



WHY YOUR BEST FUNDERS SUPPORT YOU

A SMART Practices Report from Bristol Strategy Group

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When you and your donor share the same feelings, beliefs, or commitments regarding the mission, that's called engagement, another term for support. Capacity for giving doesn't create lasting engagement. Having an influential board member twist the donor's arm into giving doesn't create lasting engagement. There are a whole raft of tricks of the trade that can result in gifts without resulting in lasting engagement. Avoid them, because deeply engaged donors are easier to retain, more likely to evangelize on your behalf, and even more likely to leave you money in their wills. All of which contributes to effective fundraising.

Effective fundraising requires something more than tactics and persistence, especially when it comes to larger gifts, grants and corporate contributions. It requires that fundraisers understand *what it takes to engage their funders*. They figure out what their most deeply engaged funders want to accomplish with their charitable giving, not just how much money they have to give. They probe to discover what drives charitable giving in the first place, among their most deeply engaged funders. They understand that their best donors develop a vested interest in the impact your programs and services have on the mission. And they make financial investments to obtain emotional returns, to satisfy their own reasons for charitable giving, which may be utterly altruistic, or have some equally legitimate element of self-interest.

THE EXCHANGE OF VALUE

"Engagement" denotes a relationship between funder and nonprofit, and we're not talking about a social one. Your organization offers certain values, above and beyond the portfolio of programs and services. We call these your "Value Added," the internal strengths, results, and other assets funders find compelling. For information on how to define your Value-Added, download our SMART Practices Report [Strengths Your Nonprofit Competition Can't Touch](#).

The flip-side of Value-Added represents the funder's motivations for giving, which we like to call their "Value-Sought." We coined this term to describe the deeper motivations and charitable philosophy that drive any funders to give money to charity in the first place. Your job as a fundraiser is to understand the Value-Sought "profile" of your best funders today, and use it as a template to find other prospective funders who fit the description.

Grocery stores offer a great example of Value-Added/Value-Sought. Supermarket chains like Kroger’s and specialty chains like Whole Foods both offer meat, vegetables, packaged foods, cleaning products, and baked goods, but their Values-Added are significantly different. The big chains offer easy access (a Kroger’s on every corner!), wide variety, open 24 hours, decent prices plus tons of special offers, BOGO specials (buy one, get one free), every conceivable fast-food and packaged treat imaginable, and so on and so forth. The specialty stores (Whole Foods) emphasize organically grown produce, grass-fed beef, free-range chickens, grains in bulk, “green” cleaning products, and on and on, and they also charge premium prices for this stuff. Now here’s what’s interesting: some affluent shoppers prefer the big chains, because convenience, buy-one/get-one offers, and major commercial brands are what they seek, even though they can afford specialty-store prices. Their Value-Sought includes convenience, specials and a frequent desire for Lunch-ables® and Doritos®. On the other hand, the Value-Sought of some far-less affluent shoppers include a demand for organic produce and green cleaning products and they’ll pay higher prices even when doing so is a hardship.

Your job, whether you run a nonprofit or a grocery store, is to attract constituents whose Values Sought are a match to your organization’s Values Added. It’s pretty straightforward: promote to those who already want to be part of your mission. Fact is, those funders are already out there looking for you, even if they don’t realize it yet, and you don’t even know them. Just remember this simple little equation:

$$\begin{aligned}
 &\text{Your Value-Added} \\
 &+ \\
 &\text{Your Funder’s Value-Sought} \\
 &= \\
 &\text{Engagement} \\
 &= \\
 &\text{Giving}
 \end{aligned}$$

DISCOVERING YOUR BEST FUNDERS’ VALUE-SOUGHT

Value-Sought Analysis is based on three simple questions, so download the SMART Practices Report [Three Simple Questions that Get Donors to Give](#) ASAP! The Three Simple Questions, listed below, offer limitless variation. They help you establish rapport quickly, get prospects talking about themselves, and eventually reveal to you whether their motivations will match up well with your Value Added. They can eliminate the need to pitch and sometimes you don’t even need to make the ask – the funder makes an offer instead. Here they are:

1. What do our best funders wish to *achieve* with their charitable giving?
2. What do our best funders wish to *avoid* with their charitable giving?
3. How does our best funders know they’ve chosen the right nonprofit to support?

Variations for Types of Funders

Individual donors tend to be motivated by certain things, while corporate sponsors and grantmaking organizations have significantly different reasons for giving. Put the right spin on your Three Simple Questions for each category.

Our examples are based on a fictional botanical garden located in a subtropical climate. Hey, we live in Florida, what else would we choose?

