The Donor’s Journey – Not Yours!

Simone P. Joyaux, ACFRE, Joyaux Associates

Session Description

No wonder donor retention rates are scandalously low: Fundraising is not about you and your organization. Fundraising is about your donors.

Your job is to build relationships with your donors so they’ll stay. You create extraordinary experience to bring donors closer and nurture loyalty.

Yes, it’s challenging to balance extraordinary with cost-effective and time-manageable. But it’s a tough life. Loyalty is fundraising’s holy grail.

So let’s get it together and do this well!

Simone Uncensored

Okay. I admit it: I get frustrated that we keep talking about loyalty but don’t actually “do” loyalty well. It’s old news, this loyalty thing!

Research shows that donor retention worldwide is scandalously low. We know that it costs about 10 times more money to acquire a donor than it does to keep one. And the likeliest bequest prospects are your loyal donors, not the old, rich ones.

Every business – including nonprofits – depends upon loyalty. Loyal customers. Loyal donors.

Your nonprofit can improve donor loyalty, develop lifelong donors, and increase donor gifts with a good relationship-building program. You can keep your donors – and increase their lifetime value – with extraordinary experiences.

Are you ready to take your donors on an extraordinary journey? Or maybe I should say, are you ready to join your donors on an extraordinary journey?

What’s stopping you?

I’m asked over and over to talk about relationship building with donors

I speak and write about the process of relationship building with donors – in order to nurture loyalty. And I regularly talk about what I call “extraordinary experiences” as part of that relationship building.

I don’t ever get tired of the topic. I collect ideas. I test ideas. It’s great fun and a wonderful learning opportunity.

I examine my own journeys as a donor … and how the organization helped that process, hindered that process – or was neither good nor bad at it – just mostly mediocre or non-participating.

What’s been your experience as a donor? What do your donors say?
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<td><strong>Introduction and overview</strong></td>
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<tr>
<td>“On ne voit bien qu’avec le coeur.” [Antoine de Saint-Exupéry]</td>
<td>Enough with “big donors”!</td>
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<td>1. Be careful and pay attention: Relationship building is not just for big donors.</td>
<td>It’s estimated to cost 10 times more money to acquire a new donor than to keep a current one.</td>
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<td>2. Pay attention to all of your donors or you will lose them.</td>
<td>The goal of fundraising work: donor loyalty</td>
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<td>3. Acquisition of new donors is important. But retention of current donors is more important.</td>
<td>Does “stewardship” adequately reflect the genuineness and humanity of “relationship building”?</td>
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<td>4. Donor loyalty makes your fundraising program stronger and a stronger fundraising program helps build a strong nonprofit.</td>
<td>Focus on all donors, not just major donors. Make relationship building genuine, not a retention strategy.</td>
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<td>5. Are donors central to your mission? If yes, make them feel it.</td>
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<td>a. “Stewardship” is an okay word. But I usually use the phrase “relationship building.” Is there a difference?</td>
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<td>b. Is there a distinction between the minimal stewardship requirements for all donors of any gift size – and the intentional relationship-building approach (or additional stewardship) to nurture loyalty?</td>
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<td>c. All donors – not just major donors – require good stewardship.</td>
<td>See “Basic Principles of Fund Development,” pages 8 – 10 in this handout.</td>
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<td>7. “Relationship fundraising is an approach to the marketing of a cause which centres not around raising money but on developing to its full potential the unique and special relationship that exists between a charity and its supporter. Whatever strategies and techniques are employed to boost funds, the overriding consideration in relationship fundraising is to care for and develop that special bond…” [Ken Burnett, U.K.]</td>
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<td>8. Very important – perhaps the most important</td>
<td>Everyone! Fundraising staff. Program staff. Board members. Other volunteers. Donors, too.</td>
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<td>a. People pay attention to what interests them. That might – or might not be your nonprofit’s mission impact.</td>
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<td>b. Donors give through your organization to achieve their own desires, to express their own values. Your nonprofit serves as the conduit to fulfill whatever the donor wants to fulfill.</td>
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<td>c. Giving is not a financial transaction. Giving is an emotional act.</td>
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Loyalty is the Holy Grail of fundraising

“2009 New Year’s Resolution for Fundraising: Explore, define, and do something tangible about the great unturned stone in our sector – the issue of donor loyalty.” [www.theagitator.net]

1. Like any business, fundraising depends upon loyalty. Loyalty (and lifetime value of your donors) is the Holy Grail of fundraising.

