13 WAYS TO IMPRESS DONORS WITH YOUR EFFICIENCY

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Introduction

NGOs both large and small rely on the support and financial contributions of donors to help them achieve their goals. The necessity of money is an inescapable fact of life for any charitable organisation, even one that gets most of its labour from unpaid volunteers.

Supplies need to be bought and distributed, while charitable efforts need to be coordinated, sometimes across multiple continents. Keeping a large humanitarian group running can quickly become an organisational nightmare, and the administrative costs can quickly pile up as a result.

The Challenge:

When administrative costs begin to skyrocket, that can mean fewer resources are getting spent on actually helping those in need. Now, more than ever, potential donors have access to a nearly limitless amount of information about the organisations that they choose to entrust their hard-earned money to. This includes things such as the ratio of capital that an NGO uses on administrative costs versus how much they apply directly to charity efforts.

Many donors want to know that the money that they are investing in a charity is being used wisely to actually help people. When administrative costs are enormously out of line with the amount of aid being rendered, it can be a red flag to potential donors. For example, if 80% or more of all the money being donated to a given charity is spent on admin costs rather than on providing humanitarian aid, cautious donors would rather find leaner, more efficient NGOs to contribute to.

To get cautious donors who are on the fence about whether or not they should donate to your NGO to commit, it is necessary to impress them with the efficiency of your organisation. By doing so, you can demonstrate that the money that these cautious donors send will be put to good use and put their minds at ease.

To help you with this, we've assembled a list of ways that you can impress donors with the efficiency of your organisation. Read on to learn more...

Increasing Efficiency

Naturally, before you can impress donors with your efficiency as an organisation, it is necessary to be efficient. For many charities, a healthy administrative percentage would be somewhere between 25% and 40% of the money raised going towards administration. Naturally, there are exceptions to this rule of thumb, with some charities managing to keep their administrative costs well below 10%!

Cost of overhead is often tied to how much money the charity is able to raise in the first place, and how much needs to be spent on fundraising efforts. After all, an NGO can't collect funds if nobody knows that they exist. Because of this, attempting to control your ratio of admin costs to capital spent on actual charity can be difficult.

With this in mind, here are a few ways that NGOs can improve their admin costs to money spent on actual aid ratio:

Idea #1: Simplify the Red Tape Where Possible

For countless organisations, intra-office red tape can be the bane of efficiency. Every report filed, and every copy of that report that needs to be printed, re-printed, and mailed represents money that could be used to actually help others and achieve the NGO's primary objectives instead.

So, one of the first ways in which your organisation can reduce admin costs is to look for redundant or unnecessary forms that can be cut from your processes. By minimising the paperwork that needs to be filed, staff can save time on logging information.

Naturally, there will always be a certain amount of paperwork that is required for certain processes. If you find that cutting a whole form is impossible, consider consolidating existing forms to streamline the filing process. Not only does reducing paperwork cut the amount of time that staff in the field needs to spend on filling out paperwork save time (and trees), but with fewer physical files to sort through, less time will need to be spent on retrieving this information later should the need arise.

Switching from paper-based record-keeping to electronic filing methods is also a great way to reduce time and capital spent on paperwork. Not only is data capture much faster with electronic methods, but the transmission of data is near instantaneous and information recovery is as simple as a computer search.

Idea #2: Standardize Practices Throughout the Organisation

For larger NGOs with operational branches in multiple regions, it can be very easy for one branch to get used to doing things one way while another branch might do things very differently. This can lead to inconsistencies in the way different branches handle things such as the reporting/tracking of assets.

When one branch of an organisation has one way of documenting expenses and filing paperwork that differs from others, miscommunications are an inevitability. This can lead to wasted time generating extra reports or even the loss of assets during the transition from one location to the other.

To combat this potential money-wasting hazard, it is important to keep practices throughout the organization standardized whenever possible. Create a set of master guidelines and expectations for communication between different branches of the organisation and make sure that staff adhere to them.

When local laws and regulations make total standardization impossible (such as added documentation requirements for packages being sent to that particular region), make a note of the extra requirements and make sure that any staff members who may be required to interact with that branch on a regular basis are cognizant of these regulations differences.

Normalizing the standards and practices used by different teams within the organisation makes communication quicker and easier, reducing costs and the possibility of loss from errors.

