



Strategies for Weathering the Economic Storm

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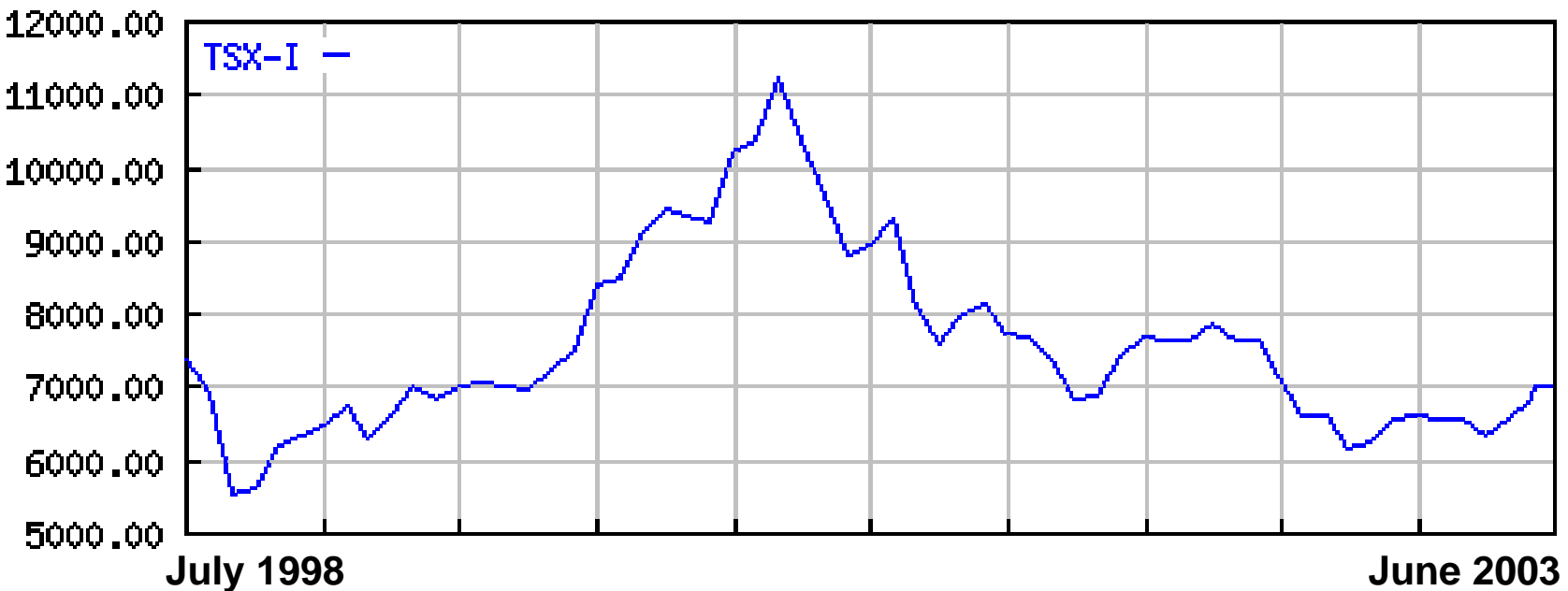


➤ Reasons to be optimistic

- We hope history repeats itself
 - Evidence that giving doesn't decrease, it grows more slowly
 - In the years following economic crises, the market turnaround has been very good to dramatic
- People are generous and they do care – why are we always surprised by this?!
- The brave have been rewarded
- Crises cause us to stop, assess, revise, retool, recommit
 - “It's when we know the least and are most vulnerable that we make the most progress as a human race”