2. Loyal donors keep giving. Loyal donors may give more than once per year. Loyal donors may increase their gifts.
   • And loyal donors leave legacies, often the largest gift any donor ever makes.

3. Excessive focus on acquiring new donors distracts from the Holy Grail.

4. Too many fundraisers and organizations don’t focus enough on loyalty.
   a. What are the average year-on-year donor retention rates in your country? In the U.S., year-on-year retention rates are 40 – 60%. That is a crisis!
   b. In the U.S. 70 – 80% of first-time donors don’t give a second gift.
   c. What is your average cost to acquire a new donor?

5. What loyalty data do you measure in your nonprofit?
   a. What are your average year-on-year donor retention rates across all levels of giving?
   b. What is your cost to acquire a new donor and retain a current donor?
   c. What % of your first-time donors gives a second gift?
   d. What are your loyalty rates? For example, what % of your donors has given for 5 or 10 or 15 or 20 years?
   e. What is the lifetime value of your loyal donors?

6. What measures do you use for stewardship and relationship-building activities?

Adrian Sargeant’s research tells us that nonprofits worldwide have been experiencing a donor retention crisis for years – way before the Global Economic Crisis of 2008. (Sargeant, from the U.K., is considered the world’s leading fundraising researcher.)

Follow Adrian’s research! Read his books! Make sure you hear him speak.

Look for Jen Shang’s research. Jen holds the first Ph.D. (doctorate) in fundraising and is our sector’s first philanthropic psychologist.

It’s estimated to cost 10 times more to acquire a new donor than to keep a current one!

See Keep Your Donors, with two chapters devoted to measuring relationship building.

See “Measures,” pages 13 – 14 in this handout.
**Building donor loyalty: general overview**

“2009 New Year’s Resolution for Fundraising: Explore, define, and do something tangible about the great unturned stone in our sector – the issue of donor loyalty.” [www.theagitator.net]

1. Always remember: Donors are customers. Act like a customer-centered business. Consider Tom Ahern’s new rule: Use the term “customer,” not “donor.”

2. What contributes to donor loyalty? Just ask Adrian Sargeant.
   - Key drivers of loyalty (and lifetime value) are trust, commitment, engagement, and satisfaction. Try this:
     i. Donors are aware of consequences: Believing that “someone might be hurt if I don’t give.”
     ii. Your service quality is good. “Do you anticipate questions, promptly thank donors? Are you easy to work with? Do you value your customers?”
     iii. They trust you.
     iv. They share your beliefs.
     v. You’ve established a personal link. You give the donor credit.
     vi. They’re learning. Are you taking them on a journey?
     vii. Multiple engagements. Every two-way interaction significantly improves retention.

3. Simone’s two equations for donor loyalty
   a. Loyalty = donor-centered organization + comprehensive relationship-building program
   b. Comprehensive relationship-building program = donor-centered communications + extraordinary experiences.

4. How can your nonprofit build donor loyalty?
   a. First, operate as a donor-centered organization.
   b. Second, carry out a comprehensive donor-centered relationship-building program that includes two key components:
      i. Donor-centered communications
      ii. Extraordinary experiences

5. Do donors really want relationships with your organization? Certainly, some don’t. But I’m interested in those who do – and nonprofits aren’t providing that relationship.

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**Notes and Resources**

- Tom’s theory: If we keep saying “customer,” we might treat donors better.
  - Read Building Donor Loyalty by Sargeant and Elaine Jay.
  - Read Ken Burnett’s books.
  - Are you sending the “good person” message to your donors?

- Often donor communications is the only experience donors want with you. So your communications better be pretty darn extraordinary!
  - Richard Radcliffe, U.K. legacy expert, always asks that question. Attend a Radcliffe workshop. He is great.
## Building donor loyalty: operate as donor-centered organization

“The donor is at the center. Whatever ‘moves’ the donor to action is the job of the development officer to identify and respect, protect and preserve, and facilitate its expression and manifestation.”

