

INTERNATIONAL
FUNDRAISING
CONFERENCE
BOSTON, MA
MARCH 20 - 22, 2016



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OPERATION RUBBER TREE:

A Case Study on Tripling Fundraising Results in 36 Months

Presented by @TammyZonker
Fundraising Transformed, Founder
The Children's Center, Chief Philanthropy Officer



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What's so special about the rubber tree?



- Native to India & select South Pacific regions
- Grows to 100 feet tall
- Produces latex vital to the rubber industry
- Grows best in moist, well-drained soil. Prefers sun to partial shade
- **Can grow 24 inches or more in a single year**
- Inspires "high hopes" among optimistic ants



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The Children's Center - Greater Detroit*Empowering children and families to shape their own futures*

- Serving more than 7,500 children and families annually
- Therapeutic treatment for abuse, neglect and trauma
- Mental and behavioral health services
- Foster Care, adoption, independent living
- Head Start early childhood education
- 300+ employees
- \$27M Operating budget
- Fiscal Year (FY) Oct.-Sept.
- www.thechildrenscenter.com



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Big Hairy Audacious Goal: Triple Philanthropy in Three Years

Contribution comparison fiscal year-over-year FY2011/12 – FY2014/15

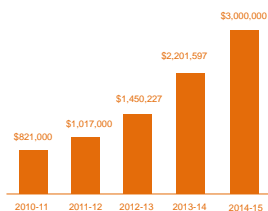


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2008-2011 the State of Michigan decreased mental health funding by \$40M.
 Philanthropy represented less than 3% of TCC's operating revenue that same period.



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Assessing the Garden Plot:

- Philanthropy staff & structure
- Major donor interviews
- Fundraising effectiveness
- Fundraising processes, practices & policies
- Donor data quality & consistency
- Brand strength
- Board & Committee participation in philanthropy



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Assembling the Tools for the Job:

- AFP organizational membership – professional development
- Relationship management software – Raiser's Edge
- Prospect research resources – Wealth Engine
- Established meeting cadence and team communication structure
- Developing a three year philanthropy plan
- Defining monthly SMART numbers "Cause Numbers"
- Gross/Net Fundraising results "Effect Numbers"
- "Beyond Cash" dashboard – Peter Drury



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Aligning the Philanthropy Team

- Reviewing past performance, goals, aspirations
- Clearly defining roles & responsibilities
- Identifying key performance indicators (KPIs)
- Removing barriers and distractions
- Becoming metrics driven
- Measuring root cause activity (SMART Numbers)
- Creating a culture of accountability



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Redefining Integrity & Accountability

- Doing what you said you were going to do, by when you said you would do it, or getting into communication as soon as you see that you can't do it, re-promising by when you can do it. Securing agreement on the re-promise.
- Doing the work the way it was designed to be done or better to achieve the desired outcome.
- Individual Integrity Checklists.
- Self-reporting when you're out of integrity.
- Fail Faster!



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| Team Member | | Start Date | End Date | Position | Notes |
|-------------|------------|------------|----------|------------|------------|
| Team Alpha | Team Alpha | 1/1/14 | 1/1/15 | Team Alpha | Team Alpha |
| | Team Alpha | 1/1/15 | 1/1/16 | Team Alpha | Team Alpha |
| | Team Alpha | 1/1/16 | 1/1/17 | Team Alpha | Team Alpha |
| | Team Alpha | 1/1/17 | 1/1/18 | Team Alpha | Team Alpha |
| Team Beta | Team Beta | 1/1/14 | 1/1/15 | Team Beta | Team Beta |
| | Team Beta | 1/1/15 | 1/1/16 | Team Beta | Team Beta |
| | Team Beta | 1/1/16 | 1/1/17 | Team Beta | Team Beta |
| | Team Beta | 1/1/17 | 1/1/18 | Team Beta | Team Beta |
| Team Gamma | Team Gamma | 1/1/14 | 1/1/15 | Team Gamma | Team Gamma |
| | Team Gamma | 1/1/15 | 1/1/16 | Team Gamma | Team Gamma |
| | Team Gamma | 1/1/16 | 1/1/17 | Team Gamma | Team Gamma |
| | Team Gamma | 1/1/17 | 1/1/18 | Team Gamma | Team Gamma |

Team Alpha
Team Beta
Team Gamma



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Truth #1

Operation Rubber Tree wasn't for everyone.



