

Practicing Development: A Strategic Approach to Foundation Fundraising

by David Bury & Associates

Our subject is foundation fundraising. It's a straightforward, easy-to-understand topic. You won't have any trouble with it. In fact, there's really not a great deal to learn. Best of all, the principles we will be considering apply to all aspects of a fundraising program, whether you're dealing with foundations, corporations, government programs or individual donors.

Development and Fundraising

Let's start with two key terms: development and fundraising. What I hope to do is to give you a sense of how to think about development. Notice I said, think about "development;" I did not say think about fundraising. That's critically important because, if you do development properly, fundraising will follow practically of its own accord. But, if you try to do fundraising without development, you'll surely be disappointed.

It is critically important to understand that development is not just a euphemism for fundraising. Fundraising means asking for money. There are lots of ways to do it – everything from sending out thousands of "Dear Arts Lover" letters to asking your best friend (who happens to be rich) for a really substantial gift. Asking is the easy part; it's doing everything that comes beforehand that's difficult. And that's development – everything that needs to happen in order to induce people and organizations to support your cause. I like to think of it as the choreography of making things work, of building all the human relationships necessary to an organization's long-term well-being.

Development prepares the way for successful fundraising. More specifically, development is all the activities (conversations, focus groups, committees, special events, concerts, etc.) that bring potentially helpful people closer your endeavor. Obviously, there are many different levels of commitment and involvement. Your goal should be to provide as many ways as possible for people to become more deeply involved with your organization.

In the context of good development, fundraising is simply giving people who are already committed to your success the opportunity to express that commitment in dollars. Often you don't even have to ask! Over and over I am astounded at people's eagerness to give and be supportive of things they believe in, particularly in the arts.

Building Relationships With Foundations

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So where to begin? How do you get people involved, especially people from foundations that might fund your organization? The best way is to talk to them – to ask their opinions, thoughts, suggestions and reactions. However, you have a limited amount of time to spend on development, so it's important to use it efficiently. So the key questions at this point are, "Who are the 10 to 15 potentially most helpful people? Where are my efforts likely to produce the best results?" Often it will be foundation staff or board members. At other times, you won't be able to get direct access to them, so you'll have to find people who are known to and have access to and influence with a particular foundation. Here are some questions to keep in mind:

How strong is your connection? If your board includes someone who has personal friendships with a foundation staff or board member, start there! Use that connection to get access and an opportunity to present your case.

How closely do your interests match those of the foundation? Usually large philanthropies have fixed funding priorities, and only under exceptional circumstances is it worth the effort to try to get them to change. Do a little research. It may be easier and more productive to focus on smaller, family-operated foundations.

What is the potential benefit of the foundation's association with you? Consider not only dollars here. A foundation may be able to get you entrée to others, or to provide you with counsel, expertise and prestige, all of which can be very helpful in building your foundation development program.

Once you have identified your best prospective foundation funders, focus on building connectedness. Find out everything you can about the foundation and its interests. Learn how the foundation makes decisions and who is influential in the decision-making process. Find out as much as you can about them, where they went to school, what their personal interests are, what business interests they have, etc. Begin making those people aware of your organization by sending them your organization's newsletter and by inviting them to events.

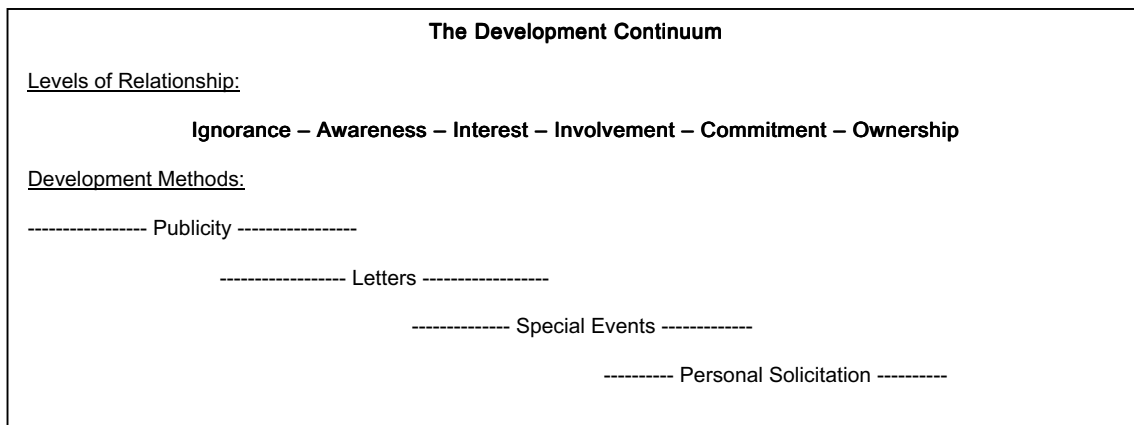
Eventually, it will be time to set up a meeting with someone from the foundation. How does one arrange such a meeting? Don't call and say, "I want to come over and ask you for money." Rather, consider something like the following: "I have an idea that I would like to run by you. I want to get your perceptions about what is going on in the funding community. I would like to come talk to you about how things have changed since we last spoke." Your immediate purpose is not to ask for money; it is to begin a dialogue, to start a relationship.

The first meeting is only one step in an ongoing process. Throughout it all you are inviting people to become more knowledgeable about and more deeply involved with your organization. It's a multifaceted effort to foster involvement, which will lead to a sense of ownership in the organization.

The Development Continuum: A Strategy for Fundraising Success

Building a prospective donor's knowledge about and involvement with an organization is the central element of good development practice. Every organization has a prospective donor constituency – a group of people, each of whom has some sort of relationship with the organization. The key issue is how to create in those people, particularly those who have the potential to help, a greater sense of commitment to your organization.

One starts that process by understanding a person's current relationship to your organization. A useful way to view someone's relationship is by his relative degree of closeness to you. We have created the development continuum to represent the degree of closeness. The continuum characterizes six levels of relationship, from ignorance to ownership, as presented in the following depiction:



Look at the top line, “Level of Relationship.” On the extreme left are the people who don't know anything about your organization; perhaps they don't even know of its existence. On the extreme right are your leaders – board members, “angel” donors and other key people who “own” the organization. As you move from left to right, the number of people in each category gets smaller, but the importance of each individual grows. The job of development is to keep moving the potentially most helpful people to the right toward ownership.

One does that by intentionally choreographing as many ways as possible for prospective donors, in this case foundation staff and board members, to become

meaningfully engaged in your organization. The development methods represented in the lower portion of the chart describe ways of engaging people. The message is simple: focus on building meaningful relationships with the potentially most helpful people, on moving them from ignorance toward ownership, and you will be doing good development. If you practice good development over time, your fundraising efforts will inevitably be much more successful.