[Joanne Gambino-Morehouse, Development Officer, Albany, New York, USA]

1. “You’ll have more fun and success when you stop trying to get what you want and start helping other people get what they.”

   - Dale Carnegie, 1930s American self-help guru

2. The fundraiser helps the nonprofit understand and support the concept of donor centristm.

   - Talk about customer-centered and transfer that to donor-centered.

3. What is your Donor Centric Quotient (DCQ)? See the Donor Centric Pledge proposed in *Keep Your Donors*.

   - See page 11 in this handout, “Donor Centric Pledge.”

## Building donor loyalty: emotions are the key decision makers

“There can be no transforming…of apathy into movement without emotion.”

[Carl Gustav Jung]

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<td>1. Neuroscience and psychological research prove it: “The essential</td>
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<td>difference between emotion and reason is that emotion leads to</td>
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<td>action, while reason leads to conclusions.”</td>
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<td>- [Neurologist Donald B. Calne, Canada]</td>
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<td>2. Emotional triggers</td>
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<td>a. 7 identified as particularly effective by the direct marketing</td>
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<td>industry: anger, fear, greed, guilt, flattery, exclusivity, and</td>
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<td>salvation</td>
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<td>b. Tom Ahern’s twin sets: raise the problem (or opportunity), be the</td>
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<td>solution.</td>
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<td>3. Emotional messaging works; rational messaging hurts. Adverting</td>
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<td>effectiveness: Rational content, 16%. Mixed content, 26%.</td>
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<td>Emotional content, 31%. “The study attributes this split to our</td>
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<td>brain’s ability to process emotional input without cognitive</td>
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<td>processing…as well as our brain’s more powerful recording of</td>
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<td>emotional stimuli.”</td>
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<td>4. Flattery works really well. “Even when people perceive that</td>
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<td>flattery is insincere, that flattery can still leave a lasting</td>
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<td>and positive impression of the flatterer.” Of course, ethical</td>
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<td>marketers and fundraisers use flattery honestly.</td>
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<td>5. Negative information is better received than positive. And, we</td>
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<td>process negative emotions more easily than positive ones. “People</td>
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<td>can perceive the emotional value of subliminal messages…and [people] are much more attuned to negative words…. there are evolutionary advantages to responding rapidly to emotional information.”</td>
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<td>6. The threat of loss is more motivating than the promise of gain.</td>
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<td>7. Make sure you’ve got a good complaint scheme.</td>
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<td>- Dr. Robert Cialdini, USA</td>
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<td>- Ask me about my dopamine high!</td>
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<td>Building donor loyalty: your relationship-building program</td>
<td>What do you think are the minimum stewardship activities?</td>
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<td>Comprehensive relationship-building program = donor-centered communications and extraordinary experiences</td>
<td>Gift size is not the major criterion for stewardship / relationship building.</td>
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<td>1. What are the minimal stewardship / relationship-building activities for all donors, regardless of gift size – my ideas:</td>
<td>Loyalty is as important as gift size.</td>
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<td>a. Prompt (and really nice) thank you for giving</td>
<td>How will you build loyalty if you don’t do something more than the minimum right at the beginning?</td>
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<td>b. Welcome package for first-time donors</td>
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<td>c. Regular donor-centered communications explaining the donor’s impact and the impact of the donor’s gift.</td>
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<td>2. Ready to wear or bespoke</td>
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<td>a. Some activities for everyone and some activities for some people only. How do you decide? What criteria do you use?</td>
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<tr>
<td>b. What are your criteria for selecting various donors for various relationship-building activities?</td>
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<td>3. Getting to know your donors, their interests and aspirations</td>
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<td>• Use conversation – whether through social media, survey, small and large group gatherings, and one-on-one meetings.</td>
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<td>4. Resources for relationship building</td>
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<td>a. When your nonprofit is small without lots of staff</td>
<td>Social media is only one answer.</td>
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<tr>
<td>b. Across large geographic areas</td>
<td>Use board members and other loyal donors. Use local donors.</td>
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Your relationship-building program: donor-centered communications

“Writing…is but a different name for conversation.” [Laurence Sterne, The Life and Times of Tristram Shandy]

“Everything is a tale. What we believe, what we know. What we remember, even what we dream. Everything is a story, a narrative, a sequence of events with characters communicating an emotional content. We only accept as true what can be narrated.” [Carlos Ruiz Zafón, The Angel’s Game]

1. Make sure your donor communications focus on the donor and create an extraordinary experience. Many of your donors will only relate to you through donor-centered communications. I’m not an expert in donor-centered communications. But I’ve learned a lot about it from my life partner, Tom Ahern. Your donor communications are critical to loyalty. Your communications must be an extraordinary experience for your donors. See experts like Tom Ahern, www.aherncomm.com.

