

Friendraising for Backbone Organizations

Raising Funds, Finding Friends for Big Community Ideas

With Paul Born



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Champions for Change:
Leading a Backbone Organization for
Collective Impact

Our Time Together Today

Backbone Funding

- Collective impact
- Isolated impact to collective impact
- The value proposition
- The funding continuum
- Engaging funders
- Amplify Impact
- Key success factors

Raising Funds

- Vision, Money and Ideas
- Creating the Pre-Conditions for Success
- The Campaign Plan
- The Case for Support
- Donor Cultivation and Fundraising
- Campaign Prospects and Campaign Leadership
- Solicitation and Leadership Engagement
- Stewardship and the Gift of Friendship



From Fundraising to Freindraising

“A stranger asking a stranger for money most often leads to small gifts and most often one time. A new acquaintance asking for a gift leads to a few more gifts of slightly larger size but likely one time and strains the relationship. A good friend asks for help and almost always receives it – both parties feel very positive.”

- Wayne Hussey



Achieving Large-Scale Change through Collective Impact Involves Five Key Elements

1

Common Agenda

- **Common understanding** of the problem
- **Shared vision** for change

2

Shared Measurement

- **Collecting data** and **measuring results**
- Focus on **performance management**
- **Shared accountability**

3

Mutually Reinforcing Activities

- **Differentiated approaches**
- **Coordination** through joint plan of action

4

Continuous Communication

- **Consistent** and **open communication**
- Focus on **building trust**

5

Backbone Support

- Separate organization(s) with **staff**
- Resources and skills to **convene** and **coordinate** participating organizations

Why is it important that I am at this workshop today?

Think – Pair - Share

Questions:

- What is my story?
- Why do I want to be successful at raising funds?
- What questions do I bring?

Thinking like a funder first....



Shifting from Isolated Impact to Collective Impact Requires a Different Approach on the Part of Funders

The current approach of many funders is less conducive to solving complex problems:

- Funders develop **internal foundation** strategy
- Funders pick and fund individual grantees, who **work separately** and **compete** to produce results
- Funders **pre-determine** approaches to get to the desired outcome
- Funders build capacity of **individual organizations**
- Funders **evaluate individual grants** and determine attribution
- Funders are held **accountable to internal stakeholders** (e.g., Board)
- **Funders** work independently and **don't always coordinate** their actions with other funders

In a collective impact context, funders shift their mindset to an “adaptive” approach more aligned with complex issues:

- Funders **co-create strategy** with other key stakeholders
- Funders fund a long-term process of change around a specific problem in active collaboration with **many organizations within a larger system**
- Funders **must be flexible and adaptive** to get to the intended outcome with stakeholders
- Funders **build the capacity of multiple organizations** to work together
- Funders **evaluate progress towards a social goal** and degree of contribution to its solution
- Funders are **held jointly accountable for achievement of goals** developed as part of effort
- **Funders** actively **coordinate** their action and share lessons learned

Key Success Factors for Effective Funder Engagement Include Institutional Adaptability, Culture Shifts, and Long-Term Orientation

Institutional Adaptability

- **Flexibility** to work outside of traditional grant cycles and established internal processes
 - **Ability to be nimble** in pursuing opportunities as they arise, without being prescriptive about the outcome
 - **Willingness to learn new skill sets** required – including partnering, facilitation, communication, community engagement, and convening
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Culture Shift

- **Comfort with uncertainty and adaptability** required to engage with community and stakeholders
 - Awareness of **shift in power dynamic** among funders, grantees, and other stakeholders
 - **Openness to funding infrastructure**, which is often seen as less attractive than funding direct services or interventions
-

Long-term Orientation

- Commitment to **achieving progress on a specific issue**, regardless of attribution vs. contribution
- **Understanding of timespan required for systemic change**, making a long-term commitment
- **Comfort with measuring progress using interim milestones and process measures**

Taking a Collective Impact Approach Offers Funders the Opportunity to Amplify Impact, Leverage Funding, and Drive Alignment

