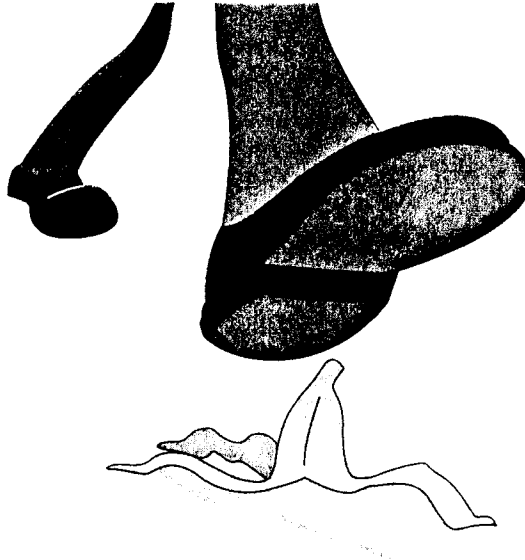


Ten Stupid Things Non-Profits Do To Mess Up Their Fund Development Programs



Non-profit organizations often make stupid decisions that sabotage the success of their fund-raising programs. Here are ten to guard against.

By Bob Lamkins

The millions of Americans who listen to talk radio daily are familiar with physiologist Dr. Laura Schlessinger, (1-800-DRLAU-RA) who dispenses advice across the radio dial on a regular basis. Her recent book, "Ten Stupid Things Women Do to Mess Up Their Lives", recently hit number 2 on *The New York Times* best seller list.

Non-profit organizations often make stupid decisions that ambush the success of their fund development programs. What are some of these pit-

falls that non-profit boards and executives must guard against?

Stupid Thing #1. Not understanding the basic concept that fund development is an institutional commitment, not the job of one person or one department.

Fund development is the responsibility of every one associated with the organization from the Chair of the Board of Trustees to the newest employee. Everyone must "think development." Everyone must treat all who come into contact with the organization with respect, courtesy

and a helping attitude. They must treat them as they would like to be treated. They represent the organization in all they do and say.

The board member telling someone about capital gains taxes and the advantages of a charitable remainder trust. The parking lot attendant helping a visitor with directions. The food service employee delivering the meal with a cheery "Good Morning." Little things? Sure. But things people remember.

I once participated in a feasibility study for a hospital's proposed capital

campaign. We found that all 1,000 employees were "bad mouthing" the institution at every opportunity. They had 1,000 negative PR representatives. Just think what they could have done if they were telling a positive story!

Stupid Thing #2. Belief by the board that by hiring a director of development they have completed their obligation to development.

Successful fund development starts with the board and can end there too. The board is responsible for setting the overall direction of the institution and it's the job of the CEO to implement a plan that reflects those directions. The one area in which the board must continue to be involved, however, is fund development. The board establishes the level of the program's success by its leadership. The board sets the tone. Board members support the special events, lead the capital campaign, become charter members of the support groups and, of course, give.

The director of development is the conductor of the development orchestra. He/she works behind the scenes to make the right things happen at the right time. The hiring of the development professional is the first step in the launching of a successful program. But it is only the first step. It is

absolutely essential that the board always be there to support the program. To do otherwise is to condemn the program to mediocrity.

Stupid Thing #3. The board thinking "I give of my time, not my money."

It takes both money and time for an institution to thrive and prosper. The board must give both. It's their organization. They are legally responsible for its well-being. If they aren't willing to give of both who will? It must be "do as I do" not "do as I say."

Stupid Thing #4. Recruiting new board members without telling them of development responsibilities.

Often non-profits have no one to blame for an inactive board than

themselves. Board members are recruited and their responsibilities are never mentioned. "It might scare them off" seems to be the attitude or "we don't want to overwhelm them. We'll just not mention it and slowly they will get the idea once they are on the Board."

Job descriptions should be reviewed with all potential board members and fund development should be discussed as an important responsibility.

Some groups have a specific figure that is required of each board member to "give or get." I once visited a Boys

mail, special events, foundation grants or whatever.

Successful fund development requires a variety of approaches to attract different donors. Unfortunately many groups feel that fund raising is synonymous with special events. Any seasoned professional will tell you that special events are the hardest, least efficient way there is to raise money. They have a place, however, in recognizing supporters, involving new volunteers and celebrating the fact that the organization is there to serve the community.

Direct mail alone could also be ineffective, but plays a role in attracting new donors. Any group that has put all its development eggs into the government funding basket will tell you of the pitfalls there. The message is simple: Build your fund development effort with a variety of programs forming the foundation.