2. Tell stories.
   a. People learn better through stories than facts and statistics.
   b. Your website, newsletters, reports, direct mail letters, brochures – all are story-telling moments. Use well!

3. Always remember: The word “you” is a profound emotional triggers.
   Use “you” lots and lots and them more!
## Your relationship-building program: extraordinary experiences

“Donors get to dream together with us and have the opportunity to join with us in making our shared dream a reality.” [Diana Miller, Saint Mary’s University Philanthropy and Development Program]

Sir Denys Lasdun, English architect, says that the architect’s job is to give a client: “Not what he wants but what he never dreamed that he wanted; and when he gets it, he recognizes it as something he wanted all the time.” I think that’s the job of the fundraiser and the nonprofit for their donors.

### 1. Creating memorable moments by delivering exceptional experiences. Help your donors dream. What do “memorable,” “exceptional” and “extraordinary” mean?

- a. Remember, your nonprofit is the conduit to achieve the donor’s desires. What are your donors trying to accomplish?
- b. Truly engaging donors – and even creating a tribe

### 2. Proven extraordinary experiences for your donors

- a. Different ways of saying thank-you
  - i. Handwritten notes after the formal letter
  - ii. Thank-you calls by board members
- b. Engaging donors in your mission and their impact
  - i. Insider update gatherings
  - ii. Invite donors to programs and activities
  - iii. Send DVDs / YouTube videos of programs and activities
  - iv. Introduce donors to beneficiaries of gifts.
- c. Honoring donors as part of the your team
  - i. Donors tell their philanthropic stories – and giving them the story as a gift to share with their families
  - ii. Feature donor stories / interviews on your website and in other vehicles
  - iii. Invite donors to speak in various venues, telling their stories
  - iv. Ask their opinions through surveys and focus groups
  - v. Engage them in volunteer activities.
  - vi. Make sure your donors aren’t sitting in the audience watching your organization perform. As part of the team, donors are on stage with you.

### 3. Can a solicitation be an extraordinary experience for a donor?

One of the most extraordinary experiences of my life.
A handout to use with your nonprofit organization

Basic Principles of Fund Development

Build understanding and ownership of these principles within your nonprofit

Philanthropy means voluntary action for the common good. Fund development is the essential partner of philanthropy. Fund development makes philanthropy possible by bringing together a particular cause and the prospects and donors who are willing to invest in the cause. The goal is to acquire donors of time and money who stay with the charity. This is done through the process of relationship building. With the donor at the center, fund development nurtures loyalty and lifetime value, thus facilitating philanthropy. You know if your relationship building works because your retention rates rise and the lifetime value of your donors and volunteers increases. (From Keep Your Donors: The Guide to Better Communications and Stronger Relationships.)

So what does this mean in practical terms? Here are some basics:

1. First, understand some basic distinctions:
   a. Predisposed: An individual, business, or some other entity whose interests and actions suggest a possible inclination or susceptibility towards your organization’s cause / mission. (“Suspect” is more common terminology. But who wants to hear anyone referred to in such a pejorative manner?)
   b. Prospect: An individual, business, or some other entity that has demonstrated an interest in your cause / organization. The individual has raised his / her hand by buying your services or asking to join the mailing list or... In some manner, in some way, the individual, business or entity has raised its hand signaling interest in your cause and your organization.
   c. Donor: An individual, business, or some other entity that has given a gift of time or money or service to your organization.

2. Nurture a culture of philanthropy in your organization. It’s the right attitude that matters as much as anything. Culture refers to the personality / attitude of your organization. A culture of philanthropy means that everyone accepts and celebrates the beauty of philanthropy and donors, no matter the type or size of gift.

