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FUNDRAISING IN FLUX

By George Stanois

It's no secret that fundraising is undergoing a transition in Canada.

As a professional sector, we're taking stock of our best practices. On page two, **Ron Collis** asks readers to tell us what we've learned and adopted over the past two decades. Take a second to think about it: Are we better fundraisers than we were in 1998? How has our sector changed?



We're also tackling big challenges. For instance, as his foundation looks for guidance on being transparent with donors about indirect costs, fundraiser **Daniel Clapin** looks to his colleagues to learn how they are managing increased levels of restricted gifts. Read his story on page three.

Finally, there are exciting indications that our sector is moving toward a bright future. On page four, **Kathleen Cymek** shares her enthusiasm for peer-to-peer fundraising, while **Marielle Bryck** is thinking about how new ways of gathering and interpreting data can help fundraisers enhance and personalize the donor experience.

While it sometimes seems scary, transition is a good thing. It means learning from our past, refining our best work, and applying it in creative new ways. We think that's a recipe for success.



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MOVING ON UP

Are we better fundraisers than we were 20 years ago?



Where were you in 1998? It doesn't seem like a long time ago, but in two decades, the world has changed significantly. The same goes for the charitable sector. While many organizations have faced serious challenges, our profession continues to adapt. In many cases, we've thrived.

Successful fundraising requires a great deal of work, insight, and dedication. But how often do we reflect on how approaches have changed over time? When was the last time you "downloaded" your experiences with colleagues and shared lessons and insights? What can our collected experience tell us about where our profession might be headed?

The Goldie Company and Collis & Reed Research are currently conducting a research project to explore these specific questions. Our goal is to identify not only fundraising themes, issues, and challenges from the past 20 years,

but also the strategies we've built to address them. Using data collected from the AFP Congress and input from Canadian professionals, we'll look for trends that provide some insight as to how much and what has changed, where fundraising issues and solutions are headed, and what it might take to establish change that is necessary for the future.

This line of thought raises some significant questions that have far-reaching implications. Is our industry making true progress? Stated another way, are we better fundraisers than we were 20 years ago? Is it possible, that we are now actually better at fundraising, but other factors are masking the true impact that we are having? Or, have we made the impact that most fundraising professionals have hoped to make?

While this project is designed to objectively assess these questions through content analyses and statistics, context

and interpretation are equally important aspects. That's where you come in.

How does our data compare with your perspectives? We're keen to find out, and we welcome you to contribute your thoughts. We have purposely left our question general and open-ended so that you can be as succinct or detailed as you choose. We encourage you to consider factors that might impact fundraising, from changes in demand for donations, the role technology has played, to changing attitudes and expectations among stakeholders.

To participate in this project, visit www.collis-reed.ca/goldie and provide your thoughts on whether we are better fundraisers than we were 20 years ago.

Watch for results in a future edition of this newsletter!

— Ron Collis

FINDING BALANCE

Daniel Clapin wants charities to address the challenge of indirect costs and restricted funds.

Outside his foundation's office door, Daniel Clapin keeps an up-to-date list of items that The Perley and Rideau Veterans' Health Centre currently needs, such as new lifts, high-low beds, ice dispensers, and renovations, as well as how much they are projected to cost. Since his team started keeping that list, he says, they have found it very effective.

"We start tours with prospective donors at this spot. We show them the facilities, explain how their gifts will be used, and end up right back at the list," the Executive Director says. "With this simple idea, we've seen fantastic results. Donors can see how they might have immediate impact. When a donation offsets the cost, we write 'sold!' beside the item."

Despite this success, Clapin and his colleagues still face a challenge. The problem? "We've focused too much on restricted gifts. While we need this type of support, we've also got to think about keeping our charities operating," he says. "We need to find a balance."

Restricted vs. unrestricted

More and more, donors want to have a say in how their gifts are directed. But, like every business, charities have indirect costs, such as rent, office management, and legal fees. As Clapin considered how to introduce a balance — and appeal to donors — he started investigating how other organizations are addressing this challenge. He found that they are taking several directions, and that very few of them are transparent about their policies.