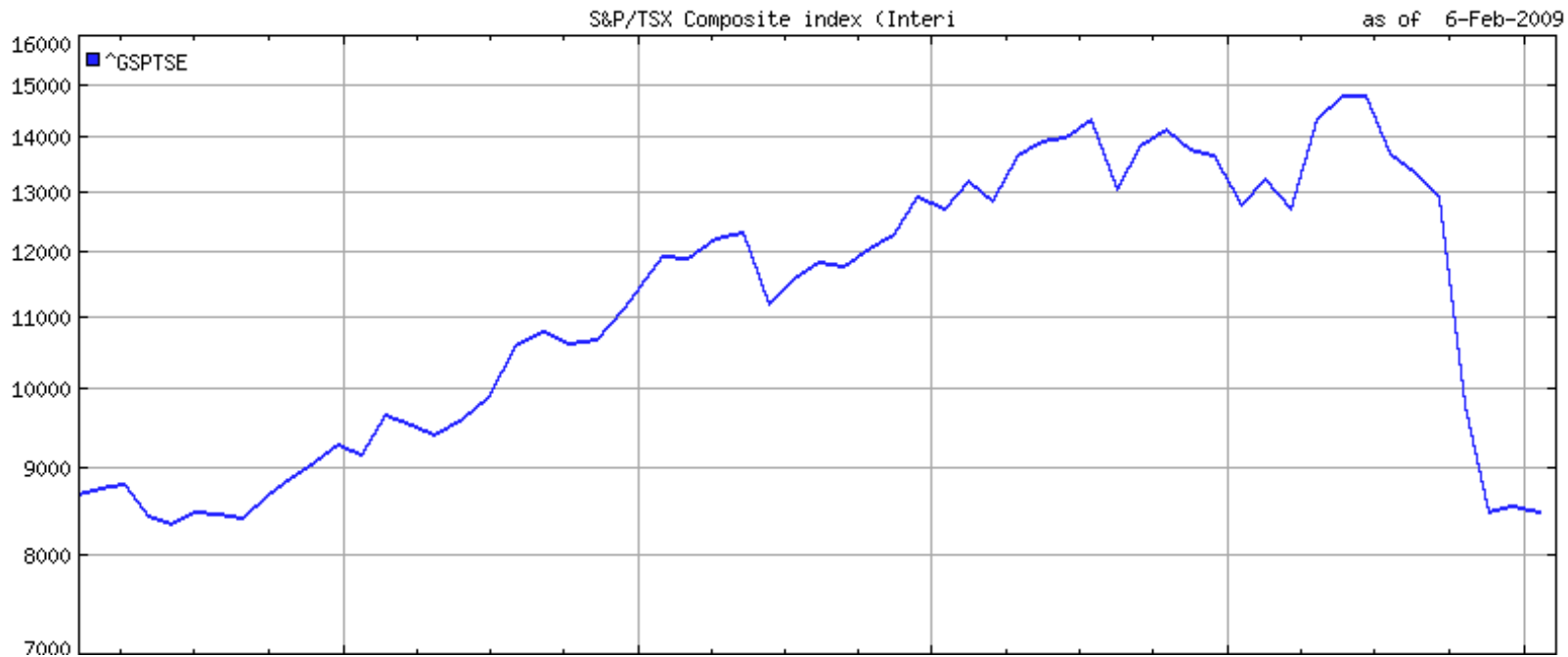
> Remember this?

S&P/TSX Composite Index



> Where to from here?