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1 Inspired by Robert L. Payton’s definition of voluntary action for the public good. Payton was the first professor of philanthropics in the U.S. and former head of the Center on Philanthropy at Indiana University / Purdue University in Indianapolis, Indiana.
3. **Build a donor-centered** organization. Focus on the donor or prospective donor. “It’s not what your organization is selling, it’s what I’m buying that counts. I’m interested in my interests, my motivations and my aspirations. Match those and then I’ll give to you. Otherwise, leave me alone!”

Don’t universalize your own passion. Not everyone is interested in your cause, no matter how convincing you are. Do not try to convince them! That’s offensive. Instead, find those who share your passion.

4. **Loyalty** is the holy grail of fundraising, just like loyalty is the holy grail of any business. Here’s my equation: Loyalty = Donor-centered organization + Relationship-Building Program (donor-centered communications + extraordinary experiences.)

5. Giving is an emotional act, not a financial transaction. Your organization is the means by which donors live out their own interests and aspirations.
   a. Neuroscience and psychological research document that all human decisions are triggered emotions. Then rationale steps in. “Emotion is multi-dimensional: it focuses on a person’s core goals, directs attention and interest, arouses the body for action, and integrates social group and cultural factors. It is thus a central component of meaning making.” (Carol Saunders, PhD, Brookfield Zoo)
   b. Research from the direct mail industry says that people give in response to one or more of 7 emotions: greed, guilt, anger, fear, flattery, exclusivity, and salvation. People move from one emotion – e.g., anger – to hope, by using your agency as the means to make change. Tom Ahern refers to this partnering of emotions as “twin sets.”

6. Engage volunteers, including board members and others. Staff effectively enables volunteers to participate in this meaningful work of identifying, cultivating, and soliciting.

7. **Don’t trespass** on personal and professional relationships. Instead, use connections to identify those who might be predisposed to your cause. If you cannot qualify them as prospects (and it’s their choice!), leave them alone.

8. Effective fund development is like permission marketing; people opt in or opt out. “Permission marketing is the privilege (not the right) of delivering anticipated, personal and relevant messages to people who actually want to get them…treating people with respect is the best way to earn their attention. Permission doesn’t have to be formal but it has to be obvious.” (From Seth Godin’s book and blog)

9. More visibility does not produce more contributions. Everyone focuses on his / her own interests. Your agency can be more and more visible – but if I’m not interested, I’m not paying

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2 See the Donor Centric Pledge in Keep Your Donors and in the Free Download Library at www.simonejoyaux.com.


4 Term introduced by Seth Godin in his 1999 book Permission Marketing. Godin contrasts permission marketing to interruption marketing, the traditional advertising / marketing approach. You know, the billboards and glitzy ads - and sending me a newsletter that I didn’t ask for.

   Identify the predisposed – those you suspect might have interests similar to your cause / organization – and introduce yourself (personally is usually best, e.g., through a cultivation gathering or one-on-one). Then, if the person (or corporation or foundation) expresses interest, that gives you permission.

   Godin observes: “Rather than simply interrupting a television show with a commercial or barging into the consumer’s life with an unaccounted phone call or letter [or in fundraising, the newsletter or a solicitation], tomorrow’s marketer [and top notch fundraiser] will first try to gain the consumer’s consent to participate in the selling process.” [Bracketed comments are mine, not implied by Godin.]
attention. And I sure won’t send money. Just ask Simone about the NCAA basketball championship and the World Cup! (Or read about these experiences in *Keep Your Donors.*)

a. It’s okay if someone doesn’t know who your agency is or what it does. Tell them, if they’re interested. That’s identifying the predisposed.

b. Do not solicit someone unless you know for sure that the person knows about your agency.

c. Where do you need to be visible? Among your current donors, because you want to build their loyalty. Absence does not make the heart grow fonder—it’s out of sight and out of mind!

10. You have to **give first.** (*You* means each board member, the CEO and development officers, and fundraising volunteers.) Why? Because you cannot represent an agency or cause without demonstrating your own financial and volunteer investment.

11. **Why do most people give?** Because they’re asked. It’s that simple. But only ask those who are interested. Ask the right prospect for the right amount at the right time for the right project in the right way with the right solicitor.

