycle (such as monitoring and control), there are things which you will need to take into account throughout the whole process (such as ethical considerations and involving stakeholders). Most importantly, your fundraising shouldn't ever stop just because you are taking time to think strategically about it.

We believe that developing and implementing a fundraising strategy is an involved and involving process that goes far beyond simply producing a document that you can present to others. As charity strategist Wayne Murray puts it, 'Your strategy isn't a document. It's a set of mutually agreed decisions, created by all and owned by all. The document is just the receipt.'[2]

FIGURE 1 THE FUNDRAISING STRATEGY CYCLE
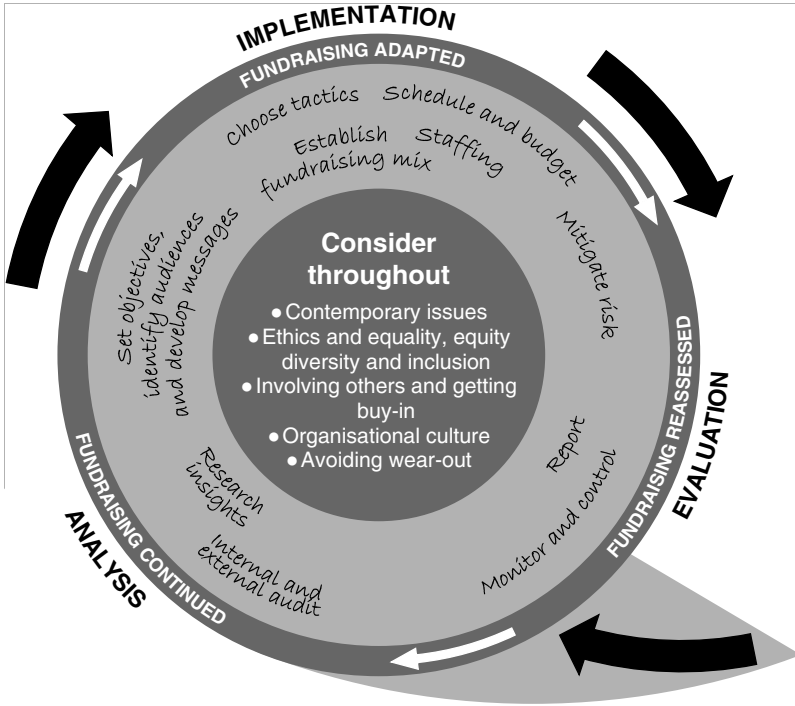
Why is having a fundraising strategy or plan important?

Why would you go through all of the detailed and time-consuming processes that we have described above? In short, taking the time to plan ensures that, rather than diving straight into your fundraising with a few ideas around current trends or hunches about what might work, you will have carefully thought through the actions you're going to take. These actions will be based on the highest-quality knowledge that is available about your external and internal environments, making it more likely that your fundraising will be successful. Given that your supporters' donations will be spent on this fundraising activity, engaging in this careful planning process is an ethical imperative.

There is some evidence to support the value of planning in charitable organisations specifically. In the 1990s, academic Julie Siciliano found that the studies to date had mostly established positive relationships between planning and performance in non-profits (although there were fewer studies of the relationship between planning and performance in non-profits than in the for-profit world). Her study of 240 branches of the YMCA found that those which followed the approach of developing formal strategies had higher levels of financial and social performance.[3]

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Page numbers in *italics* refer to figures and illustrations and in **bold** refer to tables.

Fundraising Strategy

Do you lurch from one fundraising campaign to the next or are you able to step back and take the long view? The way you approach fundraising can make all the difference to your charity's success and its ultimate survival. The prudent fundraiser has a strategy in place that is both robust and dynamic, and this book will set you on the path to achieving that.

Grounded in theory but with the needs of practitioners at its heart, this book will be your indispensable aid. It shows you how to:

- Understand the internal and external fundraising environment
- Identify your strategic objectives and key audiences
- Structure your tactics
- Track, measure and control your plan
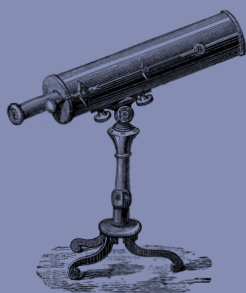- Avoid strategic wear-out

With additional insights around contemporary issues and advice on how to establish an ethical framework for your fundraising, this guide is a pre-requisite for all fundraising professionals.

'At last! The book I wish I'd had 20 years ago. I feel I had to stumble towards this, drawing on a range of sources, but here it is: a definitive guide, grounded in real-world examples. I know this will help any fundraiser build and implement their strategy effectively, for I have seen the principles work. It should be standard issue across the sector.'

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