

Journal

of the DMA Nonprofit Federation

GIVING CAN CHANGE THE WORLD

United States Congressman John Lewis (D-GA)

In the last
half of the 20th century,
this nation witnessed a non-
violent revolution of values and
ideas that changed America forever.

There were protests and marches, visionaries and activists, prominent leaders and ordinary citizens who manifested that transformation. Philanthropy, too, was an unsung, but a vital force that fueled that change.

Thousands of people gave a little bit and others gave a lot to support the Big Six nonprofit organizations that would alter the destiny of this nation. Without the charitable giving of entertainers like Harry Belafonte, Ray Charles, Barbara Streisand, James Baldwin, Joan Baez, Tony Bennett and other individuals, without the philanthropy of the Ford Foundation, the Stern Family Foundation and others who supported the modern-day Civil Rights Movement, we might not be where we are today as a nation.

That is why I see my leadership of the Philanthropy
Caucus as a natural extension of my work as
a public servant. I have been

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Transformational Gifts

Mick Koster, Senior Consultant with Strategic Partners

A small educational organization receives a gift equivalent to two-thirds of their \$500,000 annual operating budget. Their single largest individual gift prior to this gift? \$5,000.

Needing a new headquarters, a legal aid organization successfully completes a \$7 million campaign. Before that time, this same organization traditionally raised through philanthropic sources less than \$100,000 per year.

A community-based hospital struggles for years raising money from its traditional blue-collar community. In some years, its Foundation only broke even with its return on investment. Enacting a significant shift in thinking, and implementation of new strategies, the hospital is now on pace for an annual fund return of approximately 4 to 1. While still room for improvement, they are well on their way to transformation.

These examples of transformational success occurred in the last 24 months, during what many experts claim as a difficult environment for philanthropy. None of these successes happened by accident. Discipline, dedication, intentional strategy and, most important, strong leadership from both staff and volunteers were instrumental in all of these examples.

Can you and your organization accomplish the same? Absolutely, but it might require a dramatic paradigm shift in the way you view yourself as a leader, the way your organization is perceived by your donors, and how you embrace the leadership around you.

STEP 1: PREPARE YOURSELF TO LEAD.

Effective leadership demands vision, courage, and partnerships with other leaders.

As a volunteer leader of one of these organizations said, “We need to act our way into thinking, not think our way into acting.” How profound. Yet also instructive. Discovering the courage to act requires a truly transformational leader and will likely require a level of risk-taking uncommon to many mature institutions. When economic conditions are tenuous - like now - nonprofit Boards have a tendency to become extremely risk averse. Fight that trend, as these times will be a measure of your courage.

Next, other courageous leaders must be included as part of your vision. People support that which they help create is an axiom of effective fund development. As a leader, you must be willing to involve others in the early planning stages of your project. When the vision is yours and yours alone, it becomes an interesting agenda item at a Board meeting. When the vision becomes ours, the focus of your Board and your key donors will radically change.

As you seek to engage other leaders, a seismic shift of leadership affiliation appears to be occurring. No longer are key individuals interested in formal membership on committees. Many served for years on nonprofit Boards, committees, and similar formal groups. They are reluctant to do so again.

To combat this level of volunteer fatigue, do not concern yourself with

the formal affiliations held by your key prospects. Focus, instead, on informal individual relationships you, personally, need to develop. Rather than thinking of your organization through a hierarchical framework, consider it as the center of a constellation of key leaders with access for strategy, philanthropic networks, influence, and financial support.

All
transformational
gifts are deeply
rooted in an
unseen, unstated,
misunderstood,
yet powerfully
emotional
connection
between a
donor and an
organization.

Indeed, your organization is not in a competition for dollars. It is in a competition for leaders. Identifying, enlisting, and preparing key volunteers and staff to lead your efforts is the pre-requisite to developing transformational gifts.

STEP 2: PREPARE YOUR ORGANIZATION TO LEAD.

As your personal leadership continues to grow, the collective leadership of your entire organization will need to reflect that growth. Consider the following ideals as you evaluate your organization’s current culture of developing transformational gifts.

Hope is Not a Strategy.

Fund raising is easy. Effective fund development is difficult. Creating unpredictable and transformational gifts for your organization does not happen by accident. It will be a result of very specific strategies, and a conflux of circumstances directly related to your individual actions and those of others on your team.

Practice the Language of Transformation.

Words matter. When we fall into the trap of thinking in terms of mediocrity, our language will reflect that mindset. Remove your language from words of mediocrity and align it to a new language of transformation. For example, rather than asking illegitimate questions such as, “Can this be done?” consider a more strategic approach by offering, “How can this be done?” Now, your donor interactions can radically change from a negative focus of identifying potential barriers, to creating and inspiring a roadmap for success.

Once your own language reflects a transformational mindset, demand that every individual within your organization practice the same.

Establish a Culture of Transformation.

While sound fund development practice remains a requirement, methods to communicate with donors continue to evolve. More, now than ever before, major donors consider how their gift can be

leveraged to encourage additional donor involvement. This is much more complex than creating simple “matching” or “challenge grant” opportunities. It involves your staff, your board, and your donors shifting their paradigm away from what is expected. Now, they begin to consider what is possible. If your organization plans for, seeks,

and expects gifts of, say, \$5,000, why should you expect to receive any more in return? When your organization plans for, seeks, and is worthy to receive gifts ten to 100 times greater, how will that translate into actionable steps? While we commit to appreciation and gratitude toward all our donors – regardless of gift size – our focus must be laser-like on those specific individuals with both the capacity and the inclination to make transformational gifts.

begin communicating through that lens. Next, promote these emotions through pictures and videos, rather than expensive word-heavy brochures listing your organization’s needs.

STEP 3: EMBRACE THE TRANSFORMATION AROUND YOU

Any success you achieve will not be about you. It will be about the mission of your organization, all of the key people with whom you surround yourself. Most important, it will be about your donors. When you focus on the needs of your donors first, your organization simply becomes the fulcrum for them to practice their philanthropy.

Ask yourself, will you be a container where you meekly accept gifts for your mission? Or will you become a bold conduit for your donors to accomplish their own personal goals?

Operating on the agenda of your donors, rather than on your own personal or organizational agenda, will be the catapult toward achieving transformational results.

These three simple steps will place you and your organization on a trajectory of transformation. It requires personal vision, courage, and the ability to identify and inspire the leadership around you. ▶

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Left Brain vs. Right Brain.

Traditional fund development seeks to identify a series of rational reasons an individual should make a gift. These reasons – almost always left brain focused – are presented through a traditional Case for Support or Case Statement. Yet this traditional approach fails to recognize how it foolishly offers rational reasons to perform an irrational act, i.e. give my money to you!

All transformational gifts are deeply rooted in an unseen, unstated, misunderstood, yet powerfully emotional connection between a donor and an organization. These are the “right brain” reasons for their giving. For example, the way a nurse cared for a husband in his final days. The impact a teacher impressed upon a student decades ago. The joy observed in a young person’s face as they learn to read.

As you consider your “right brain” strategy, be careful not to be misled. Individuals, regardless of wealth, will never describe themselves as an “emotional decision makers.” That’s okay, because as you begin understanding the “right brain” motivations of your donors, your organization can