According to his research, some organizations allocate a small percentage of major gifts to operations. Imagine Canada advises that fundraising materials should include a statement to explain that all gifts will be considered to have been given to further the general charitable purposes of the charity in accordance with its needs — unless a donor has specifically stated that the gift has binding restrictions. AFP does not offer a policy or guideline.

Clapin's external auditor say that policies are fluid amongst its clients. Some allocate a percentage on major restricted gifts at the discretion of the Executive Director. If the organization has a large endowment fund, a percentage of investment gains is often used to provide resources for operational costs. Some organizations charge a 5% "fee" on all donations, others a 5% - 15% transaction fee on leadership/major gifts.

"In my view, 'policies' may lead to difficult conversations with potential donors," Clapin says. "If you have an inflexible policy, there may be situations in which you have to watch a donor walk away from your organization when they don't agree. Additionally, policies require motions and resolutions by Boards. I would prefer guidelines, since they would allow some flexibility to suit the rhythm of the gift."

Continuing the conversation

Clapin believes Canada's charitable sector needs to have an open and frank dialogue about making indirect costs transparent to donors. "At our foundation, we continue to have this conversation with our Board. We are learning and moving forward together."

"On a sector scale, we need to have a forum for discussion," he adds. "Ultimately, it will be critical for fundraisers to better educate donors about how we are managing our foundations efficiently, so they feel confident in supporting all costs — both direct and indirect."



Daniel Clapin

FURTHER READING:

Management is much more than a science: the limits of data-driven decision making, by Roger L. Martin and Tony Golsby-Smith, *Harvard Business Review*, September 2017.

NEW YEAR, NEW AMBITIONS

It's a New Year, and with it, we reflect on what we've learned and welcome new beginnings. We asked two professionals, **Kathleen Cymek** and **Marielle Bryck**, what they learned in their roles in 2017 and what excites them most about the future of fundraising.



Kathleen Cymek (left) is a Senior Development Officer, Philanthropy at the Trillium Health Partners Foundation. Marielle Bryck (right) is an Officer in Major Gifts at the National Ballet of Canada.

Q. Looking back at 2017, what's one thing you learned that has enhanced your approach to fundraising?

KC: Last year, I learned that collaborating across fundraising teams is critical for thinking strategically and encouraging multi-channel giving.

MB: My team tends to focus a lot on donor benefits and membership groups. I learned in 2017 from a counterpart at an American organization that his team decided to change all references to "members" in their fundraising materials to "donors." The intent is to remind donors that their membership provides crucial financial support for the organization. The idea resonated with me, and I have used this example to try to steer our internal and external language away from membership and towards the concept of philanthropy.

Q. As we enter 2018, what excites you about the future of the profession? What change or evolution are you most looking forward to exploring? How will it have an impact on how you work with your donors?

KC: I'm very excited about possibilities that open up when we leverage online tools and technology to fundraise. I want to explore how these advancements can help us attract ambassadors and enable peer-to-peer fundraising. Ambassadors who create personalized fundraising pages, for instance, can help organizations reach new networks.

Peer-to-peer works across many channels of giving, such as community events, corporate campaigns, endowment funds, and giving circles or clubs. It also reduces the amount of time we spend manually processing gifts. Most importantly, this approach empowers donors to have personal impacts on the causes that are close to their hearts.

MB: Fundraisers are increasingly attuned to the unique ways in which their supporters interact with their organizations and are learning to respond to those behaviours, rather than standing by a "correct" cultivation process or "the perfect" direct mail formula. As well, analytics are helping fundraisers to be better informed about what tactics work with which segments of donors. I also sense that fundraisers working in major gifts and planned giving are relying more on donor feedback and personal intuition to better inform their own decisions about identification, cultivation and solicitation. They're spending more time listening.

This year, I'm excited to harness analytics to learn more about our donors. Our Development department has been working to create some robust internal conventions to oversee the entry of moves management information into our database. The result, I hope, will be some really dynamic and interesting data that will serve as a feedback loop for us, and help us build new strategies for interacting with donors and prospects.