S&P/TSX Composite Index

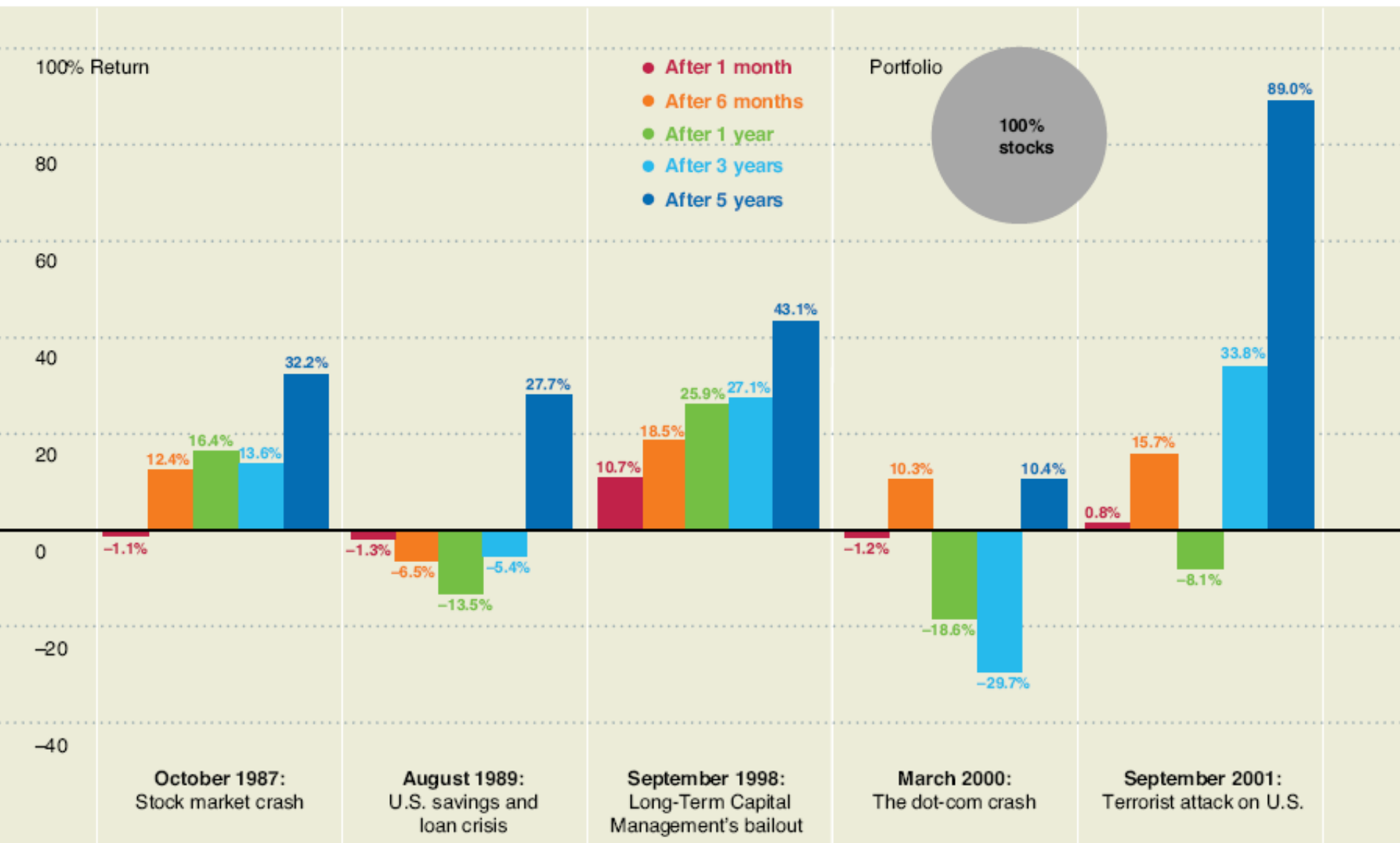


Feb 2004

Feb 2009

Canadian Market Recovery After Financial Crises

Cumulative return of all-stock portfolio after various events



All values are represented in CAD. Past performance is no guarantee of future results. Returns reflect the percentage change in the index level from the end of the month in which the event occurred to one month, six months, one year, three years and five years after. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © 2008 Morningstar, Inc. All rights reserved. 11/6/08

➤ A new K.I.S.S. principle

- **Keep it simple and strategic**
- Stewardship, Stewardship, Stewardship
- Back to basics – fundraising 101
- Mission–focused
- Relationships are key
- Staff and volunteers
- Have a plan, work the plan
- Be open and accountable
- Be grateful

> The new SWOT

- Which scenario best describes your current situation?

SwOt

sWoT

➤ Assess your situation

- External
 - The economic base of your community/region. The past and current reaction to economic upheaval
 - Religious organizations, hospitals and universities have very loyal donors, social and human services have urgency going for them – what do you have?
- Internal
 - Donor profile
 - Stewardship
 - Performance of existing revenue streams
 - Deployment of staff
 - Engagement of volunteers

➤ Develop a plan

- Your assessment will help you develop a 2 to 3 year plan.
 - Board and staff will be more confident and therefore proactive
 - Donors want to know how you will use their investment
- To be nimble and responsive to changing circumstances
 - 90-day tactical action plans – activity based
 - What are the priorities, where to begin, how to implement, how to measure success
 - Is it strategic, thoughtful, meaningful, donor-centred
- You can be serious and inspiring at the same time

➤ Your '*staying on mission*' case

- Reassure your constituents and donors you are there and you will be there
- Vision – describe the future – you and the donor on a journey – today is over, tomorrow is full of possibilities
- Demonstrate how you are meeting needs
 - Compelling and urgent
 - For some – bold, audacious, gutsy
- Provide exceptional reasons for donors to consider you their charity of choice
- Make it personal and passionate – positive emotional triggers to counter the fear, anxiety

➤ Focus, inspire and empower everyone

- Strong, visible leadership means
 - Ongoing cultivation and stewardship is the responsibility of Board members, key volunteers, senior leadership of the organization and fundraising staff
- For donors, clients or friends who want to help – what can they do for you?
 - “Create meaningful experiences for individual supporters and convert them into evangelists for the cause” *Forces for Good*

➤ The role of board members

- Six ways to help
 - Be a donor, a door opener and part of a call team
 - Be knowledgeable about the case and plans, identify prospects and help with strategy
 - Say thank you
- From Hank Rosso's *Achieving Excellence in Fundraising*, Second Edition
 - Steward, Donor, Solicitor, Prospector, Advocate, Visible Attendee, Team Builder