Individual Donors

Individual and major donors typically demonstrate the most altruistic of motives – but not always. Here’s what our Arboretum example shows:

For Question #1, what do our best donors wish to achieve, classic answers are:

- Donor believes that arboreta of our caliber are the best way to preserve tropical plant species.
- Donor believes that donating major gifts is a moral obligation for people of wealth
- Donor desires to pass their love of gardening to the next generations

For Question #2, what do our best donors wish to avoid, the answers are:

- Donor fears that without arboreta and related efforts, tropical plant species will be lost at an increasing rate
- Donor is concerned that local children may not be aware of the threat to tropical plant species, without institutions like ours
- Donor worries that many of our local children have very little exposure to the natural world, and wants to fix that problem

For Question #3, how do our best donors know they’ve chosen the right nonprofit, answers are:

- Donor has a stated desire to improve their personal/professional reputation in the community by supporting a well-known agency like ours
- Donor wishes to socialize with like-minded individuals, such as those who currently support our agency
- Donor is a passionate gardener, and believes wealthy people have an obligation to give back

For Corporate Relations:

Corporate sponsors often share motivations with individual donors, but they also look for specific business benefits. You’ll want to ask some questions like these.

1. Do our best corporate sponsors believe they will improve their reputation and standing in the community by giving to charity?
2. How do our best corporate sponsors believe they can get more leads, sales or other direct business opportunities by giving money to charity?

3. How do our best corporate sponsors believe that involvement in and donations to charity will enhance their executives' leadership skills or reputation?

Our Arboretum examples:

Question #1: How do our best corporate sponsors believe they will improve their reputation and standing in the community by giving to charity?

- Company seeks associations with strong local charities whose missions are not overly controversial
- Company has a stated intention or campaign to become known as a leader in aiding the community

Question #2: How do our best corporate sponsors believe they can get more leads, sales or other direct business opportunities by giving to charity?

- Company prefers to support charities with large membership rolls
- Company seeks to brand major charitable events wherever appropriate
- Company's cause-marketing strategy includes incentives for members or clients of its chosen charities

Question #3: How do our best corporate sponsors believe that involvement in and donations to charity will enhance their executives' leadership skills or reputation?

- Company embraces employee development and seeks community leadership opportunities for its more junior executives
- Company's senior leadership seeks additional visibility through major underwriting or board service

For Grant-Making Organizations:

Although most grant-making organizations publish their granting guidelines on your website, it's in your interests to decide whether YOU want to pursue the grant application. So before you start sweating out yet another grant application, first figure out if this grantor is "good enough" for you to invest all that time and energy. You need to know if you can deal with the reporting requirements, if the matching level is out of your comfort zone, or if there's too much competition for you to succeed, but you'll also want to know things like these:

1. What do our best grantors want to see as a result of their investment in a charity?
2. What level of support, involvement, guidance or mentorship do our best grantors provide for the charities they support?
3. How do our best grantors measure or assess their own success?

Our Arboretum examples:

Question #1: What do our best grantors want to see as a result of their investment in a charity?

- Grantor looks for documented results, using methods and mechanisms easy for us to follow and implement
- Grantor's measurements and metrics make sense and are reasonably simple to track
- Grantor is always available when we need them, but doesn't attempt to micromanage our efforts

Question #2: What level of support, involvement, guidance or mentorship do our best grantors provide for the charities they support?

- Grantor's assigned representative is responsive and supportive; we can always get a prompt call-back
- Grantor willingly underwrites administrative costs for project-related grants
- Grantor is willing to underwrite operating funds and/or capacity-building services
- Grantor has access to in-house and/or recommended external service providers

Question #3: How do our best grantors measure or assess their own success?

- Grantor and its officers make progress by sharing the successes of their grantees
- Grantors' officers are held accountable for levels of responsiveness to grantee and effective use of grantor's funds

WHAT YOU CAN DO

Interview some of your favorite individual donors, corporate sponsors and grant-making foundations using the Three Simple Questions approach. Make sure to choose candidates whom you already know well, and are completely comfortable with, it makes the whole process go more smoothly. Make elaborate notes on their answers. Once you've interviewed five or more, review all their answers looking for similar words, phrases, themes and concepts. Save that info for an exercise we'll show you later.

Be prepared to discover that you don't really know your funders nearly as well as you thought you did. Fortunately, most interviewees are quite pleased to be interviewed; we often hear remarks like "Gee, this was really interesting, thanks!" Sometimes, it's a little bit more like, "Hey, what took you so long! You don't really know your donors very well, do you?" Even though you'll cringe when you hear that, in the long run you'll both be better off.

EXCHANGE OF VALUE ANALYSIS

Knowing how "yours" connects up to "theirs" makes your outreach and cultivation efforts significantly more effective. It also helps guide your development officers to invest more of their scarce, precious time to high-potential prospects with excellent Exchange of Value, and avoid wasting time on other prospects who might be rich, but have no interest in you, or the horse you rode in on.

STEP ONE: Set up the template with Value-Added in the left-hand column and Value-Sought (of one funder category) in the right. This example is from The Arboretum, for the major donors.

Set up a table like this one, plunk your own Value-Added items in it, and then add what you've discovered about one category of funders, through those interviews we just suggested.

