

Annual Giving Programs: Planning for Success

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Agenda

- Morning Session
 - Welcome and Introductions
 - Annual Giving: definitions, objectives, methods
 - The Menu: sources of revenue
 - Moving to Philanthropy
 - Benefits of Planning
 - Setting Goals
 - Steps in Planning
 - Assessing Results & Evaluation
- Break
- Planning Exercises



Agenda

- Lunch
- Afternoon Session
 - Discussion Tables:
 - Mail
 - Events
 - E-Fundraising
- Wrap Up



Welcome!

- Introductions
 - Name
 - Library
 - Title



Annual Giving

- What this is not:
 - A workshop on your Case for Support
 - A session on capital campaigns
 - A discussion of donor motivations
 - A workshop on policies and procedures



Annual Giving

- What this is:
 - An analytical, strategic approach to decision-making
 - Understanding that planning is a process
 - Practice in writing a plan



Annual Giving

- Definitions - Annual Giving
 - gifts made on an annual basis usually to support operating – must be renewable or replaceable for sustainability
 - the primary source of unrestricted gifts from individuals needed for operating
 - the foundation of the Donor Pyramid



Annual Giving

- Objectives:
 - Renew current donors
 - Promote loyalty, habitual giving
 - Acquire new donors
 - A variety of methods to introduce new donors to your organization
 - Reach large groups of individuals
 - Upgrade when appropriate



Annual Giving

- Annual giving programs should be:
 - **Diversified** – a variety of funding sources
 - **Balanced** – a variety of goals
 - **Mixed** – a variety of life cycles and cost-effectiveness



Annual Giving

- Methods:
 - 3 most common methods:
 - Mail programs
 - Events
 - Personal asks
 - Others?



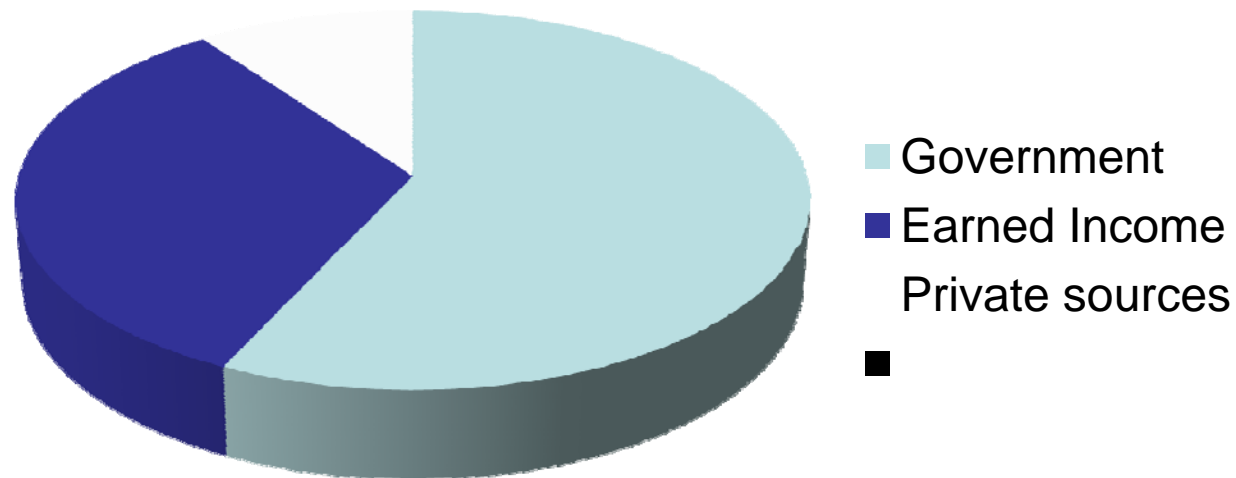
Sources of Revenue

- Government
- Foundations
- Corporations
- Individuals



Sources of Revenue

Revenue



Sources of Revenue

Private Sources:

Foundations – approximately 10%

Corporations – approximately 10%

Individuals – approximately 80%



Focus on Individuals

- Individuals gave almost \$10 billion in 2007, but dropped 5.3% in 2008 to \$8.1B
- 2009 StatsCan report: \$7.75 billion, giving levels are decreasing equal to 30 years ago
- 25% of donors give 80% of all charitable dollars – median gift is rising



The Menu

- What are your funding options?
- What are the ways we ask?



The Ways Individuals Give

- Individuals
 - Person to person asks
 - Direct mail
 - Special events
 - Door to door canvassing
 - Telephone canvass
 - Direct-response to paid ads or PSA's
 - Online giving
 - Memorial, celebration cards
 - Major donations
 - Planned gifts



Moving to Philanthropy

- Moving from transactions to relationships
- Incentive-based decision vs. ideals and value-based decision
- Friend-raising to Donor-raising



Transactional Giving

- Always searching for new donors, not working with existing donors
- Short term thinking
- Selling attitude, consumerism
- Not developing donors



Relational Giving

- Matching philanthropic interest with investment opportunity
- Encouraging first-time givers to become habitual givers and committed donors
- Planning the relationship for the long term
- Looking for a meaningful moment that a donor can respond to



Fundraising is...

