



NFPs – Raising funds

Building your not-for-profit

Who am I?

- Lee Drake, President and CEO of OS-Cubed – located at the Village Gate
- Started 3 different companies, one became a Rochester Top 100 company
- Active on the following boards:
 - Rochester Neighborhood of the Arts Business Association (NOTABA)
 - Rochester Small Business Council (SBC)
 - Genesee Valley Chapter Human Resource Management (GVCSHRM)
 - Job Service Employers Committee (JSEC)
 - Eyes on the Future Conference

Raising money

- Many non-business people are afraid to ask for money.
- Most non-business people don't ask for enough money in each transaction.
- It takes just as much energy and commitment to raise \$25 as it does to raise \$2500.
- Business people like to be seen as philanthropists, but at their core they are in business – and you must approach them that way.

What makes business people tick?

- Making money
- Publicity and/or advertising -Publicity is better than advertising
- A perceived return on investment
- To be thanked
- To have their egos stroked
- Networking with other leaders
- Things they can use to improve their standing in the eyes of their customers
- Did I mention making money?

How do you approach when asking for money

- The best approach is a personal one – face to face, not over the phone, by mail or by email.
- The best people to approach are people you already know or do business with – that's called a "warm call" in sales terminology.
- Make it short – we don't have time, strike that we have negative time.
- Approach the Chief, not the Indian – usually in most small companies only the boss makes the decision on charitable contributions.
- If you don't know the Chief, but know someone who does (someone who works at the company, etc.) **ASK THEM TO ASK FOR YOU.** But be sure to give them the tools they need to succeed.

What makes a good presentation?

- Short sweet and to the point.
- Make it clear what the options are in a “features and benefits” presentation.
- Make it clear that there are a limited number of sponsor positions in each category.
- Make sure potential sponsors understand what they are getting.
- Most businesses want an invoice, and cannot write you a check on the spot. They need the invoice for a paper trail.
- Be organized, polite, and prepared.

Maximize the benefit

- Find ways to make your sponsor benefits special and unique – try to think of things that PSO can offer that no one else can. Think “Purple Cow”.
- Give more than you get – be sure major sponsors are mentioned and thanked everywhere you can.
- If possible give them something that they can share with a customer or employee.
- Think of your events (ALL your events) as opportunities to plug the sponsors (like NASCAR).

Special campaign fundraising

- BIG DONATIONS TAKE AS MUCH EFFORT AS SMALL – but with small you have to put in 10x the effort to get the same return.
- Make a profile for each of the largest companies in your service area, determine the CEO and what they've given in the past. You might want to compile a similar profile for CEOs you know of companies outside Penfield that live in Penfield.
- Find the connection – everyone's connected to everyone (5 degrees of separation). Find a connection to approach the prospect if no one knows him/her and use that connection to leverage the sale.
- If you get a rejection – ask for a referral. If a prospect says no – ask them three things:
 - Would there be a better time of year to approach you about sponsoring us (timing is everything to businesses) ?
 - Is there anyone else the prospect knows that might be interested in donating? If the prospect mentions someone ask THEM to introduce YOU to the new prospect.
 - Ask them if they can donate or support you in some other way.

Special fundraising (part 2)

- Try public relations – PR is cheap to free advertising. Send out frequent bulletins and updates about your fundraising efforts and events. Invite TV news and newspapers to come to a special concert or event (they're always looking for "public interest" and "feel good" news).
- Consider an "exclusive" relationship with a media outlet (Penfield Post? RBJ? D&C?) to give them all news first (Find out what this means) so they get the "scoop" in return for a guarantee of placement. If you advertise consider the paper or outlet you advertise with first. Invite someone from the media to serve on your board.
- Get stuff free. If a company cannot donate money they frequently can donate other things – time, people, goods, etc. If you can (for instance) get someone to donate tickets for a golf tournament, tee times, or other fun things – you can raffle them off, use them as bonuses to top sponsors, etc.

Board organization

- Consider people for your board based on their network – the more prospective donors whom they know the better. Board members should be responsible for at least 70-80% of your sponsor donations (by responsible for – I mean responsible for raising). Invite your major sponsors onto the board – tie them into the fundraising process.
- Organize the board based on a business model – place someone in charge of each event or campaign – make them accountable for a budget to pull it off and a set of sponsors to fund it. Review progress at each board meeting.
- Evaluate every event and campaign like a business. Don't hold events that don't make a significant profit. Don't hold events where the effort put in is not worth the dollars drawn out.

Come up with creative ROI

- Every business person is looking for a Return On Investment (ROI) – be creative in providing one or more.
- Ticket sponsor (name on every ticket)
- Concert sponsors (only one available per concert – their name featured and them personally thanked)
- Advertising sponsors - Gift in Kind (GIK) sponsors such as a media outlet, printing etc.) whose logo goes on every ad
- Usher sponsor – ushers wear a button with the name of the sponsor for a concert
- Etc. Etc. Use your imagination

What about individual supporters?

- Small \$\$ contributors are important but not as essential as large sponsors.
- Make it easy for small \$\$ sponsors to contribute – cash in a dropbox, paypal donation on the website etc.
- Consider pushing people towards subscription based giving. Paypal and other sites now offer a way for you to have donors sign up to have their credit card or bank card debited on a periodic basis (once a month, once a year etc). It's easier to ask for \$10/month than \$120/year.
- Use community drives to push for individual support – donation boxes next to cash drawers, etc.
- Concentrate your largest efforts on the greatest return – not on the most people returning.

Event fundraising

- Never hold an event where AT LEAST the cost of the event isn't already covered by sponsors.
- Promote the sponsors heavily at the event.
- Use the sponsor dollars as they increase to improve the quality of the event. The better the perceived value – the more people you will get each year.
- Consider things that “get the elite out” for fundraising. Business leaders like to hang out with other leaders. If they see an event that is fun, that will give them a chance to network their peers, and a chance to give back to the community, it's a winner.
- Formal events are more fun than informal for business people. They'd rather go to a black tie dinner than an Applebee's pancake breakfast.

In summary

- Use the personal approach.
- Approach business leaders for large donations.
- Clearly outline the benefits and make it easy to donate.
- Organize your board around their network connections and ability to raise capital.
- Understand your market and offer unique opportunities.
- It's just as easy to ask for \$25 as \$2500.