- Original team of 5 - grew to 7 in 1 year
- Two new positions created
- Three resignations < 3 years
- Two terminations < 2 years
- Each staff change made us stronger

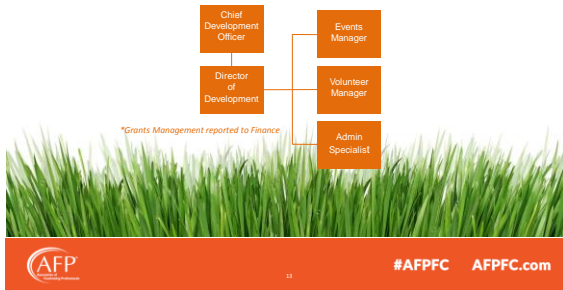


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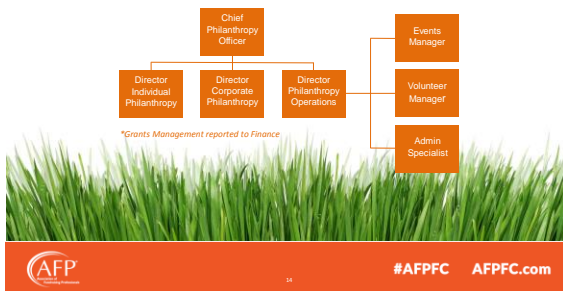
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Year 1 Philanthropy Team Organization Chart



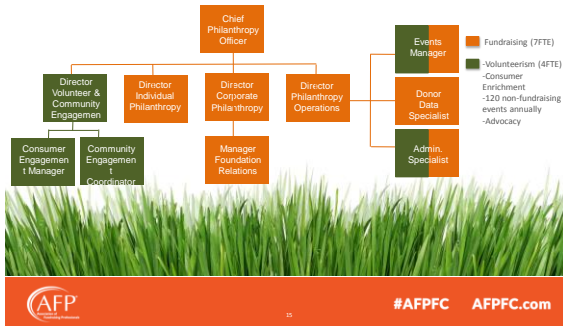
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Year 2 Philanthropy Team Organization Chart



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Year 3 Philanthropy Team Organization Chart



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Director, Individual Philanthropy

- Village of Giving (VOG) multi-year pledge donor \$1K-5K portfolio management
- Grow VOG by 10% annually
- Leadership giving donors \$1K-9,999 portfolio management
- Loyal donor program management \$500+ >2 years
- Power of Possibilities Breakfast Table Captain Management
- Collaboration with CPO to identify major gift prospects (\$10K+) within current leadership givers

Key Performance Indicators

- VOG donor retention of 85% or higher
- Leadership giver to multi-year pledge conversion 15%
- Cultivation, stewardship / non-ask ratio 4:1 donors \$1K+
- Non-event based solicitations \$250K or more
- Thank you phone call to every cash donor \$25-999 within 24 hours of gift transaction
- 15-18 face-to-face donor visits monthly
- Expectation to raise 3-5X their salary/benefits value



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Director, Corporate Philanthropy

- Manage top 25 corporate partner portfolio including:
 - Solicit \$10K - \$50K level sponsorships
 - Solicit programmatic investment
 - Employee group volunteer and in-kind projects in collaboration with Volunteer Manager
 - Steward relationships to ensure recognition fulfillment meets or exceeds corporate partner agreements and expectations
- Manage tier II portfolio of corporate supporters
- Prospect new corporate partners w/ CSR alignment
- Collaborate with grants manager to strengthen relationships with corporate and private foundations

Key Performance Indicators

- Retain top 25 corporate partners in giving and volunteerism
- Meet or exceed sponsorship monetary goals (\$550K)
- Maintain 4:1 non-ask ratio with executive level decision makers
- 100% Fulfillment on sponsorship benefits and recognition
- 10-12 face-to-face donor visits monthly
- Expectation to raise 3-5X their salary/benefits value



