



Fundraising Strategies: What should they look like?

It's a brutal fact of life that times are changing in the public sector, and this in turn can have a challenging effect on voluntary organisations. Income is more constrained, and grant funding is harder than ever to achieve or sustain.

As a result, many smaller organisations are looking towards fundraising as a way of achieving income levels and delivering much needed projects in their community. Good fundraising always starts with a fundraising strategy. This simple Toolbox Guidance Note takes you through some of the basics when considering such a strategy.

There are a number of steps which should form part of any good fundraising strategy.

Step 1 – Where are we now?

In the first instance, any organisation will need to outline the main aims and objectives of their project. This will include some information about why the income is being raised, and what plans are in place to use that income. This essentially gives rise to a fundraising target.

Remember though, we live in uncertain times, and this might affect the level of income an organisation will eventually raise. Organisations will need to be realistic in their aspirations, and always consider the context of their strategy, or the external and internal environment they find themselves in.

External environment:

Let's take a simple example: If your fundraising strategy is about raising income from local businesses, consider what impact a recession or Brexit uncertainty is having. If local companies are struggling with profitability, and your fundraising strategy is all about income from business, then you may have to reconsider, or be more selective in what type of business you approach.

Internal environment:

Let's take a simple example: Your fundraising strategy has to be linked to the level of resource you have. If you have an office staffed by one or two volunteers, then it is probably unrealistic to plan a fundraising appeal to thousands of individual donors, because each donation needs to be thanked individually and each donor corresponded with. Fit your fundraising strategy around your organisation, not the other way around.

Step 2 – Analyse and Plan:

This step is about deciding which sources of funding an organisation will focus on: A mixed portfolio is important, as organisations do not want to be dependent on one individual or particular funding source, for obvious reasons.

Each source has distinct characteristics and will require different levels of resource to exploit them.

Options include:

- **Trusts and Foundations:** Organisations new to fundraising often use this option as their starting point as Trusts and foundations work solely to offer funds based upon set criteria.
- **Companies:** Businesses contribute in a variety of ways from donations to the giving of goods and services, but these relationships need proactively managing and can be resource intensive.
- **Individuals:** Individuals donate regularly to a variety of different good causes, both in terms of single or regular personal contributions.
- **Local:** Every community has groups which raise money for good causes: These could be schools, clubs or churches.

Step 3 – Structure:

When an organisation knows which sources to approach, the fundraising can then be structured. Many organisations create a volunteer fundraising committee, or if resources allow employ a fundraiser or outsource to a consultant. For smaller organisations where resource is an issue, use the skills and capacity of your volunteers, or work in partnership with other organisations to share their resource.

Step 4 – Research:

This step takes choices from step 2 a stage further and identifies the specific donors an organisation may wish to target. The key here is to find people and groups that have a reason to support, and have the ability to give. Organisations need to map their connections, as this will assist in the process of reaching potential donors, whoever they may be.

Step 5 – Create a proposition:

This is a vital step in any fundraising strategy. The proposition shapes a need and matches this to potential donor interests. Organisations need to establish clearly what they do, why it is important and the impacts they have on people's lives. The proposition is often referred to as a USP (unique selling point) so organisations need to think about what they do in terms of its *uniqueness*, as this can often compel potential donors to give.

Step 6 – Ask for money:

It goes without saying that fundraising only works if organisations actually ask for support. Trusts and foundations typically require a written proposal. Corporates may require a detailed *pitch*. There are many ways to ask potential individual donors to give, from organising a special event through to a local ask in your community. Organisations need to think carefully about the approach to each source, and be mindful of data protection law around approaching groups, individuals or local business for donations. The more the ask is thought about and planned, the more likely an organisation is going to be successful, but remember, fundraising is a competitive market and there are hundreds of organisations fundraising at any one time.

Step 7 – Build relationships for the long term:

This is a vital final step in the process. An ongoing relationship is possible to achieve, but requires an organisation to effectively thank their donors, continue to involve them in their organisation, and most importantly of all report back on the difference their contribution has made. Larger charities with massive resources have entire teams dedicated to retention – the art of retaining a donor long term. This is simply not possible for smaller organisations with a limited capacity, but there are certain basics which could be achieved:

- Ensure donors receive a regular newsletter on the organisation, and what's topical within the organisation.
- Ensure donors receive a copy of the organisational annual report or review.
- Ensure donors receive information on the people who have been assisted. This is vital and can be compelling.
- Invite donors to see what an organisation is and does.
- Invite donors to meet some of the people the organisation has helped or assisted.

Step 8 –Final thoughts and further support:

Support Cambridgeshire can assist with any aspect of planning or delivering a fundraising strategy. Simply contact info@supportcambridgeshire.org.uk

Additional resources can be found here:

<https://www.institute-of-fundraising.org.uk/blog/what-should-feature-in-a-fundraising-strategy/>

<http://www.charity-fundraising.org.uk/services/fundraising-strategy>

<https://www.entrepreneur.com/article/233136>

<https://blogs.ncvo.org.uk/2017/07/24/10-tips-for-fundraising-around-the-1-coin/>

<https://www.institute-of-fundraising.org.uk/guidance/introduction-to-fundraising/>