<i>Exchange of Value Analysis</i>	
<p>Arboretum Strengths:</p> <ul style="list-style-type: none"> • 50-year track record of preserving plant species • Interactive environment appeals to all ages • Strong research component, worldwide reputation • Practical services, resources for gardeners • Peaceful oasis in busy city • Strengthens our reputation as a world-class city • Reputation for sound management • Recognized for educational programs for K-12 schoolchildren 	<p>What Donor Wants to Achieve</p> <p>Pass my love of gardening to future generations</p> <p>Extensive world travel</p> <p>Keep the Garden open and available for all residents</p> <p>Believe that arboreta can contribute to plant science</p> <p>Contributes to projects that sustain and enhance our city's reputation</p>
	<p>What Donor Wants to Avoid</p> <p>Fear that the world will lose important plant species</p> <p>Fear that our city's chaotic growth will harm its reputation as an attractive place to live and work</p> <p>Concerned that our city's children have little contact with the natural world</p> <p>Concerned that our children have little contact with the natural world</p>
	<p>Donor's Personal Benefit/Gain</p> <p>Philanthropy is an obligation for people of wealth</p> <p>Want to know, work with like-minded people</p> <p>Appreciate the respect my philanthropy produces</p> <p>Want to be recognized publicly for my philanthropy</p>

In the next step, you're going to connect the dots, looking for ways SOME of your Value-Added strengths intersect with SOME of your funders' Value-Sought. Don't try to connect everything to everything; that's unmanageable. Eventually you should wind up with something that looks like this:

Exchange of Value Analysis	
Arboretum Strengths: <ul style="list-style-type: none"> • 50-year track record of preserving plant species • Interactive environment appeals to all ages • Strong research component, worldwide reputation • Practical services, resources for gardeners • Peaceful oasis in busy city • Strengthens our reputation as a world-class city • Reputation for sound management • Recognized for educational programs for K-12 schoolchildren 	What Donor Wants to Achieve Pass my love of gardening to future generations Extensive world travel Keep the Garden open and available for all residents Believe that arboreta can contribute to plant science Contributes to projects that sustain and enhance our city's reputation
	What Donor Wants to Avoid Fear that the world will lose important plant species Fear that our city's chaotic growth will harm its reputation as an attractive place to live and work Concerned that our city's children have little contact with the natural world Concerned that our children have little contact with the natural world
	Donor's Personal Benefit/Gain Philanthropy is an obligation for people of wealth Want to know, work with like-minded people Appreciate the respect my philanthropy produces Want to be recognized publicly for my philanthropy

Take a second to get over your eyestrain, and look at these connections. The Strengths with the most connections are most effective at attracting funders, and the Values-Sought with frequent connections are as well. Once these connections begin to emerge, you have some clarity on which funders support you, and why.

The final step in understanding *Why Your Best Funders Support You* is to convert connections like these into something we like to call Value Statements. Statements like the following are the heart and soul of all your outreach and marketing messages. They are the raw materials you will use to craft messages,

conduct Search Engine Optimization, write posts on social media, develop email campaigns, and build direct mail copy.

And thus, your messaging attracts prospective funders most like the current funders who provide you the deepest level of engagement and the highest lifetime giving.

Examples from the Arboretum look like this:

- “Our best donors are passionate about gardening, and want to inspire young people to feel the same way.”
- “Our best donors have travelled around the world on ‘botanical’ safaris”
- “Our best donors believe that botanical gardens need to be maintained because they are oases of beauty and calm in busy cities.”
- “Our best donors are concerned about the potential loss of additional habitats and plant species.”
- “Our best donors believe that people of wealth have an obligation to be philanthropic.”

Do you have the same insight into your best donors, or grantmakers, or corporate partners? You should – and you could. Imagine building messages that “speak” directly to prospects who share such hopes, wishes, dreams and preferences. They’ll seek YOU out. And by the time you have an actual encounter, be it in person, on the phone or even by email exchange, they’re already warmed up and interested.

ELLEN BRISTOL



Ellen Bristol, president of Bristol Strategy Group, is an expert in sustainable fundraising. She works with nonprofit organizations to improve the way their fundraising is managed, so they will raise more money with less effort, greater clarity, and significantly higher levels of accountability.

Ellen and her team redefine the ways that fundraising teams and initiatives are designed, deployed and managed. They ensure that fundraising is tightly aligned with the mission and values, ensuring that marketing, outreach, programs and operations will produce the best possible outcomes while managing costs and shrinking cycle times. In addition to their work in strategic fund development planning and processes, the team also provides consulting services for strategic planning, board development, and leadership training.

To date, Ellen has developed a methodology for driving high productivity in fundraising, [***Fundraising the SMART Way™***](#), a highly innovative approach harnessing classic disciplines of business process management. She also designed the groundbreaking online assessment, The Leaky Bucket Assessment for Effective Fundraising, the first popular survey measuring the productivity of the fundraising staff. She also designed the [***SMART Fundraising Game***](#), an entertaining way to help non-fundraising staff and board directors understand what fundraising is really all about.

Ellen has written a book about her methodology, entitled [***Fundraising the SMART Way: Predictable, Consistent Income Growth for Your Charity***](#), published by John Wiley & Sons as part of the prestigious AFP/Wiley Fund Development Series. She co-authored [***The Leaky Bucket: What's Wrong with Your Fundraising and How You Can Fix It***](#), with Linda Lysakowski, ACFRE. The first benchmarking study based on the Leaky Bucket Assessment, [***Fundraising Down the Drain***](#), came out in 2014 and the 2016 edition is due for release in September 2016.

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