Stupid Thing #6. Adopting the attitude "we are not big enough to seek planned gifts or major gifts."

Every non-profit should constantly seek out both planned and major gifts. The types and definitions may be different, but the concept is still the same.

A planned gift need not be a complicated trust. A simple bequest is also a planned gift. Every organization should take time annually to invite their friends to consider a bequest to the organization.

In an Ivy League college a major gift may be defined as \$1,000,000. In your group it may be \$1,000. The amounts are different but the need is constant. So too is the process to obtain a major gift. Identify your best prospects, cultivate them and then invite them to consider such a gift in a face-to-face setting.

Stupid Thing #7. Not telling the organization's story in "people terms" to potential supporters and thanking donors in the same fashion.

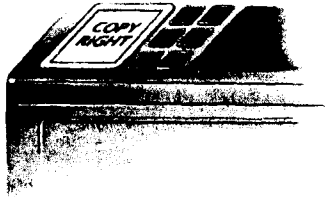
This is an area where direct mail has led the way. Effective direct mail pieces always tell the story of one or two clients and how they

Board members are recruited and their responsibilities to raise money are never mentioned.

and Girls Club and the executive director shared their budget process. They factored in the annual items they could depend upon—fees for services, the year-end mailing, the golf tournament and mayor's breakfast, etc. That number was then subtracted from the total expenditures and the gap was divided by the number of trustees. Each board member was then personally responsible for that \$ 7,238.42 and they knew it from the start.

Other groups do not establish a set figure but rather inform each person they are not expected to "give till it hurts" but must "give till it feels good."

Stupid Thing #5. Establishing a program that puts all the fund-raising eggs into one basket, be that direct



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were served by the organization. People relate to people, not to a bunch of statistics and figures. Tell how the homeless family became successful citizens because of support received from your group. Or how the first grader is now reading thanks to the test provided at your facility that identified the learning disorder. That's what "turns on" donors and makes supporters proud of "their" group.

Stupid Thing #8. Failure to understand that a public-relations program must be an integral part of fund development.

A group can have good pr without fund raising, but fund raising can never prosper without pr. Prospects must know about your organization when they are approached concerning a gift.

Public relations has many aspects—publications, community relations, publicity, advertising, employee relations, government relations and more. They are all important. They each tell the group's story in a different way to a different audi-

ence. They work together so that when a person is asked for a gift they already know something about the group.

We are seeing a closer relationship between public relations and fund development. When broken down to its basics, pr has but three objectives—enhancing the institution's presence in the community, getting clients and helping develop gift support. They must work together if fund development is to succeed.

Stupid Thing #9. Not understanding that fund development and fund raising are different.

Fund raising produces gifts now. The \$100 check from the direct-mail program, the \$50 memorial gift and the \$250 check to play in the golf tournament. Money that is needed to pay the bills at the end of the month.

Fund development, on the other hand, builds relationships...long term relationships. And involvement. A membership on the Board of Trustees or chairing of the capital campaign. Relationships and involvement result in commitment and commitment can lead to major, seven- and eight-figure gifts. The type of gift that merits coverage in the national press.

Non-profits must realize that both fund raising and fund development are required. Fund raising brings quick results. Fund development brings big money. Both are needed.

Stupid Thing #10. Believing that fund raising is not hard work.

Fund raising isn't just parties, receptions and golf outings. It's long hours of creative planning leading to the right way of getting support...having the right person ask the right prospects in the right manner for the right amount to support the right project. It's hard work, but it can be very rewarding.

Often we see and hear about non-profits that were "taken" by some unscrupulous individual who keeps 85 percent of the funds given. Look deeper and you will probably see that he or she told them "you don't have to do anything. Just give me your list and I'll do all the work." If they are going to do "all the work" they expect to be paid for it. Volunteers working to support the agency that helps the people in their neighborhood is still the "right way" to fund raising.

Well, there they are, "Ten Stupid

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Things Non-Profits Do To Mess Up Their Fund Development Programs." An experienced development professional could name others, but these are the most important. Hopefully your non-profit will correct all of these and if they do, you can rest assured the results will be most rewarding. ♦



Bob Lamkins, FAHP, has been a fund development professional since he graduated from college. Currently he is the president of Bay Harbor Hospital Foundation in Harbor City, CA. He is active in AHP, NSFRE, the Southern California Association for Healthcare Philanthropy, Toastmasters International and Rotary International. He is a frequent speaker and trainer for non-profit groups and associations.