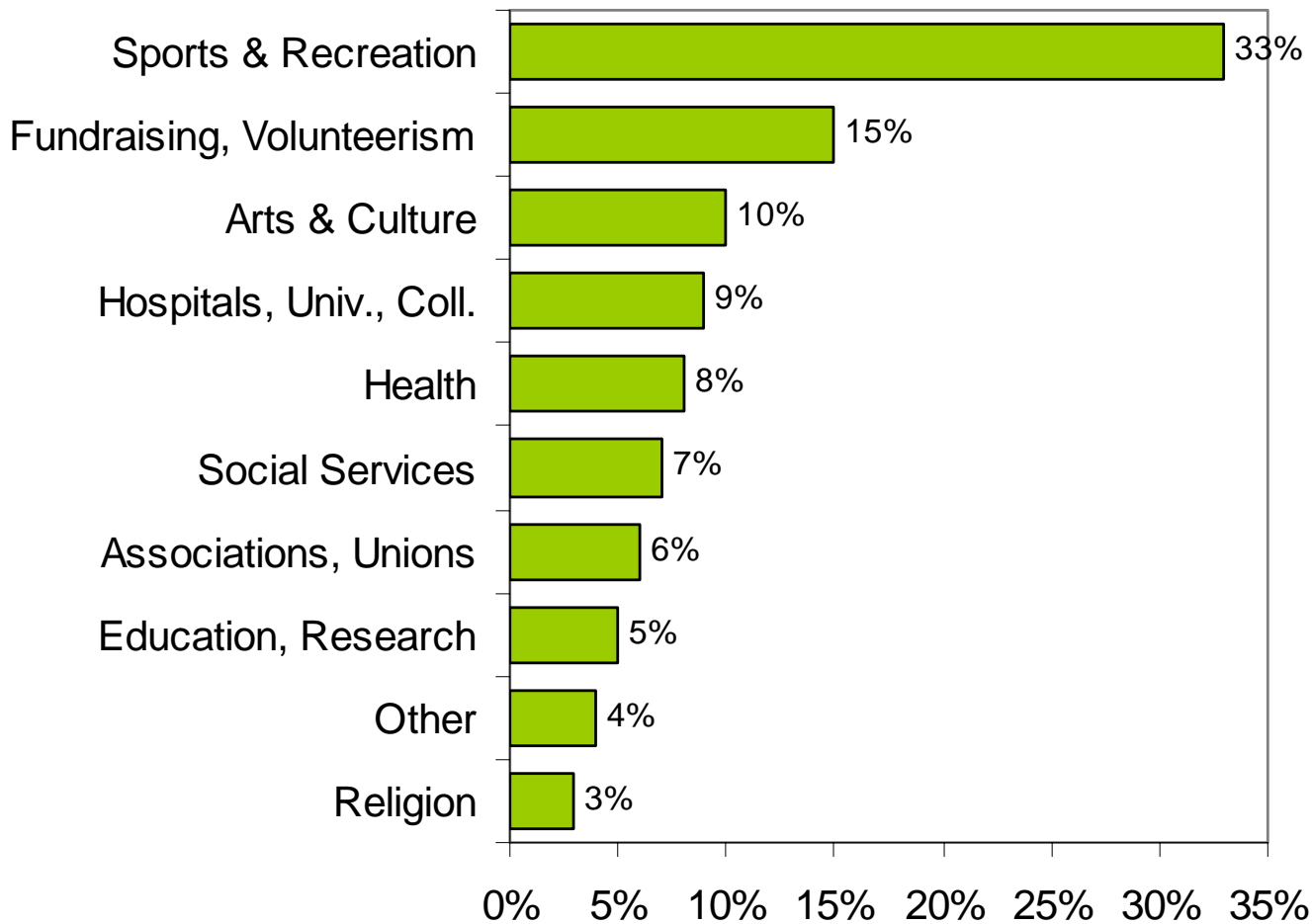
➤ Annual programs

- Reality: small donations pouring in
- Challenges existed long before current downturn
 - Direct mail, telemarketing, on a 3-yr downward trend or flat to acquire donors, renewals down from 39% to 34%
 - Health and Hospitals doing well – same or better than last year
 - Investment required to be more sophisticated in targeting and motivating DR donors, investing in multi-channel approaches
 - Highly automated – limited opportunity for an emotional experience
 - Profile/focus on major gifts can hurt
- Opportunities and Strategies – High Tech-High Touch
 - Say thank you, get more personal
 - Use your database more effectively
 - Convert donors to monthly giving
 - Online vs mobile-start testing it's less expensive

