How to Get Your Board to Raise Money: Plan X

By KIM KLEIN

As longtime *Journal* readers know, we have offered dozens of ideas over the years about ways to get board members to raise money. We have outlined the rationale for board members to be involved in fundraising and tried to shame, cajole, reward, threaten, coax, or badger board members into raising money. We have suggested dozens of different ways board members can be involved in fundraising without directly asking for money. In fact, we have written so many articles on this topic that we have compiled the best of them into a very popular booklet called *The Board of Directors*. Judging from sales of that booklet and repeated requests for training on the subject, we flatter ourselves that we have been helpful.

However, over the years it has struck me that part of the problem of getting board members to raise money is the structure of the board's fundraising committee. People have tried to make that structure work in various ways, which is why this article is called "Plan X" — we have gone through Plans A–W already.

Plan X promotes the possibly shocking idea of getting rid of your fundraising committee. The existence of the fundraising committee may be one of the main reasons that board members don't raise money. The committee is often made up of some combination of people who weren't at the meeting when the committees were formed, the newest board members, and people who have been on the committee for a long time and are burned out. This collection of people is not particularly effective as a committee.

Even if everyone on the committee has chosen to be there, they will be coming to fundraising from very different viewpoints. One person will suggest doing an event in order to raise the organization's visibility. Another will argue that an event is too much work for too little money. That person will make a compelling case for a major donor campaign. A third will say that the problem is that the group doesn't reach out to people enough and will suggest a phone or direct mail campaign to bring in a lot of new donors. The group will debate the pros and cons of each idea without realizing that the organization should probably engage in all three strategies.

Sometimes people are recruited onto the fundraising committee with the promise that their job is to coordinate the fundraising work of the rest of the board. The committee members develop a plan and what each board member's role should be and then spend their time resenting the other board members for not doing the work that has been assigned to them. Board members not on the fundraising committee resent the work assignments because they are serving on other committees, and some of them went to great lengths not to be on the fundraising committee because they don't want to do fundraising.

TWO OPTIONS FOR REPLACING THE FUNDRAISING COMMITTEE

This article outlines two options for reorganizing the way fundraising is divided among your board members. These options offer a way to structure fundraising along more logical lines and should be seen as a way to implement the fundraising efforts you are probably already making.

Option One: Go from One Committee to Four

Replace the single fundraising committee with four committees which are named after and do the work implied in the three functions of fundraising — acquisition, retention, and upgrade.

The acquisition committee is in charge of all efforts to get people to become donors: direct mail, special events, media, speaking engagements — any effort whose main or sole purpose is to recruit new donors who have not given before. The acquisition committee's success is measured by how many donors it brings in rather than how much money it raises. This measure is valid because acquisition strategies are the costliest to implement, and sometimes even successful acquisition efforts lose money. This is the perfect committee for board members who are willing to ask friends to join, or those members who like speaking at Rotary Clubs, churches, synagogues, neighborhood meetings, and so on, or those people who like mingling at events with people they have never met.

The retention committee does all the work that goes into getting people to renew their gift. They supervise or even put out the newsletter, oversee the database, send out extra appeals for money, and conduct the yearly phone-a-thon to members. Some special events, especially open houses or the annual general meeting in membership organizations, fall under the purview of this committee.

This is the perfect committee for people who are willing to talk to people who are known to be supportive of your group. Their goals relate to retaining both money and people. This committee keeps track of your retention rate and makes sure it is what it should be. (An organization's retention rate is the percentage of donors giving one year who give the next. A good retention rate is about 66% — in other words, of all the people who gave one year, two-thirds of that group gave again the next year. Higher retention rates usually indicate that the group has a weak acquisition program — not enough donors are being brought in. Lower retention rates probably indicate that donors are not being asked for money often enough.)

The upgrade committee (more traditionally known as the major gifts committee) has two somewhat different tasks. First, they identify people who could give large gifts (a major gift is defined by the organization, but is generally any gift over $100). Most of these people will come from the existing list of donors, but this committee may also invite people to become first-time donors to the organization with a large gift. Second, the upgrade committee works with the top 10% of the donors to ask them to renew or increase their giving. (In an organization with a successful program of individual donors, the top 10% should be supplying 60% of the money the organization raises from individuals.) Because this committee works closely with a smaller number of donors, their success is measured in large part by how much money they raise.

The upgrade committee will oversee or implement the major donor drives, possibly the pledge system, cultivation events, special mailings to major donors, and the like. This committee is for board members comfortable with asking for money in person and those who want to raise the most money for their fundraising efforts.

One member from each committee is assigned to an oversight committee (a more true fundraising committee) so that the acquisitions, retention, and upgrade committees coordinate their work and have a clear division of tasks. Sometimes one or two of the committees may work together on a strategy, such as an event aimed at both new and old donors.

The amount of work and even the kind of work each committee does depends in large part on how many paid staff are involved in fundraising. If the organization has a full-time development director, that person will do much of the coordination and overall planning. She or he may handle all the mailings and the newsletter. Each organization can work this out, so that everyone's efforts are being used in the most effective way. The acquisition and retention committees understand that their work is in part to move people to the next level — from prospect to new donor, new donor to continuing donor, from continuing donor to major donor.