Idea #3: Plan Ahead

Anticipating busy periods and dry spells for your fundraising and relief efforts can go a long way towards minimising the amount of money spent on such activities overall.

For example, if a large-scale NGO specializing in disaster relief were to stockpile basic necessities such as canned food, temporary shelters, and bottled water in advance of the hurricane season, they could have these necessities on-hand when a disaster does strike, rather than having to try and acquire these things when they'll be in high demand and going for an inflated price.

On the fundraising side of things, if there is a particular time of year when certain types of fundraising events typically don't manage to earn enough engagement from donors to justify a full-price event, it may be best to switch to less expensive, secondary channels for fundraising efforts than to go "all-out" with a big banquet or gala event. Now, if attendance at such an event would be more than large enough to justify the cost, even during a "slow" time of the year for fundraising, by all means, hold the fundraiser dinner event.

Keeping long-term goals and plans can help your organisation stay on-budget and keep needless expenses from piling up during short-term challenges.

Idea #4: Monitor Your Books Carefully

While having a third-party organisation go through your financial records to hunt down inconsistencies does cost money, it's a sound investment in the financial stability of your own organisation. In a perfect world, such measures would not be necessary, but, unfortunately, we do not live in a perfect world.

Whether a result of intentional malfeasance or of poor book-keeping, a sudden, unexplained loss of capital is never a good thing. This is why it is so important to periodically investigate the financial records of your organisation so that potential sources of wasted or stolen capital can be identified.

How frequently should your books be investigated? The answer depends on a lot of factors, such as your NGO's overall size and budget, as well as your future plans (for example, the acquisition of new equipment, offices, or other assets and the launching of a major new humanitarian effort). Full-on third-party evaluations of your financial records are an extreme (and costly) measure, but if such an audit reveals a major source of embezzlement or waste, it can save your organisation an immense amount of funds in the long run.

Other than performing a full audit, taking the time to review your NGO's expenses once a month can allow you to quickly identify unusual expenses and prevent repeat occurrences.

Also, if you are in charge of signing expense authorizations and checks, be sure to make sure that checks have attached invoices. If you see an unusually large check cross your table, phone the staff member who authorized it to verify the validity of the charge and its amount. You might be surprised how random inspections can discourage dishonesty.

Idea #5: Saving on Office Space(s)

As a part of managing your long-term planning, it is also important to look at the office space your organisation is currently using. Is your office too big for the current number of people you have on staff? Or, is it too small for your organisation's needs during the busier parts of the year?

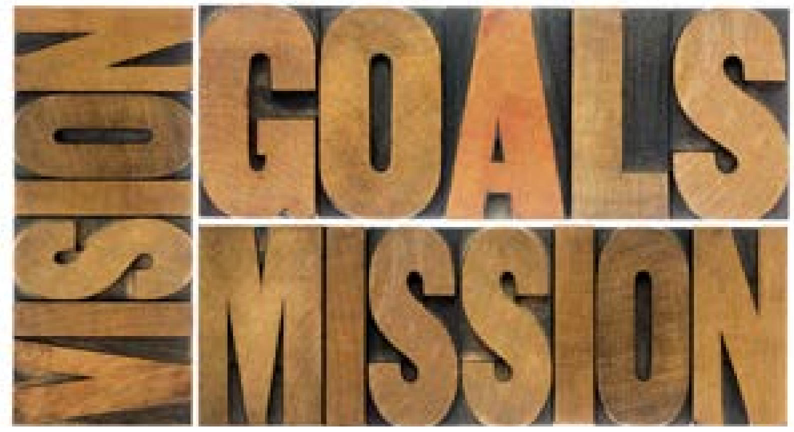
If the office is overly large, consider whether or not moving to a smaller and less expensive set of offices would be worth the financial costs and disruption in operations. Alternatively, if you have a lot of excess unused room, you could lend that space to another organisation and split the lease costs (assuming your landlord allows such arrangements).

If your offices are the right size, consider asking the landlord for a lessened lease. They may be willing to take a little less money in order to guarantee that they continue to have rent income. If the office is in a high-demand area, however, this may not work so well.

You could save on cleaning costs for the office by having staff clean the office instead of hiring a cleaning service to do it. Also, consider buying used furniture instead of new.