12. Build an **individual giving program.** Each year, individuals give the largest portion of philanthropic gifts in North America. What about elsewhere? And individuals are more loyal donors than foundations or corporations.

13. Fund development is a **process and a profession.** The profession is founded on ethical principles and standards⁵, based on a well-researched body of knowledge⁶, and protects the public through voluntary certification of professionals. Personal opinion – without the body of knowledge – doesn’t and shouldn’t count for much.

14. Most **fund development problems** are actually not fund development problems. Most problems relate to other areas of operation. Fix the real problem. (Read *Choosing your road* in the Free Download Library on my website.

15. A **balanced funding mix** of solicitation strategies and donor sources ensures stability and credibility. Whenever possible, the best way to solicit a gift is through face-to-face solicitation.

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⁵ See the Donor Bill of Rights and the AFP Code of Ethical Principles and Standards of Professional Practice at [www.afpnet.org](http://www.afpnet.org). See the international ethical principles developed by fundraising associations around the world.

⁶ See the Test Content Outline at CFRE International ([www.cfre.org](http://www.cfre.org)), the baseline certification for fundraisers worldwide.
The Donor-Centric Pledge

*We, [fill in the name of your nonprofit here], believe that...*

1. Donors are essential to the success of our mission.
2. Gifts are not "cash transactions." Donors are not merely a bunch of interchangeable, easily replaceable credit cards, checkbooks and wallets.
3. No one "owes" us a gift just because our mission is worthy.
4. Any person who chooses to become our donor has enormous potential to assist the mission.
5. Having a program for developing a relationship with that donor is how organizations tap that enormous potential.
6. We waste that potential when donors are not promptly thanked.
7. "Lifetime value of a donor" is the best (though often overlooked) way to evaluate "return on investment" in fundraising.
8. Donors are more important than donations. Those who currently make small gifts are just as interesting to us as those who currently make large gifts.
9. Acquiring first-time donors is easy but keeping those donors is hard.
10. Many first-time gifts are no more than "impulse purchases" or "first dates."
11. We'll have to work harder for the second gift than we did for the first.
12. A prerequisite for above-average donor retention is a well-planned donor-centric communications program that begins with a welcome.
13. Donors want to have faith in us, and it's our fault if they don't.
14. Donors want to make a difference in the world – and our mission is one of many means to that end.
15. Donors are investors. They invest in doing good. They expect their investment to prosper, or they'll invest somewhere else.
16. We earn the donor's trust by reporting on our accomplishments and efficiency.
17. Individual donors respond to our appeals for personal reasons we can only guess at.
18. Asking a donor why she or he gave a first gift to us will likely lead to an amazingly revealing conversation.
19. Fundraising serves the donors' emotional needs as much as it serves the organization's financial needs.
20. We are in the "feel good" business. Donors feel good when they help make the world a better place.
21. A prime goal of fundraising communications is to satisfy basic human needs such as the donor's need to feel important and worthwhile.
22. The donor's perspective defines what is a "major" gift.⁷
23. Every first gift can open a door to an entirely new world for the donor, through participation in our cause.


⁷ A repeat donor of $25 annual gifts who suddenly increases her gift ten-fold to $250, for instance, is making a major commitment that deserves special acknowledgement.
Questions to ask donors

Use some of these questions with prospective donors, too

1. Why did you first give to our organization? (Richard Radcliffe, U.K. legacy consultant says this is the most important question to ask.)
2. What interests you most about organization? Why? What is less interesting to you? Why?
3. Why do you give to our organization? How would you describe our mission? What does it mean to you?
4. What are the most critical results you expect our organization to produce?
5. What do you tell others about us? How do you describe this organization to others?
6. Why does this cause matter to you? Why now in particular?
7. What do you believe would most transform [this particular situation]?
8. Which other organizations effectively address this cause?
9. How does our organization compare to other organizations working in this cause?

Find out their values and beliefs. Get in touch with their feelings. (Remember, emotions trigger all human decisions.)