Amplify Impact

- ✓ Involves multiple partners working towards **long term, systemic change**
- ✓ Offers a **holistic approach** by channeling the energy of various stakeholders towards solving a problem
- ✓ Provides opportunities to **influence the system** from within and outside by coupling advocacy with action

Increase Efficiency of Resources

- ✓ Allows **more efficient use of funding**, especially in times of scarce resources
- ✓ Enables **leveraging of public and private sources of funding**
- ✓ Opens channels for organizations to access **additional funding** against an issue

Drive Alignment

- ✓ **Reduces duplication** of services
- ✓ **Increases** coordination
- ✓ Embeds the drive for sustained social change within the community, facilitating **“order for free”**

Engaging Funders

Commitment Continuum for Funders:



Pros: Sends a message when decision is made

Cons: Less direct link to the partnership

Pros: Clear and visible

Cons: No idea of scope of available resources

Pros: Concrete commitment

Cons: Potential for overlaps and gaps

Pros: Maximum leverage & shared responsibility

Cons: Requires funder time and talent

Identify potential funders in your community. How might we bring them into a collective impact approach?

Think – Pair – Share

Questions:

- What is my story?
- Why do I want to be successful at raising funds?
- What questions do I want to explore?

A seasoned Fundraiser tackles raising funds for Collective Impact

Questions:

- What happened?
- Why do you think they were successful?
- What questions are arising for you?

Backbone work is highly fundable. We need to build on our strength.



Find our passion and articulate it – this is what we invest in.

Get our house in order. Get ready to receive money. People do not invest in confusion or incompetence.

Build relationships and then build the relationship – people give to people they trust. Our networks are powerful.

Communicate the opportunity to invest as an invitation to get involved. **Engage your funder in the work as it unfolds**, so they will be better able to recognize your successes while understanding the challenges you face.

Use your growing credibility and capacity to build momentum.

Establishing the Value Proposition

In addition to identifying concrete messages that will resonate in your community to help build the case for the backbone, it's equally important to work with cross sector partners to begin to highlight the roles of the backbone. Cross-sector partners need to help pinpoint the specific ways a backbone could contribute to the success of their organization and their sector. The needs of funders and service providers in particular – including practitioners in education systems, social services, and non-profits – are critically important. **Engaging these stakeholders early in the process specifically around the backbone role will help to both empower the staff and build support for investment.**

Jeff Edmonds - Strive

Four Options for Funding a Backbone

- Align with a funding partners strategic direction
- Segment your strategy and have funding partners invest in the backbone work which interest them the most.
- Engage with funders around specific outcomes engaging them to support a specific activity
- Create a fundraising campaign that will attract commitment as momentum grows.