- Asking
 - Asking effectively
 - Matching donor interest with our library's mission and vision
 - Providing a number of ways to invest in the common vision
 - Communicating the results of donor investment to create loyal donors



Why bother with a written plan?

- Gives direction to everyone (library, FOL, Fdn, board) involved, directly and indirectly
- Creates buy-in, consensus
- Creates a clear process, timeline
- Provides an outline of costs
- Circumvents derailing



Benefits of Planning

- Assessing needs
- Setting measurable goals, both tangible and intangible, monetary and non-monetary
- Comparing options
- Minimizing risks
- Allocating resources
- Details responsibilities
- Evaluation



Barriers to Progress

- Politics – backroom deals
- Too much planning with no action
- Unilateral decisions
- Bad attitude about fundraising
- Finger-pointing



Goal Setting

- Is money always #1?
- Other goals:
 - awareness raising
 - public education
 - advocacy and lobbying
 - profile building
 - public involvement
 - recruitment of prospective donors
 - cultivation of new donors
 - volunteer recruitment
 - morale building for staff and volunteers



Factors to Consider in Choosing Your Program Mix

- How much money do you require?
- When do you need it?
- Are you planning for growth or maintaining growth?
- What are your secondary goals?
- Is cost-effectiveness a primary goal?
- Investment capital required?
- What is your risk tolerance?



Factors to Consider in Choosing Your Program Mix

- Volunteer requirements?
- Staffing requirements?
- Repeat-ability?
- Public/community relations value?
- Educational value?
- Appropriateness to organization?
- Ethics, policies and procedures
- Fit with mission, culture and values



Strategic Decision Making

- What questions need to be answered first?
 - What information do you need to answer these questions?
 - Where can you find this information?
- How will you determine success?
- Can you anticipate program outcomes?
 - What control do you have over the variables?
 - To what extent can you limit risk?



Committing Your Plan to Paper

- No one way to write a fundraising plan – but, if you fail to plan, you plan to fail
- Not just isolated events
- Integrated into programming
- Integrates all your fundraisers (staff, vols)
- Long-term, multi-year
- Connects the marketing and community relations with fundraising activity
- Fits available resources – staffing, volunteer, financial
- Focuses energy
- Makes effective use of time



The Steps in Planning

- Research
- Writing the Plan
- Working the Plan
- Evaluation



First Step in Planning

- Research:
 - Environmental scan
 - What are others doing?
 - What are others doing well?
 - Is there room for us?
 - Assessing resources
 - What is our current program?
 - Where are there gaps?



Assessing Current Program

- What's the return on investment?
- Are you over-weighted in one area?
- Do you have the resources to explore a new program or retire an old one?
- Can you add a more sophisticated program?
- Expand a current program?



2nd Step in Planning

- Creating the written plan:
 - Strategies
 - How much do we need? For what? By when?
 - Goal setting
 - Budget
 - Schedule
 - Assigning tasks



Setting Goals

- Goals must be measurable for evaluation
 - Targets should be as specific as possible
 - Think in terms of outputs or outcomes
 - Usually based on previous cycle's results
 - Monetary and non-monetary
 - How will you determine success?



3rd Step in Planning

- Plan the work, work the plan:
 - Assign the work
 - Develop a management style
 - Monitor the work against the timelines
 - Monitor the work against the budget
 - Periodic assessment and realignment



4th Step in Planning

- Evaluation:
 - Measure against goals
 - Assess results – what went right, what didn't
 - Plan for next cycle



Evaluation - Monetary

- Some sample evaluation measures:
 - Net income
 - Annual renewal rate
 - Average contribution per donor
 - Cost per dollar raised
 - Number of new donors, by program
 - Cost to acquire a new donor
 - Number of lost donors
 - Number of tickets sold



Evaluation – Non-Monetary

- Some sample evaluation measures:
 - New canvassers recruited
 - New canvassers trained
 - Number of active canvassers
 - Number of solicitations
 - Increase in number of event volunteers



Evaluation

- Program Audit Template
 - A sample of what I use with libraries to help them bring together all the information about their programs, and then assist them with analysis and communication results.



Evaluation

- Communicate results – who needs to know?
- Outputs vs Outcomes
- Telling the story of your success



The Planning Document

- Format
 - Easy to read
 - Easy to understand
 - Used regularly at meetings



Two ways to present your plan

- Campaigns and revenue targets as organizing principles
- Text-based
 - Mail Program - \$5,000 goal
 - Special Event - \$12,000 goal
 - Personal Solicitations - \$2,500



Two ways to present your plan

- Tasks and Timelines as organizing principles
- Chart-based
 - Calendar of activities, lists of tasks to complete, by whom