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Director, Philanthropy Operations

- Ensure donor acknowledgement performance measures are met by donor services staff:
 - Accurate and timely gift acknowledgements
 - System of acknowledgement letters updated semi-annually
 - Ensure Raiser's Edge data integrity
 - Pledge reminder and year-end statement management
- Ensure accurate and timely Raiser's Edge reporting to staff
- Manage department overall budget and monthly reconciliation with finance department
- Oversight of events management to ensure excellence in project and budget management. Delivering a stellar guest experience
- Monitor philanthropy operations to ensure policies guide all department activity and meet ethical standards

Key Performance Indicators

- Donor acknowledgment letters sent within 72 hours of gift receipt
- Monthly reconciliation with finance department
- Accurately manage philanthropy budgeted expenses
- Ensures accurate timely reports are generated at agreed upon cadence
- Pledge fulfillment rate of 85% or greater



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Chief Philanthropy Officer

- Create and execute a philanthropy growth strategy
- Create an organizational culture of philanthropy
- Develop and execute a major gifts program
- Benchmark and implement fundraising best-practices
- Engage board and committee members in strategic philanthropy
- Lead planned giving and endowment building efforts
- Establish fundraising policies and protocols
- Increase donor retention; with a priority on leadership donors, major donors and loyal givers
- Member of agency Leadership Team

Key Performance Indicators

- Demonstrate consistent year-over-year revenue growth of 15% or greater
- 100% board giving annually
- Donor retention 60% or greater
- Major gifts growth 25% or greater annually
- Philanthropy team meeting or exceeding goals
- 10-12 face-to-face donor visits monthly
- Expectation to raise 3X their salary/benefits value or greater



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Assess Effectiveness of Fundraising Operations

- Accurate donor acknowledgement letters (*72 hours of gift receipt*)
- System of acknowledgement letters (*corporate sponsor, 1st time donor, loyal donor, new Village of Giving, pledge payment, memorials, tribute gifts, etc.*)
- Timely pledge reminders & year-end giving statements
- Benchmark donor retention and goal performance
- Pledge fulfillment (*85% or greater*)
- Events management (*project plans, budgets, cost-per-dollar raised*)
- Systematic reporting for CEO, CPO, Directors and Board
- Overall budget management quality and finance reconciliation



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Maximize Results From Fundraising Events

- Cost-per-dollar raised analysis (*direct costs*)
- Assess indirect costs associated with staff time
- Truth-teller questions:
 - Does this event bring guests closer to our mission?
 - Is there a post-event call to action to further engage guests?
 - Is the cost-per-dollar raised .50 or less?
 - Is there a way to reduce costs without significantly reducing the guest experience?
 - Is there a way to increase revenue without fatiguing the donor?
 - Should or could we expand the guest audience(s)?



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Historical Year-End Appeal Assessment Revealed Problems

- Direct mail only / single channel
- Mixed messages (*give money, take a tour, 30 programs listed*)
- No suggested giving levels
- No impact statements
- No segmentation or personalization
- Plain white mailing envelope
- Single mail drop
- No variable print personalization
- No custom landing page
- Website not responsive (*doesn't render to mobile devices*)

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Fundraising Success Magazine
announces Gold Award Winner
The Children's Center
Campaign of the Year 2014
and
Multichannel Campaign of the Year 2014

R. Trent Thompson – Rebrand & Retool or Perish, LLC
Senior Director Brand & Strategic Communication – TCC



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2013 Appeal Goals

- Budgeted to raise \$70,000
- Renew & upgrade current donors
- Renew recently lapsed donors (18-24 months)
- Introduce TCC mission to the next generation of philanthropists
 - Millennials/Gen Y (21-36 years)
 - Gen X (37-48 years)



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2013 Appeal Results

- Direct mail list 4,157
- Email list 3,891
- Contributions \$90,287
- Average gift size \$520
- Total cost \$8,463
- Cost-per-dollar raised \$0.11
- Response rate 4.2%
- Online giving 36%



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Appeal Success Factors

- Multichannel campaign (direct mail, email, social media, pop-up events and contests)
- Three segmented, variable print/personalized direct mail drops with impact statements
- Consistent campaign theme, look, feel and message through all channels
- Aligned channels with donor/prospect preferences
- Custom campaign landing page
- Recruited volunteer "Tweet Team" to post through their personal social media networks
- Clear, simple, human messaging



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Grants Management Moves from Finance Team to Philanthropy Team.