Fundraising Basics still apply



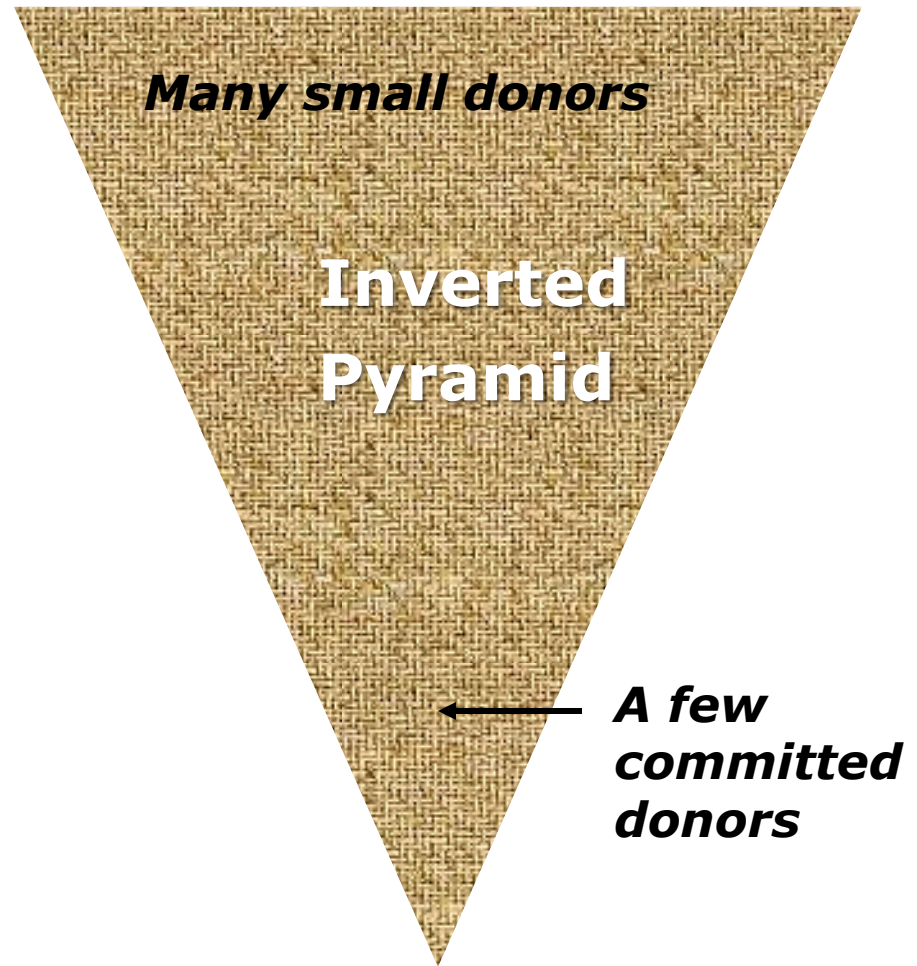
Free workbook and web page just Google the words **tamarack fundraising**
or go to www.tamarackcommunity.ca/g3s25.html

Pre-Conditions for Success

- A track record of excellence** – The backbone collective, together we are competent and worthy of investment
- A transformational vision** - A message that is known by the backbone team
- A campaign plan** – An articulate and agreed path forward
- A compelling case for support** - Clear needs that are presented with justifiable costs, due diligence and a clear plan on where and how to attract the necessary funds
- Leadership** – Backbone leaders who are engaged
- Prospects** – Who cares about what you do?
- Cultivation** - “The engagement process”; and,
- Solicitation** – Knowing when and how to ask
- Stewardship** - Keeping our friends through ongoing recognition and personal interaction

How might we fundraise?

- Direct mail
- Special Events
- Annual giving
- **Major Campaign Gifts**
- Planned Gifts (wills etc.)