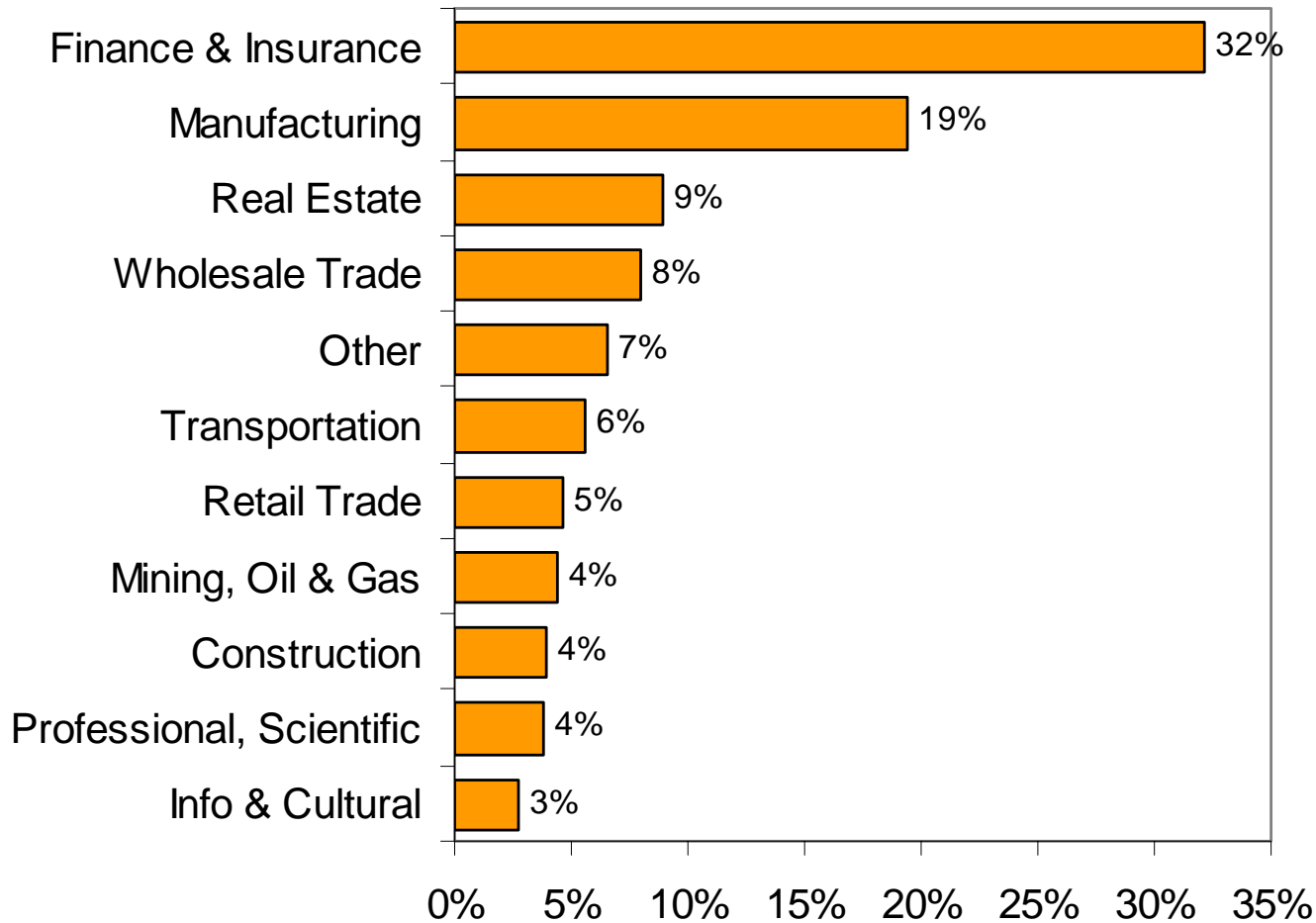
➤ Special events

- New meaning to the greatest fear of the special event organizer – stormy weather
- Two types of events:
 - Celebratory -what do you do when people don't “feel like” celebrating or economy has become a reason to cut down on the number of balls, auctions, golf tournaments
 - Sports-based –attendance will remain high if it's a good experience, corporate sponsorship may be impacted
- Timing is everything
- Opportunities: Retooling, third party

