

Compton ISSUES

Asking the right questions

Do you have the right people, fundraising programmes and tools to meet your charity's goals?

Charity governance, management and fundraising under the spotlight

Charities should have seen it coming. Regular media features and stories over the last few years have asked questions about charity executive remuneration, the actual impact of some charities' work, the use of charitable funds and nuisance fundraising techniques.

However, recent events have exposed the poor governance, management and fundraising practice of some charities and placed the Third Sector under the kind of scrutiny previously thought reserved only for major corporations, with:

- A new charity regulator in the pipeline.
- A proposed Fundraising Preference Service, depending on its final form, limiting how charities market and promote themselves to the public.
- Trustees being held responsible for the fundraising techniques deployed by their organisations.

Some Third Sector bloggers and commentators are predicting a very gloomy decade for charities and their potential to raise money.

But new landscapes can also bring new opportunities

Nevertheless, for those charities with clarity and certainty of purpose - and attractive and urgent projects - the last few months have been buoyant.

Whilst the world economy remains volatile, the UK's economy is currently growing at the fastest rate in the G7 group of rich countries. Important charity projects and programmes that had been postponed because of the recession are being revived.

Charities that have organically built and maintained warm and genuine relationships with their donors, supporters and friends, have enjoyed good levels of participation in giving to their annual appeal funds.

Major donors have remained very active in those charities who have or who can forge access to them. Over the next decade the UK is going to produce or attract many more hundreds of prospective big donors looking for a deserving and impactful home for their philanthropy.

We are in the middle one of the biggest exchanges of wealth from one generation to another that the UK has ever seen. We have a number of clients who put structured, proactive and personalised legacy promotional plans in place less than ten years ago and are now seeing the results of that in the form of significant residuary gifts.

Crisis or opportunity - time to review your fundraising

The next decade promises to be just as important for Gifts-in-Wills and the capacity of charities to build reserves and endowment funds.

Reviews

We have spent much of the last few months conducting fundraising reviews for charities with big plans and fundraising needs.

In summary, fundraising reviews are geared to ensuring that:

- Proposed projects and programmes flow from an attractive institutional vision and purpose;
- The charity's supporter base finds the proposals urgent and compelling;
- Funding goals are ambitious but feasible, and;
- The right mix of people are in place, with the right tools, techniques and skills, to maximise fundraising potential.

Elements of fundraising strategy reviews

Our recent experience (with charities large and small) of what can be included in a fundraising review:

Business and project plan assessments

We have been assessing development master plans, outline business cases and proposed investment programmes for decades. Over the years we have been able to successfully translate elements of strategic and operational plans into fundraising case statements and business and financial plans into more outward-facing fundraising brochures and tailored proposals. SWOT, PEST and risk analyses all have their place in business plans - but these working documents also need to be donor ready, readable and not bogged down with jargon.

Key questions:

Why are we doing this? (If you cannot answer this one, stop now!)

Will the options appraisal, business and financial planning behind your project stand up to the scrutiny of prospective major donors and grant makers?

Is your business plan too introspective?

Are you seeing your project and associated plans through the eyes of prospective funders?

Evaluating the fundraising case for support

Great fundraising begins with a sizzling case for support that should hook the prospective donor from the start with a combination of emotive power and underpinning rationale : all packaged in an urgent and compelling story.

Key questions:

Is your work transformative? How? And does this come across in your story?

What is your charity's unique selling proposition (USP) and how do you convert this to a UGP (unique giving proposition)?

Fundraising resources studies

A qualitative fundraising resources study (to identify or validate sources of major donors and volunteer fundraising leaders) is the first step in engaging prospective supporters. No fundraising campaign (across annual, capital or endowment funding streams) should proceed without one.

Key questions:

How much can you raise?

From whom?

How?

Over what period of time?

Audit of fundraising programmes and techniques

Programme-by-programme audits of fundraising principles, methodology, planning and current execution by income stream can include:

- A health check of your fundraising team (composition, organisation, skill sets, and training needs);
- Return on investment (ROI) analyses of individual fundraising programmes;
- A fundraising gap analysis;
- A benchmarking analysis (how do you compare to others in your field?)

Key questions:

What are you getting back from your investment in fundraising?
Could ROI be improved? If so, where and how?
Do you have the right people, with the right skills and right tools for the job?
Are you investing enough in fundraising?
Where should your resources be spent?

Fundraising database reviews

A clean and active database is at the core of volume-based fundraising. Why your charity is holding the data it keeps, how it acquired that data, what it is doing with it and how it evaluates and reports on its operational and financial activities are governance, not just fundraising, issues.

Key questions:

What shape is your database in, is your fundraising team using it and are you appropriately mining knowledge from the information you hold?
Who are you approaching? For what? With what? How often?
When did you last conduct a database-wide survey to ask your stakeholders how they would like to hear from you and support you?

Trustee skills audits: the 3 W's

Recent events have highlighted the roles and responsibilities of Trustees in areas of governance, fiduciary responsibilities and – yes – fundraising.

Key questions:

Do you have the right combination of *Work, Wealth and Wisdom* around your Board table?
Do you have the right balance between governance and management responsibilities?
Do you have a sub committee of your Board of Trustees responsible for fundraising?

Senior management team fundraising knowledge and skills check

Fundraising should be part of everyone's job. Recent focus has been on whether Trustees fully understand their role in fundraising, but what about senior management team members? An executive team that understands and promotes fundraising will help to create the positive culture around income generation that is so crucial to success.

Key questions:

How much interest does your executive / senior management team take in fundraising?
Are your key executives supportive and playing their key leadership role?
When did you last review your fundraising plans with your executive team members?

Marketing and communications reviews: is your story being heard?

All good fundraising begins with a powerful story. The UK's charitable sector has some inspirational stories to tell – regardless of the negative media coverage of the last few months.

Key questions:

What story are you trying to tell?
To which audiences?
With which tools?
Through which media outlets?

Organised common sense: asking the right questions

As ever, much of what is involved in fundraising reviews is organised common sense.

The right questions need to be asked.

You may already know or suspect some of the answers.

But it can be of great value to have experienced and objective specialists take a look at how your charity can improve its fundraising performance.

The charitable governance, management and fundraising landscape has changed.

And if your charity is to maximise its fundraising potential over the next 5-10 years, it probably needs to make some changes itself first.

Want to talk it through ... ?

**For an informal discussion about how to put these thoughts into action, please contact us on
Tel: 01926 614555**

Strategy Review Workshops

Are you interested in attending a free workshop on some or all of the following Strategy Review themes?

- developing a winning business plan
- building a compelling fundraising case for support
- preparing for a fundraising audit
- how to conduct a fundraising database review
- preparing and delivering a trustee skills audit
- getting buy in from your Senior Management Team
- telling your story: how to develop a marketing and communications plan

Please email Laureen Wheatley to express interest in attending our next workshops :
lwheatley@comptonfundraising.co.uk