10. Tell me about your life.
11. Share with me your life’s enduring moments.
12. What are you most passionate about? Why?
13. If you had a family slogan, what would it be?
14. How would you describe your personal mission?
15. If you could change the world, what would you do?
16. What actions do you think would best cause the change you envision?
17. What changes do you believe would make the world a better place?
18. What would you like to pass on to future generations?
19. How do you feel when you make a gift?
20. What makes you angry and sad?
21. What makes you hopeful and happy?
22. Questions suggested by other colleagues during my workshops
   a. What was your first gift to philanthropy and why?
   b. What would you take with you if you were fleeing / evacuating?
   c. What are your dreams for the community?
   d. If you had 5 minutes with our CEO, what would you say? Why? OR… If you were our CEO for a day, what would you do? Why?
What does your organization measure?

Measuring in general
The most effective organizations regularly evaluate things like:
1. Organization relevancy and mission – results (qualitative) not so much the numbers
2. Alignment of programs and services with mission and values
3. Quality of programs and services
4. Board and individual board member performance
5. Performance of each staff person, of teams, and of operations in general
6. Financial performance
7. Communications and marketing
8. Fund development performance including ROI and relationship building

Measures for fund development
Measures versus benchmarks
Measures are the things you plan to evaluate, e.g., donor retention rates, donor satisfaction, etc. Define your measures for multiple years – and keep adding more as you add the capacity to evaluate.

Benchmarks are the “target” or “goal” for a particular measure for a particular year. For example, the measure is donor retention; the benchmark for the particular specific year is 75%.


ROI (Return on Investment) and the fundraising numbers
1. Donor retention, attrition, and acquisition rates, for example: retention trends after first gift; year-on-year retention rates.
2. Total $ raised and average gift size
3. # of donors and # of donors who give multiple gifts/year
4. % of donors who increase their gifts and frequency of donor upgrades
5. % of donors who decrease their gifts
6. Participation rates of board members and other volunteers in fund development activities
7. Application of well-established research and practice in fund development and donor communications; consistent use of the body of knowledge

Measures too often ignored
1. Staff and board member behaviors that demonstrate a culture of philanthropy
2. Diversity of prospects and donors reflective of a diverse community
3. Donor-centered fund development program
4. Satisfaction trends of fundraising volunteers, donors, event participants, etc.
5. Customer satisfaction with the organization as a whole
6. Donor satisfaction with service to donors
7. Donor loyalty trends (active loyalty versus passive loyalty)
Charitable giving measures that reflect donor loyalty
1. Donor retention rate
2. Rate of transition from first-time donor to regular donor
3. Percent of donors who increase their gift size and / or number of gifts per year
4. Size of gift compared to your estimation of donor’s level of interest and commitment
5. See Adrian Sargeant’s measures
   • And so many more! We do this pretty well as fundraisers.

Measuring relationship building (stewardship – and maybe more than stewardship?) from the donor’s perspective
1. Satisfaction with your organization’s execution of its mission and the progress made on your mission
2. Satisfaction with your organization’s customer service (and not just from the development office!) Just look at Sargeant’s research about donor loyalty.
3. Satisfaction with your thank-you process and your recognition program
4. Satisfaction with the quality of conversations they have with you
5. Satisfaction with your organization’s communications
6. Degree to which their personal values align with your organization’s values (essential for what a donor considers a large gift)
7. How often the donor refers others to your organization
8. How many times the organization has been pleasantly surprised by the organization’s creativity and ingenuity.
   • And so many more! Seems to me we fundraisers are especially weak in this area.

Measuring what your organization does to nurture relationships
1. Breadth and depth of information in your files, with an emphasis on interests and disinterests, motivations and aspirations
2. Diversity, regularity, and frequency of organization contacts with prospects and most especially with donors
3. Level of personalization in communications and cultivation
4. Effectiveness of cultivation at fundraising events
5. Effectiveness of communications strategies and content
   • And so many more! Seems to me we fundraisers are pretty weak in this area.

P.S. What criteria do you use to determine your strategies for fund development?
Define the primary purpose of the strategy, e.g., generate income or nurture relationships. Examine the strategy to determine if it is really worth doing. Consider the criteria below. Rate them as 1 to 5 with 5 being high. (*Note: Total numeric rating does not indicate higher worth.*)
1. Mission alignment
2. Financial cost (direct and indirect)
3. Prospective net profit
4. Relationship building
5. Institutional capacity to do the work
6. Institutional capability to do the work
7. Staff and volunteer workloads
8. Risk analysis
9. Opportunity cost
Selected resources

*What do you read? What do you suggest?*

**Simone’s personal note:**

I don’t just read fundraising material. I don’t just read in the nonprofit sector. I read in the business sector, marketing, neuroscience, etc. – and then apply that to fundraising.