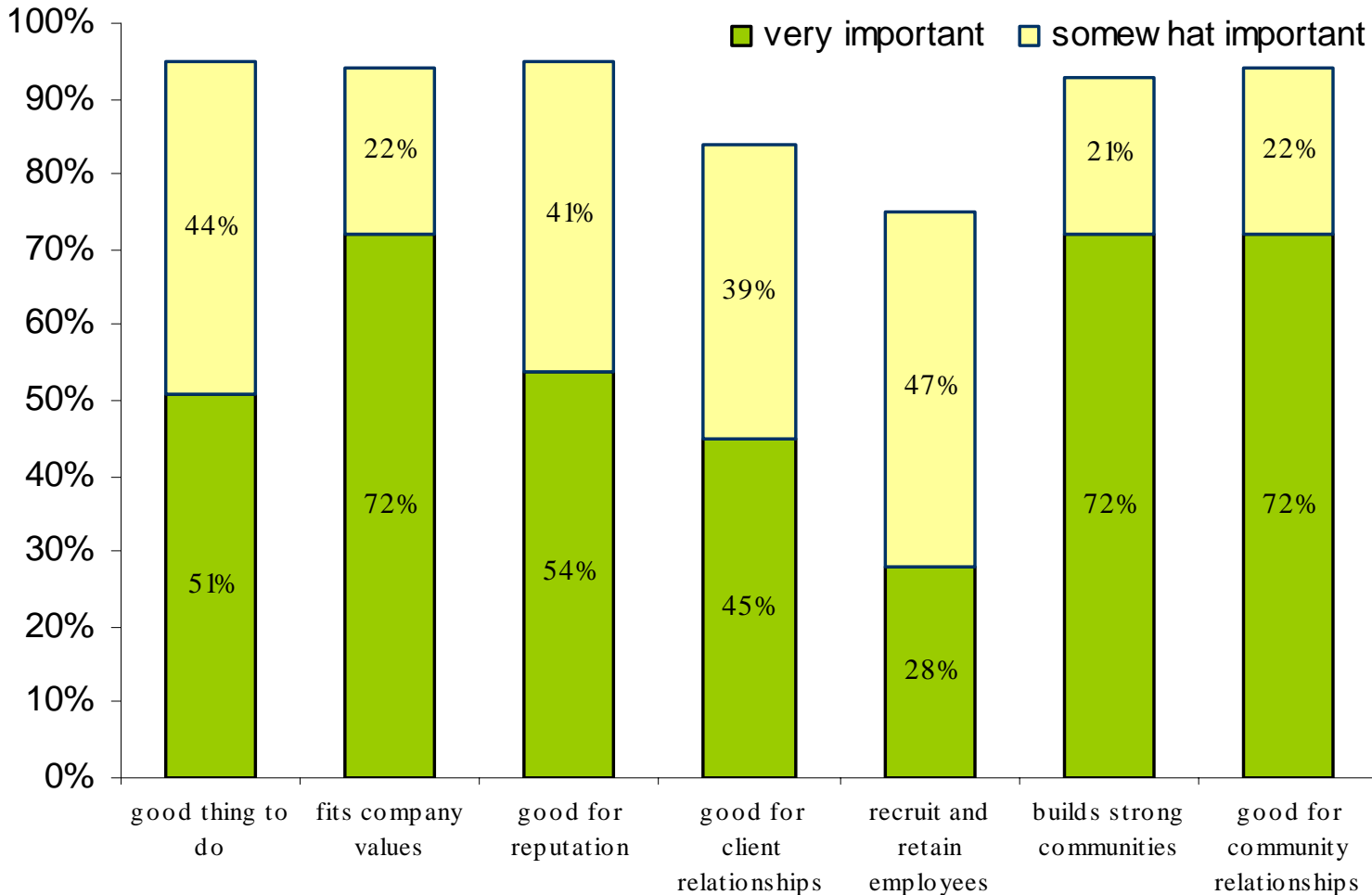
> Corporations: Who they give to



> Corporations: Who gives



> Corporations: Why they give



➤ Major gifts

“I still plan on making significant gifts because it is important to the community and it’s good for my company’s future in the marketplace.” – Frank Giustra