The Art of Donor Cultivation and Fundraising

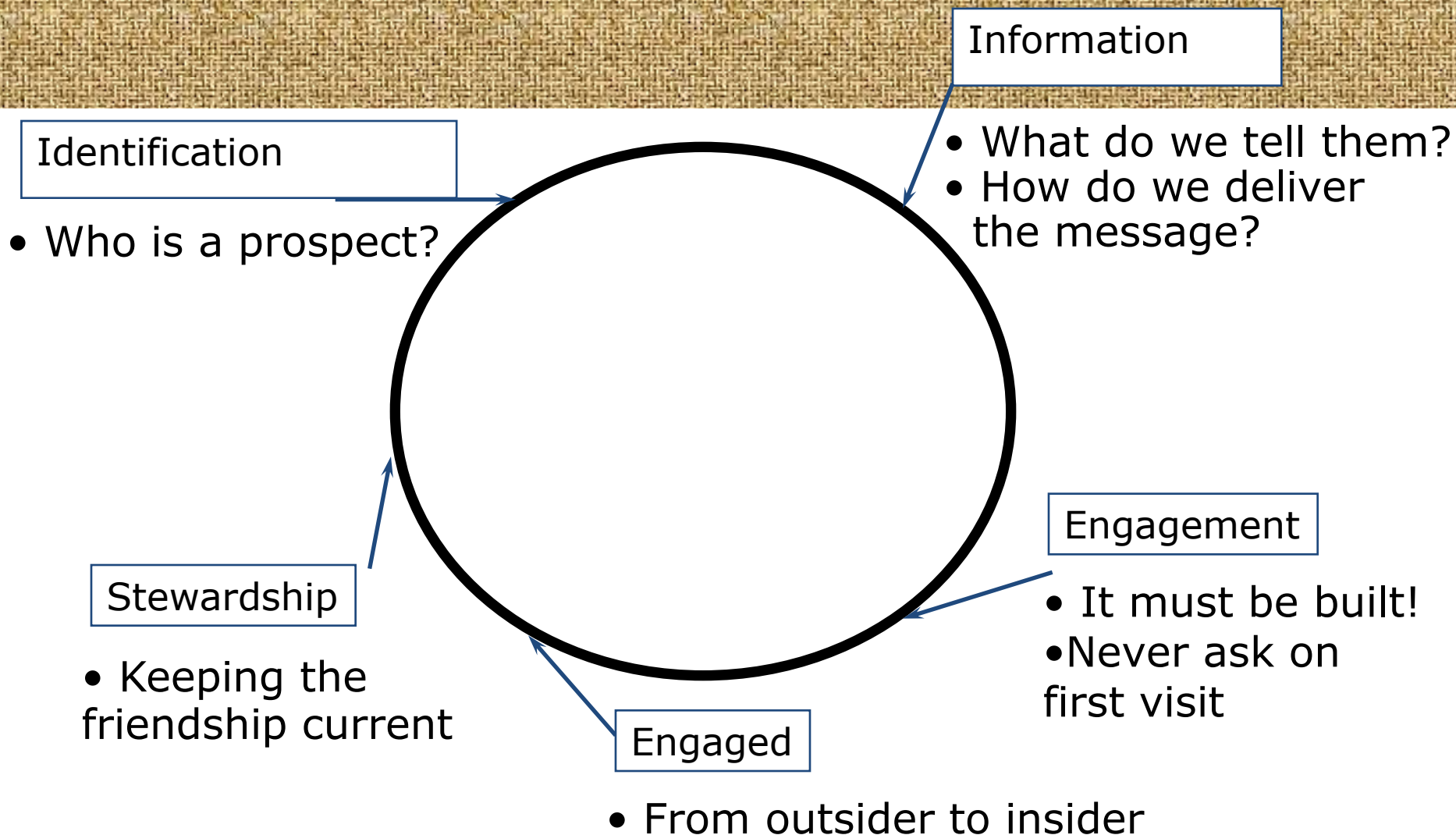
“We all know how to make friends...”

Why people give:

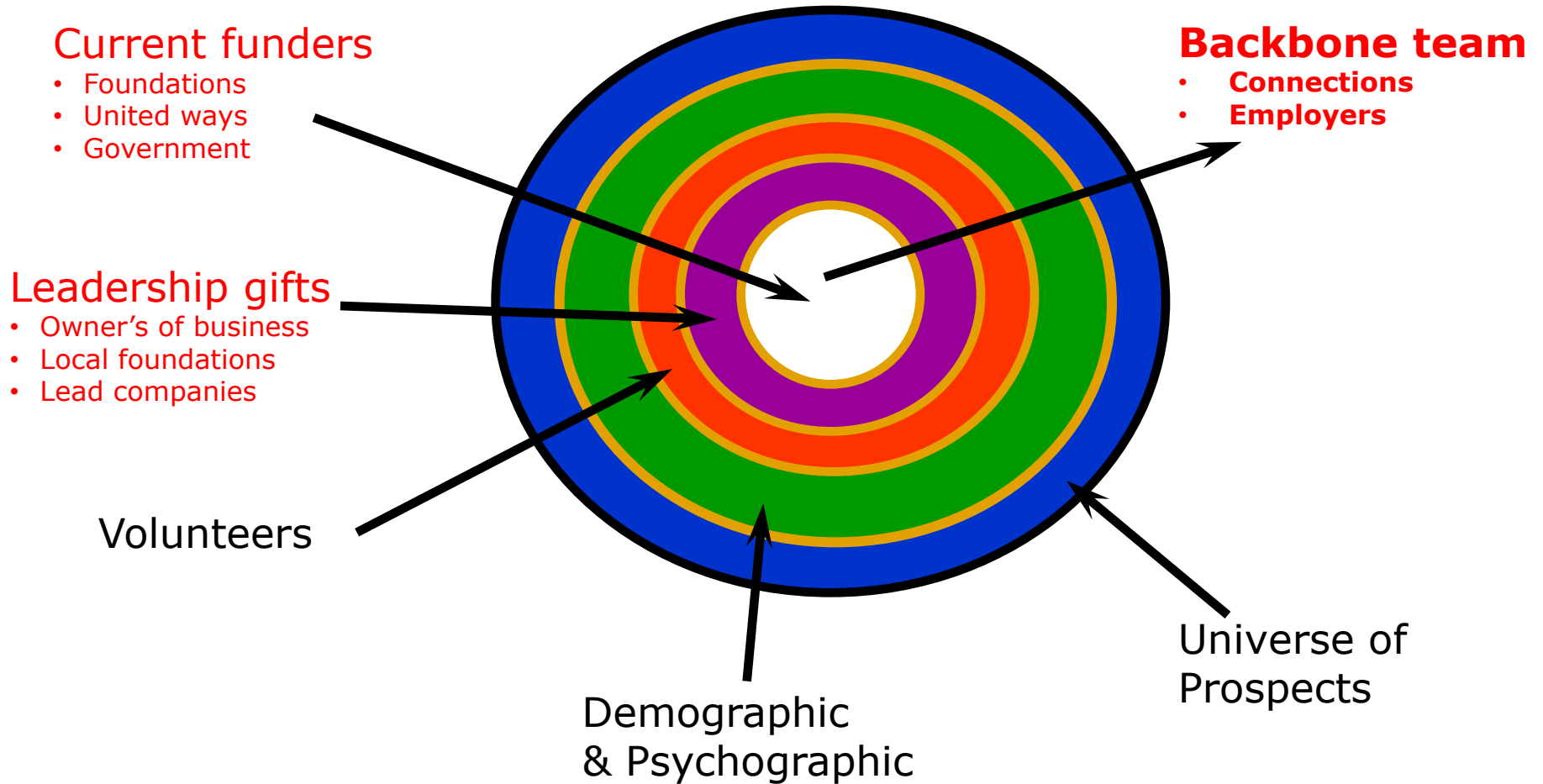
- The prospect cultivation cycle
- Identifying the best prospects
- Prospect identification and research
- Prospect rating
- Cultivating major gifts
- Starting the process