I believe that all professionals read across sectors, learn from various sources – and apply to their own profession / job.

What are you reading? What do you propose to all of us?

**Some of my favorite fundraising blogs and websites**

1. Visit [www.sofii.org](http://www.sofii.org) regularly for great ideas. SOFII (Showcase of Fundraising Innovation and Inspiration) is the brainchild of Ken Burnett (U.K.), first user of the term “relationship fundraising.” And see Simone’s Reading Room about governance at SOFII.

2. Subscribe to Tom Ahern’s free donor communications e-news. Tom is one of the world’s leading experts in donor-centered communications. [www.aherncomm.com](http://www.aherncomm.com).


4. The Agitator (Tom Belford and Roger Craver) ([www.theagitator.net](http://www.theagitator.net))

5. Pamela Grow’s e-news for small development operations, [www.pamelagrow.com](http://www.pamelagrow.com).


7. For personal, face-to-face major gift solicitation, visit [www.askingmatters.com](http://www.askingmatters.com). (When I say face-to-face gift solicitation, I’m not talking about street fundraising.)

**Fundraising books - focused on relationship building and loyalty**


   Also see these books: *Writing for Fundraising, Raising More Money with Newsletters than You Ever Thought Possible, Seeing through a Donor’s Eyes,* and with me, *Keep Your Donors: The Guide to Better Communications and Stronger Relationships.*

2. Burnett, Ken: *The Zen of Fundraising and Relationship Fundraising.* See also Ken’s book *The Zen of Fundraising.* And check out Ken’s White Lion Press.


4. Sargeant, Adrian and Elaine Jay: *Building Donor Loyalty*

**Fundraising books – focused on solicitation and general fundraising topics**

1. Fredricks, Laura: *The Ask,* which explains how to solicit major gifts personally, face-to-face. This is not street fundraising.

2. Grace, Kay Sprinkel: Check out all of Kay’s books for staff and for board members.

3. Green, Fraser, Beth McDonald, Jose van Herpt: *Iceberg Philanthropy: Unlocking Extraordinary Gifts from Ordinary Donors* (about bequests)
4. Johnson, Larry: *The Eight Principles of Sustainable Asking*

5. Joyaux, Simone: *Keep Your Donors, and Strategic Fund Development – Building Profitable Relationships That Last, 3rd edition*. Topics include leadership, responsibilities of fundraising professionals, helping board members and other fundraising volunteers do this work, creating a fund develop plan, and building an effective organization.

6. Kihlstedt, Andrea: *Asking Styles: Harness Your Personal Fundraising Power*


**Miscellaneous resources – marketing, customers, management, etc.**


3. Joyaux weekly blog (Simone Uncensored), free monthly e-news, and dozens of free PDFs at [www.simonejoyaux.com](http://www.simonejoyaux.com). See also my regular web column at [www.nonprofitquarterly.org](http://www.nonprofitquarterly.org). Topics include nonprofit management, leadership, fundraising, governance/boards, and social commentary. And see my soon-to-be-released new book from Charity Channel Press: *Successfully Firing Lousy Board Members and Saving Those You Can*.


5. Cialdini, Robert: *Influence: The Psychology of Persuasion* and *Yes: 50 Scientifically Proven Ways to Be Persuasive*

6. About social media – but not fundraising and social media. You really should read these books to help set the context for your social media planning.
   b. Lanier, Jaron: *You Are Not a Gadget – A Manifesto* and *Who Owns the Future*
   c. Turkle, Sherry: *Alone Together – Why We Expect More from Technology and Less from Each Other*

- Check out my new book *Firing Lousy Board Members – And Helping The Others Succeed*. Published by Charity Channel Press, fall 2013.
- Subscribe to my free monthly (or so) e-news and my weekly (or more often) blogs. Full of tips in fund development, planning, boards and governance. Also, I regularly recommend resources.