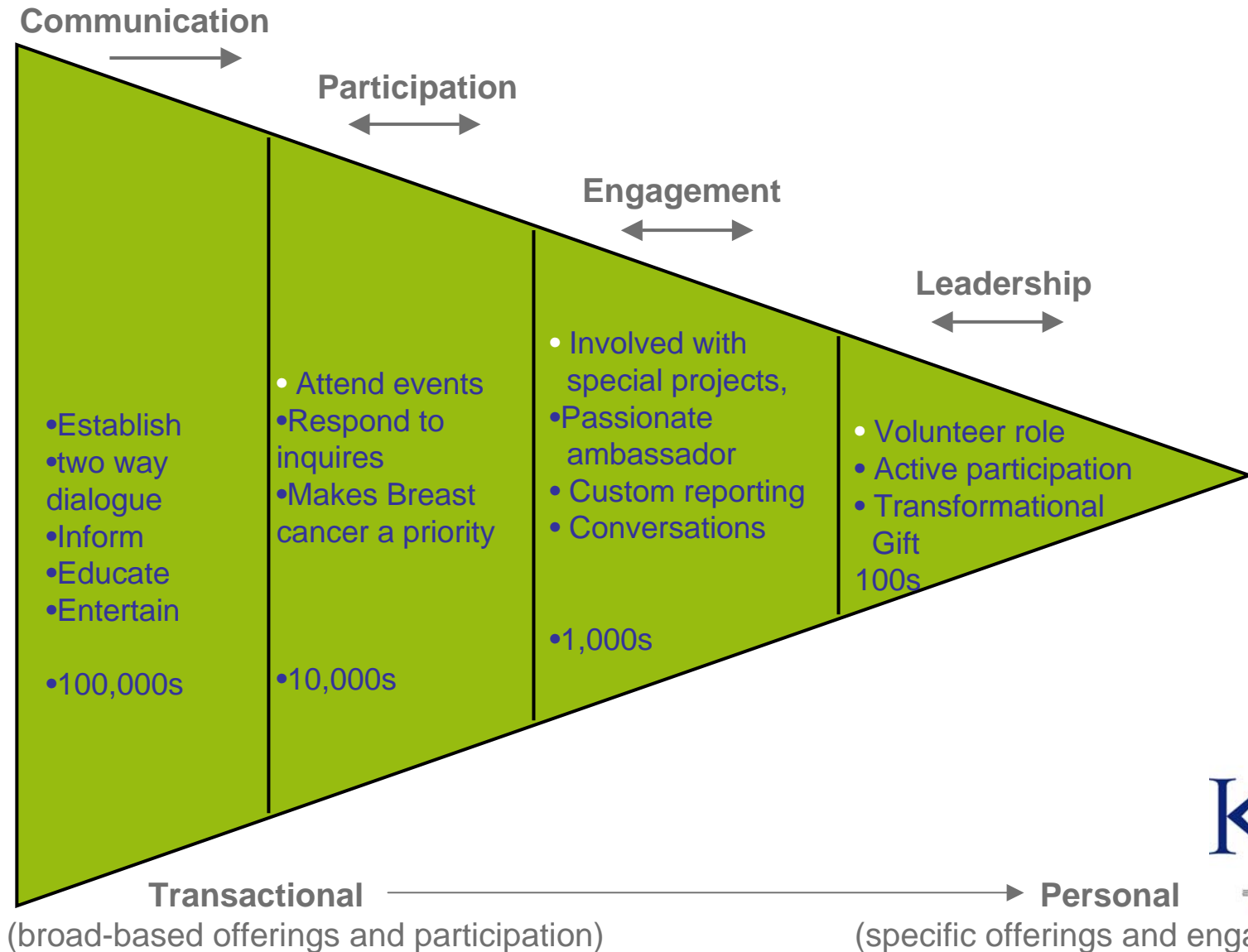
> Opportunity: Major Gifts



Organization's journey



Donor's journey



Keys to major and planned gift success in this environment

- Remember: all major gifts are planned gifts
- Definition of planned gifts: more ways to give, more ways to give more. You actually have to offer donors: many ways to give, longer timelines, flexibility
- Rediscover how to properly identify and qualify major gift donors – keep your donors, make your organization their top charity, raise their sights – don't assume, you must ask
- Patience – longer and intensive cultivation and stewardship
- Be thoughtful and strategic about solicitation timing
 - Not everyone affected by the downturn
 - Evidence that many understand the need to demonstrate leadership and confidence – make gift now, increase size of gift

➤ Conversations with donors

- Key: Talk a little – be on message, listen a lot – don't miss the donor's signals
- What's going on with you?
- How do you feel about it?
- What does it mean for you?
- What really matters to you right now?
- Here's what the current situation means for us
- Here's what we (donors and organization) will do while it's happening
- And here's what we'll do when the situation improves

➤ When the donor doesn't want to meet, talk or attend

- Doesn't want to talk/won't answer phone or return the call (Leave the right kind of voice message)
 - *I'm just calling to thank you for your support and tell you how important your gifts are to our work. We are thinking of you and hope you are having a wonderful day*
- Doesn't want to or too busy to meet or attend
 - *Could you use a 15 minute break and some fresh air, I'll bring the coffee (meet) guaranteed to re-energize you (attendance)*
 - *Are you worried I'll ask you for money. Let's worry about money another day and talk about....*
 - *Let me call you back, I really want to see you/talk to you about xx – can I see you some time in the next six month for 15 minutes*
 - *You're too busy. I understand – can I call you in 60 or 90 days*

➤ Donor reactions to solicitations

- We already give to so many organizations
 - *Our need is urgent and we are asking that, if you can, please make the xx a priority for the next few years*
- I never pledge
 - *Equate to mortgage/car payments- enable you to make a large gift over a time frame that is appropriate to your resources*
- That's way too much
 - *Tell me what an appropriate amount would be*
- You are asking me to give much more than I have ever given before
 - *If this is something you really want to do and really feel strong about, and know what a difference it will make – let's talk about how we can make this happen*
- I can't give right now
 - *Is it possible to make your pledge now and start your payments later in the year or next year*

