

Fundkit

Annual Giving Development Strategies

Fund development books, blogs and articles outline fund development strategies and how to build an annual giving development plan, but very little is written about the fund development strategies themselves. When a for-profit business grows its sales, it implements three strategies: renewing previous sales, acquiring new accounts, and growing or cultivating current customers. Nonprofit fund development strategies are virtually the same.

Donor Renewal

As ABC Organization approaches a new annual giving year, its priority is to renew, at the highest rate possible, gifts from the previous year. Donors tend to renew the way they came into the organization, so ABC Organization should not abandon techniques or tactics that have donors attached to them without adding in new opportunities for those donors. This does not mean organizations should be rigid or inflexible when approaching their next annual giving year. Rather, it means if a technique or tactic is no longer effective, but donors are still renewing through the technique or tactic, ABC Organization should develop a strategy for renewing donors who may drift away.

Donor Recruitment or Donor Acquisition

Donors renew at a predictable rate depending on the number of times they have provided the organization with a philanthropic gift. So, ABC Organization must recruit or acquire new donors annually to keep it on par with the previous year. For example, if ABC Organization renews 70% of its previous year's donors, then it must acquire new donors and/or cultivate previous donors to a higher giving level to meet the previous year's annual giving level.

Donor Cultivation

Before a donor will make a gift of significance, he or she must come to know ABC Organization and recognize shared values. Cultivation is not an event, not even a series of events. Cultivation is a process. Cultivation consists of all the relationship-building steps that lead to "donorship", and cultivation continues as part of a stewardship program once gifts are made. Through cultivation, ABC Organization learns more about its donors, and the donors learn more about the organization. Through cultivation, trained staff and volunteers can garner ever larger philanthropic gifts for the organization.

Strategic Fundraising

For long-term success, ABC Organization must examine its current needs and demands for growth, then establish laser-focused plans to meet those specific goals. Generally, such reviews must be thorough and resulting plans calibrated for long term growth, but if short-term needs are not met, organizations may not have an opportunity to address longer range problems.