When you need new electronics (computers, televisions, etc.), consider purchasing used or refurbished equipment rather than new. When it comes to computers, make sure that the operating system is compatible with your other computers and critical software applications, and that the hardware can meet your basic performance needs; but, don't worry about going overboard with the specs. For many organisations, a simple business computer with a low to mid-range processor and graphics card should be more than enough to run their office software applications (however, some specialised organisations may need more powerful hardware for specific applications).

Idea #6: Re-evaluate Your Current Operations/Services



What is your organisation's mission statement? What are your goals, and how are you trying to meet them? Are your current programmes, in fact, working towards your goals and stated mission?

When donors entrust you with their money, it is because your mission statement resonated with them. Keeping true to that statement is a large part of making sure that donors feel comfortable investing in your particular organisation.

If you have programmes that are not helping your organisation contribute to the realization of its goals, it may be time to evaluate if these programmes are worth keeping. Is it a big drain on your resources that doesn't help people? Drop that programme before it kills your budget.

Successful programmes that help people and build notoriety for your organisation, on the other hand, should most likely be kept.

Idea #7: Evaluate Your Staffing Needs

In the business world, one of the most popular cost-cutting measures that gets employed is the old standby of "headcount reduction." Organisations often employ layoffs like they were going out of style, but is that the right way to handle the task of reducing overhead?

Before taking the proverbial hatchet to your organisation's staff list, ask yourself if you have:

1. Enough staff to meet your operational needs,
2. Too many staff members for your operational needs, or;
3. Too few staff members for your operational needs?

If you have far too many people on your organisation's payroll that are not providing any benefit because they have nothing to do, then it may be time to let them go. However, if your organisation barely has enough staff to meet operational goals, then making cuts can actually do more harm than good.

As always, the primary goal for a humanitarian organisation is to help others. While having a great admin costs to resources applied to aid ratio can attract and impress donors, it's important to maintain the labour needed to keep helping others.

The Next Step

With these money-saving ideas, it is possible to help improve the efficiency of your organisation and impress potential donors.

Efficiency, however, goes beyond simply slashing admin costs to establish a great administrative budget to charitable contributions ratio (although it can help get cautious donators off of the proverbial fence). It is important to be able to demonstrate your efficiency to potential donors in order to really impress them...

Proving Efficiency

Now that you've whipped your NGO into financial shape, it's time to show off your efficiency to potential donors. Donors like knowing that not only is their money going to a good cause, but that it is going to be used to the best possible effect.

So, how can you impress potential donors with your organisation's efficiency? Here are a few ways to promote your organisation's newfound leanness:

#1: Provide Documentation!

If a donor wants to know more about your NGO and is concerned about efficiency, he or she will definitely ask your organisation for important documents. While supplying a promotional pamphlet and a copy of your latest financial reports are a good first step, you can take this even further.

Rather than simply rely on a financial report that shows how efficiently your organisation handled donors' money, you can also create impact reports that show off how much aid you were able to provide with that capital.

Supplying this documentation freely and openly demonstrates to donors that your organisation has nothing to hide, and gives quantifiable proof of the good their donation can do in your hands.

#2: Add a Line or Two about Your Efficiency Improvements in Your Regular Communications

You can let your existing donors and contacts know about the improvements you've made by mentioning them in your electronic newsletters and other NGO-to-donor communications. For example, if you've reduced costs in your NGO by 20 percent over the previous year, that's something that efficiency-minded donors will want to know.

You can even create special informational emails and documents that detail how you reduced your administrative costs, and how that helps your organisation meet operational goals. Sharing these with potential donors can show off how efficient your NGO is with the resources it is provided.

#3: Post it on Social Media

If your NGO has a Twitter, Facebook, LinkedIn, Pinterest, or other social media page, creating posts about how your organisation has optimised its efficiency in the last quarter is a great way to build engagement with potential donors.

Even if you don't have a particularly stunning example of efficiency to report on social media sites, your organisation should still update its social networking pages regularly. Many of these sites, such as Facebook and Twitter, allow your organisation to reach out to potential donors for little or no cost to your organisation beyond the time it takes to write your posts, making them an incredibly cost-efficient means of marketing your NGO.

There are specialised marketing apps available to help your organisation manage social media postings and track the results as well. Such applications allow you to quickly identify posts that get a strong, positive response easily so that you can craft your future content to be similar to these crowd-pleasers.