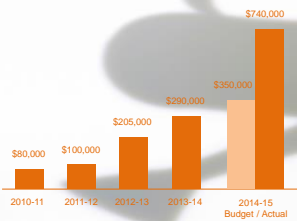
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Build and Scale a Major Gifts Program



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Major Donor Interview Questions:

- What are you aiming to accomplish through your philanthropy?
- How have your contributions to us brought you closer to that vision?
- What are your proudest moments associated with us?
- What are your biggest regrets or disappointments associated with us?
- What's your fondest dream for The Children's Center?
- Do you have specific ideas for how we could make that dream a reality?
- When it comes to nonprofits, who does it best and why?
- What's the most meaningful gift you've ever made and why?
- What's the most meaningful way you've ever been recognized for a contribution?



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Build and Scale a Major Gifts Infrastructure

- Create donor journey tracks (*moves management*)
 - Current donor
 - New donor
 - Recently lapsed donor
- Identify top 3 donor personas (*donor characteristics/motivations*)
 - Investor persona "Heal Children, Heal Detroit"
 - Re-payer persona "Reach back & help another"
 - Do-gooder persona "Every child should have a chance"
 - Legacy persona, Devout persona, Socialite persona
- Develop a major gift investment menu (*top 3 needs minimum*)
- Stewardship reports 4-10 months following investment
- Donor recognition plan
- Volunteer Leadership / Advisory Committee
- CPO commits 20% of her time to major gifts (*mostly*)



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Creating Donor Engagement Experiences

- Engaging with consumers in appropriate program activities
- Experience program delivery
- Authentic experiences
- Engaging donors and their families
- Prepare donors for engagement success



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Example TCC Donor Engagement Experiences

- Compelling storytelling and storyliving
- Mission Tours
- Summer Day Camp
- "Read With Me" volunteers at TCC Head Start Academy
- Life skill class participation
- Homework Help Monday & Wednesday tutors
- Center for Family Literacy volunteers
- Art Enrichment participation
- Back-to-school back pack drives and distribution
- Holiday Shop gift drives, personal shoppers, wrappers
- Boutique volunteers (gently used clothing)
- Foster Parent Appreciation Dinner guests
- Foster Care Awareness campaign volunteers
- Graduation Celebration ceremony & dinner
- Monthly birthday parties
- Monthly board game nights
- "Give to the Max" youth philanthropy program



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Truth #3

All good things begin with mission and stories.



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Measure What Matters:

1. Monthly SMART "cause numbers"
2. Gross & Net Contributions "effect numbers"
3. "Beyond Cash" Dashboard – Peter Drury



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Monthly Quality Contact SMART Numbers

Specific, Measurable, Achievable, Realistic & Time-based

- Face-to-face visits
- Hand-written notes
- Outreach calls
- Mission tours

To qualify as a quality contact, the action must meet one or more of the following criteria:

- Leave the donor feeling appreciated and more related to us
- Increase the donor's knowledge about our work and associated community needs or gaps
- Report the outcome or impact of their contribution

*Contacts must be recorded in the database to count



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Truth #4
Metrics shine a bright light



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Truth #5
There will be prickly issues

- Culture of scarcity
- Staff resilience
- Board confidence
- Resistance to change
- Investment required
- Succession planning
- Lots more.....



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Truth #6
You're going
to get dirty



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Truth #7

It will all be worth it. The secret to success is having high hopes, passion and a metrics-driven plan.



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Operation Rubber Tree Truths:

1. Operation Rubber Tree wasn't for everyone.
2. You may need to prune fundraising channels with low ROI.
3. All good things begin with mission experiences and stories.
4. Metrics shine a bright light.
5. There will be prickly issues.
6. You're going to get dirty.
7. The secret to success is having high hopes, passion and a metrics-driven plan.



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