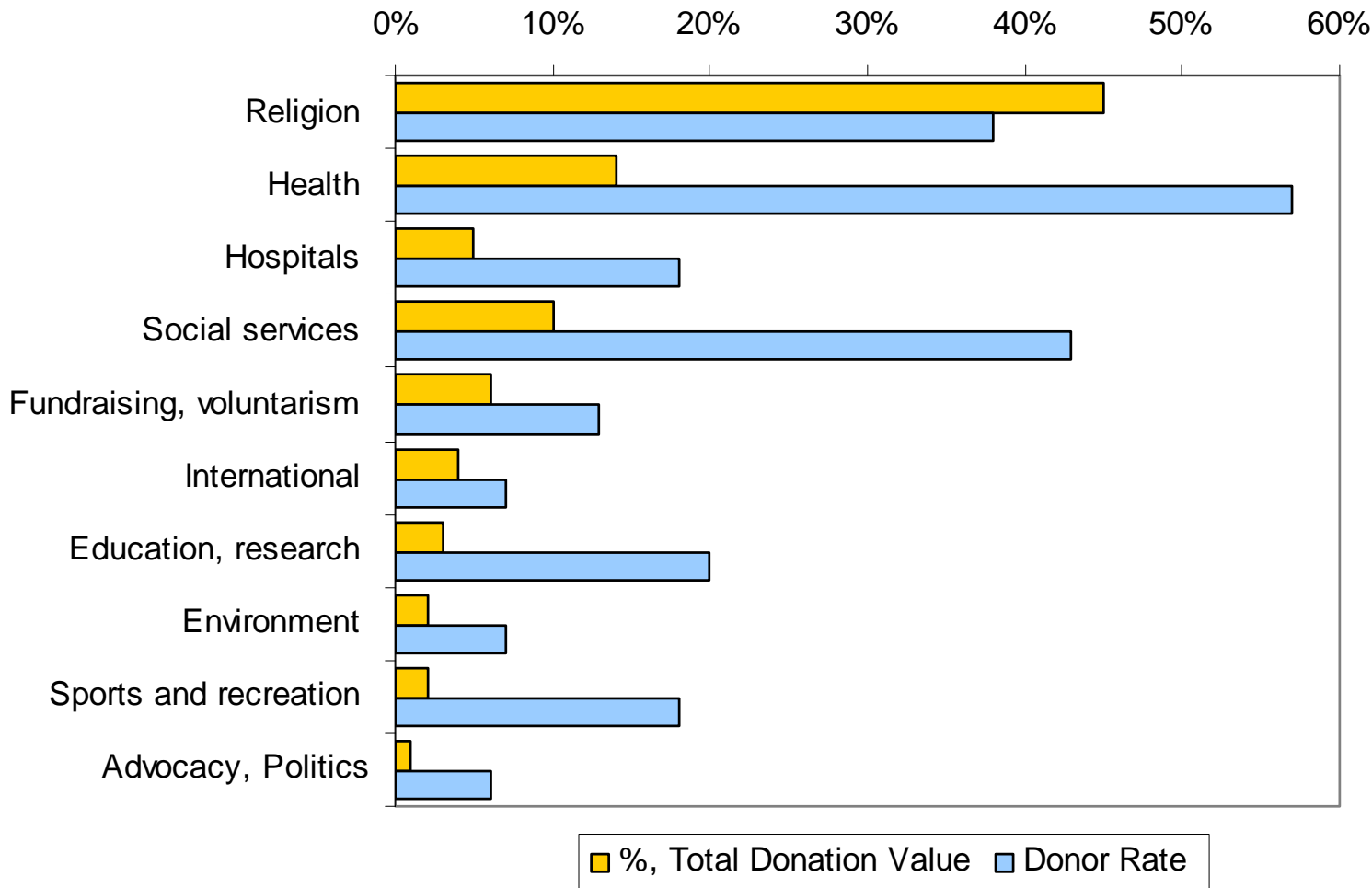
➤ Response to the donor who says: Endowment! Are you kidding me?

- Why do people give to endowments?
 - Belief in or commitment to making an impact in the future - legacy and permanence
 - Mission of the organization, trust, recognize needs will be there for a long time, organization is important to the future and they want it to last forever
- A way to diversify income over time, stability for the organization (yes, a tough message right now)
- Types of programs that endowments fund – operating, maintenance, new programs, technology
- Demonstrates you are planning your future with confidence
- Donors who love you invest for the long term

➤ To campaign or not campaign

- No one has stopped or withdrawn if they are in the quiet or active phases of their campaign
- Longer quiet and cultivation phases 12-18-24 months
- Those in campaign
 - still getting meetings
 - still asking – when invited to do so
 - still securing gifts, including 7-figure gifts
- Longer pledge periods, flexible payment schedules that can be revisited as the situation changes
- Issue: budgeting volunteer time accordingly
 - Maintain momentum, keeping them engaged focused and feeling that progress is being made
 - Flexible campaign structure
 - Be thoughtful of the effect extended campaign timelines will have on the volunteer's commitment

Challenges unique to sectors



> Final thought

It is not the strongest of the species that survives,
nor the most intelligent that survives.

It is the one that is the most
adaptable to change.

Charles Darwin