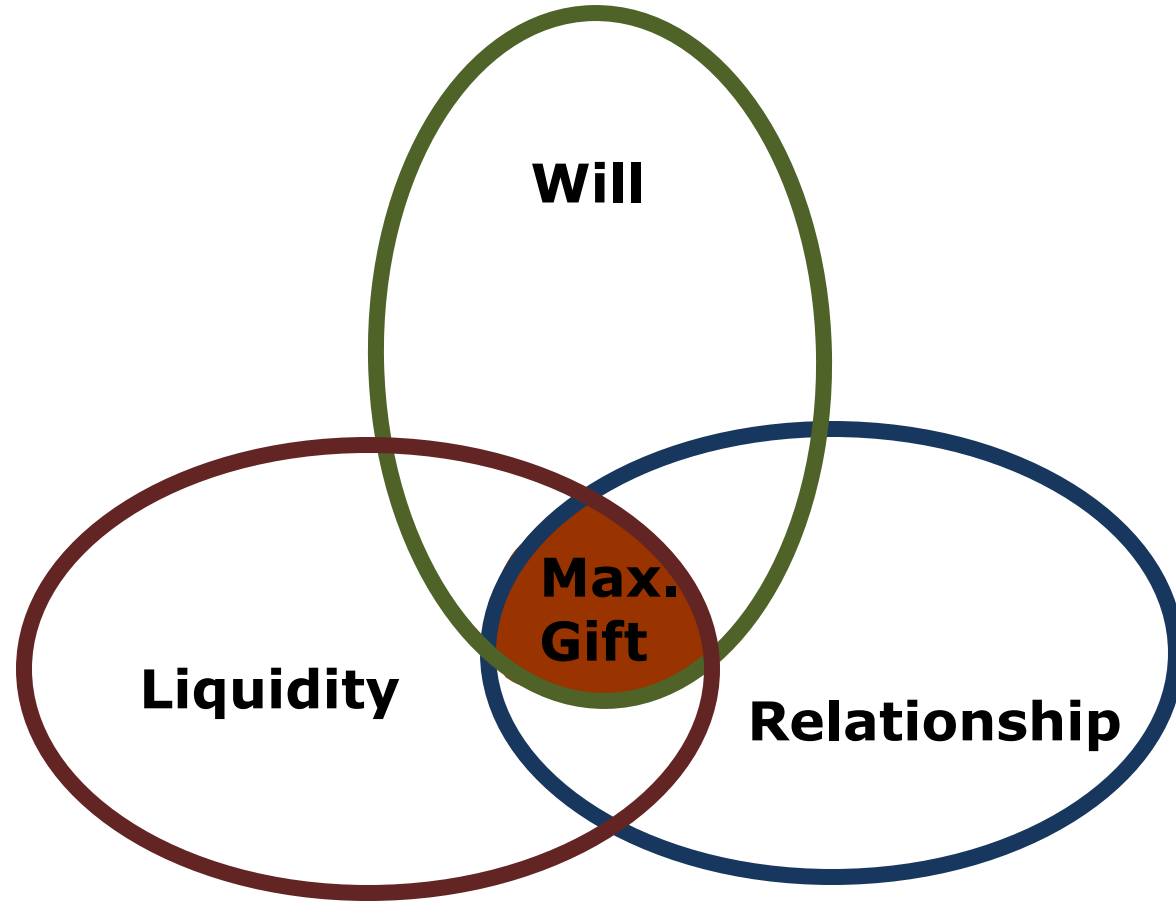
The Prospect Cultivation Cycle



The Best Prospects for Backbone Funding



Why People Give to You



The Science... but only 101

Plan

Case for Support

Prospecting (*Donors and leaders*)

Build Relationship

Asking

Stewardship

**The Science
of Fundraising**



The Campaign Plan

- Getting our ducks in a row
- Our overall strategy for raising friends documented
- Pre-conditions for success documented
- Develop timelines
- Develop a budget



The Case for Support

- The four key questions your case must answer
- Establishing your track record of performance
- Articulating your urgent and compelling need
- Expressing the benefits for your donor
- How to package and use the case for support
- Building a case package



To raise \$ 1.6 million

	Gift Total	Running Total
One lead gift of \$500,000	\$500,000	\$500,000
Two lead gifts of \$250,000	\$500,000	\$1,000,000
Four gifts of \$100,000	\$400,000	\$1,400,000
Five gifts of \$40,000	\$200,000	\$1,600,000

The gifts are given over the four years

**We need 5 campaign prospects for each gift
so for this campaign we need 50 solid prospects**

Solicitation and Leadership Engagement

- Creating a donor engagement model that works best for community change processes
- Preparing a solicitation readiness checklist
- The ask clearance process
- The solicitation script
- The solicitation meeting
- What to do after the meeting
- Follow up
- Recognition

Stewardship and the Gift of Friendship

- What we do after the gift
 - Short term action
 - Medium term action
 - Long term action
- The Stewardship Plan
- Delivering Benefits
- The Pitfalls and Challenges



Toward a Community of Opportunity

The logo for 'Opportunities 2000' features the word 'Opportunities' in a large, black, serif font with a slight shadow effect. Below it, the year '2000' is written in a bold, black, sans-serif font. A grey swoosh underline is positioned beneath the '2000'.

- The project
- Raising the funds
- Clarifying questions

Questions:

- Describe what happened
- Describe why it happened
- What does this case teach us?



"Opportunities 2000 ignites community action and leadership to create bold solutions that reduce and prevent poverty through collaboration, advocacy and education."

How might we apply fundraising, friendraising and funder education to my work?

Think – Pair – Share

Questions:

- What is my story?
- Why do I want to be successful at raising funds?
- What questions do I want to explore further?