Organizations that are building an endowment or planning for a capital campaign will have to create committees for those fundraising activities as well. Many organizations that have gone to this system have also brought people who are not board members onto each of the committees to augment the work of the board members.

Everyone on the board is on one of these committees, so there is no ducking out of fundraising. However, each committee requires different skills, and this structure allows the organization to play to each board member's strength.

Several groups I have worked with have converted to this structure. Some have really liked it, others are still deciding how they like it. However, none of the groups has gone back to the old style of a single fundraising committee because, with this system, each group has experienced more involvement from more board members.

Option Two: Move from Standing Committees to Ad Hoc Committees

Option Two argues against having any standing committees. Many boards are using this idea already with functions like nominating, hiring, or strategic planning. The committees are formed, do their work, and dissolve. Finance, personnel, and fundraising have not lent themselves to this structure as easily because they are ongoing functions. However, there is a way to organize your fundraising on this ad hoc basis. To do so, your fundraising plan needs to be structured so that as many strategies as possible are time-limited activities and as little as possible is ongoing. When the plan is put on a calendar, at any given time no more than two strategies are being actively pursued. Then committees are formed for each strategy. The following sample calendar shows how this ad hoc committee structure could work:

JANUARY 5–MARCH 1: MEMBERSHIP DRIVE

Goal: 250 new members; income goals to be determined.

Strategies: Mail; one-day all-volunteer canvass; Annual General Meeting March 1.

Membership Committee: Ten people: three oversee acquisition mailing, three recruit and train current members to carry out canvass, and four plan Annual General Meeting.

Budget: To be determined with Development Director.

MARCH 15–APRIL 15: RENEWAL CAMPAIGN

Goal: 400 renewals with a median gift of $50 = $20,000 minimum.

Strategies: Send out renewal mailing, with follow-up phone call at phone-a-thon evenings of April 2–3.

Renewal committee: Three people plus volunteers for phone-a-thon.

Budget: $500 for mailing and snacks at phone-a-thon.

MAY 1–AUGUST 1: HOUSE PARTIES

Goal: ten house parties raising $1,000 each = $10,000 from 200 new or upgraded donors.

Strategy: Find ten people to host house parties they think could bring in $1,000. Create generic invitation each host can use with house party packet. Help hosts figure out how many people to invite, when to have it, and who should speak.

House Party Committee: Two people plus ten hosts plus three speakers who can cover all ten parties. The two people on the committee may also be hosts or speakers.

Budget: $1,000 for invitations and materials to give out at parties.

SEPTEMBER 10–OCTOBER 30: MAJOR DONOR CAMPAIGN

Goal: $50,000 raised from 200 donors.

Strategy: Combination of personal letters, follow-up phone calls and visits to current high-end donors.

Major Donor Committee: Five people to coordinate plus 15 more to help with prospect identification, letters, calls, and visits.

Budget: $1,500 for training major gifts committee, materials for committee members and for donors.

NOVEMBER 10–DECEMBER 15: YEAR-END WRAP-UP

Goal: Ask everyone to renew who hasn't already done so; make sure all major donors have received proper follow-up; send out year-end appeal to current donors; hold open house.

Strategies: Mail, phone, personal letters and personal phone calls, open house.

Year-End Wrap-Up Committee: Three people plus the rest of board and staff for discrete projects.

Goals and Budget: To be determined depending on outcome of previous strategies.

Notice that there are about two weeks between the end of one fundraising period and the beginning of the next. Designing fundraising this way will depend on having a full-time development director, as a lot of coordination, preparation, and follow-up are required to make this work. However, this is a great way to get board members involved because they only have to work on one strategy plus be available for the year-end wrap-up. Once they have finished house parties or the phone-a-thon, they do not need to think about fundraising until that strategy comes around the next year.

Organizations that have used this option report great success or great failure with it, depending on the experience of the development director with all these strategies and his or her ability to work well with a constantly changing set of volunteers. The other variable is having enough people to call on for specific tasks. This option will definitely fail if the same people are making the calls at the phone-a-thon, then hosting a house party, followed by asking for money in person and then helping with the year-end wrap-up. That is a formula for certain burnout.

CONCLUSION

I believe that the options presented here provide a lot of flexibility and room for creativity, yet offer enough structure so that you do not drown in possibilities of how to organize your fundraising. As with all volunteer work, the premise we are operating from is that the volunteers (in this case, board members) know and accept their responsibility with regard to fundraising and are willing (they don't have to love it) to carry out the tasks that they commit to.

We are also assuming that the paid staff wants to have a lot of volunteers involved. This would mean that staff have to be willing to take the advice of board members and the suggestions of volunteers and work as a team. This is quite different from the "sole proprietor" approach that is popular among staff who believe they can do everything better and easier themselves and that using volunteers takes too much effort.

Organizations that want to last encourage people to know how to do many jobs. Theaters have understudies for key roles, sports teams have players ready to replace those who are injured, successful businesses have people who can handle a variety of jobs. This flexibility requires practice and systematically providing learning opportunities. Just as it is obvious that an organization with one or two sources of funding is not on its way to self-sufficiency, the same is true of an organization with two or three people who raise all the money.

Whatever structure you choose for fundraising, make sure it involves the maximum number of people you can possibly manage, so that as many people as possible have as much experience as possible in all the strategies for fundraising your organization uses.

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