#4: Prepare Some Press Releases

When you massively improve your organisation's efficiency, you want to make sure that this information reaches potential donors. One way to do this is to create a press release about this accomplishment and disseminate it via email or in publications that are closely related to your NGO's area of expertise.

For example, getting a press release published in a food-oriented cooking magazine may be appropriate for an organisation that specialises in ending world hunger, while an NGO that provides clothes to the poor might want to put a press release in a fashion magazine. In either of these cases, the audience for the magazine is likely to be sensitive to the issues that the NGO deals with, and may respond positively to reading information about these NGOs.

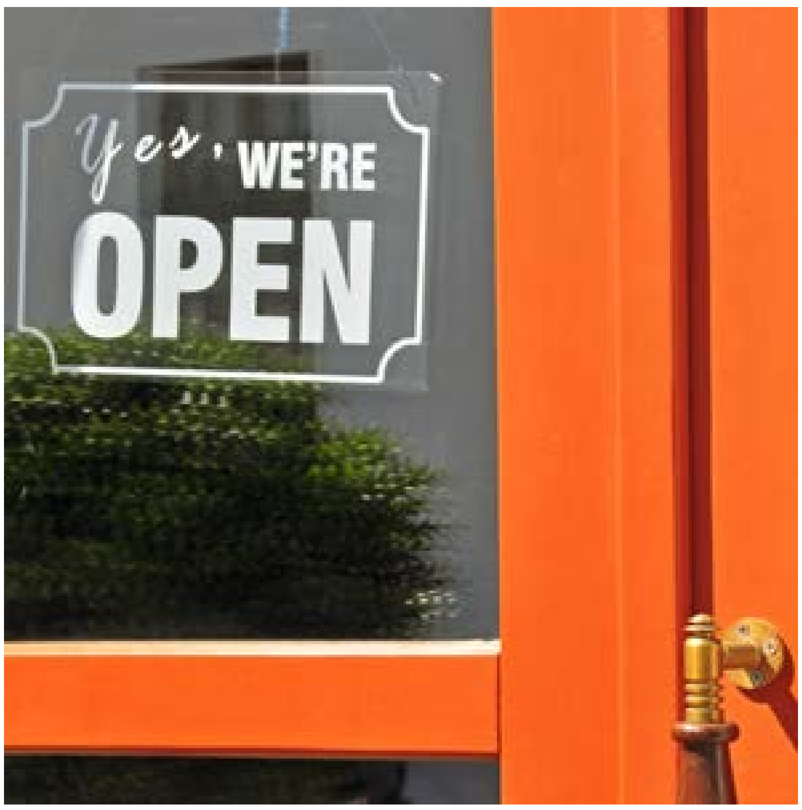
#5: Blog About it!

If your organisation has a website, that can be a powerful tool for not only attracting the attention of potential donors, but for showcasing examples of your NGO's efficiency to the world. Here, you can post relevant facts about your efficiency, and create blog posts about how your organisation meets your stated mission goals.

Each blog post you write and place on your website helps your organisation not only by showcasing relevant information, but by adding indexed pages that can turn up in search engine results.

This increases the likelihood that potential donors will find your website, increasing awareness about your organisation and its cause.

Give readers of your blog a chance to subscribe to your blog and receive updates via email, which adds these readers to your mailing list (be careful to make sure that you ask for permission to email general communications to these contacts, as some countries are adding special restrictions on email communications between organisations and private citizens).



#6: Invite Donors to Visit

Sometimes, the best way to convince people of your sincerity and integrity as an organisation is to let them get to see you in action. Invite people to visit your offices and meet your team so that they can get to know you on a personal level.

It's often one thing to donate to some faceless organisation that you'll never meet; it's another thing entirely when someone who you know asks you to help a good cause.

While this suggestion isn't always practical, an open-door policy does give potential donors a sense of your organisation's openness and integrity.

Final Tip: Brainstorm

Get together with your team and come up with a few more ideas for how you can demonstrate your organisation's efficiency to potential donors. Look at what other NGO's in your field have done in the past, and assess what has worked and what did not.

Leverage the intelligence and creativity of the people who work towards fulfilling your mission every day, and you might be surprised at how much it can help you.

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