

AMAculturehive

The Art of Fundraising:
How to handle the essentials

Author: Helen Jenkins

Independent Consultant, 117 Consulting



LOTTERY FUNDED

Supported using public funding by

**ARTS COUNCIL
ENGLAND**



arts
fundraising &
philanthropy

“The organisation strategy and the fundraising strategy must work together so that the fundraising function becomes embedded in what you do. ”

Helen Jenkins

Founder, 117 Consulting and Arts Fundraising & Philanthropy trainer



Published 2018
This work is licensed under an
[Attribution-NonCommercial-NoDerivs CC BY-NC-ND](https://creativecommons.org/licenses/by-nc-nd/4.0/)

Is fundraising a dark art?

Dispelling the myths

In this guide Helen Jenkins shows you how research, planning and careful preparation can build successful fundraising. She guides you through the different fundraising streams giving clear examples of how to assess the return on investment (ROI) for each stream and help you to build your case for support.

As part of the Arts Fundraising & Philanthropy Fundraising Essential course this training has been designed to help you overcome the most common barriers to fundraising success.

The Fundraising Essential courses are for people who are early in their fundraising career or who are established in another discipline and wish to refresh their skills or incorporate fundraising into their work.

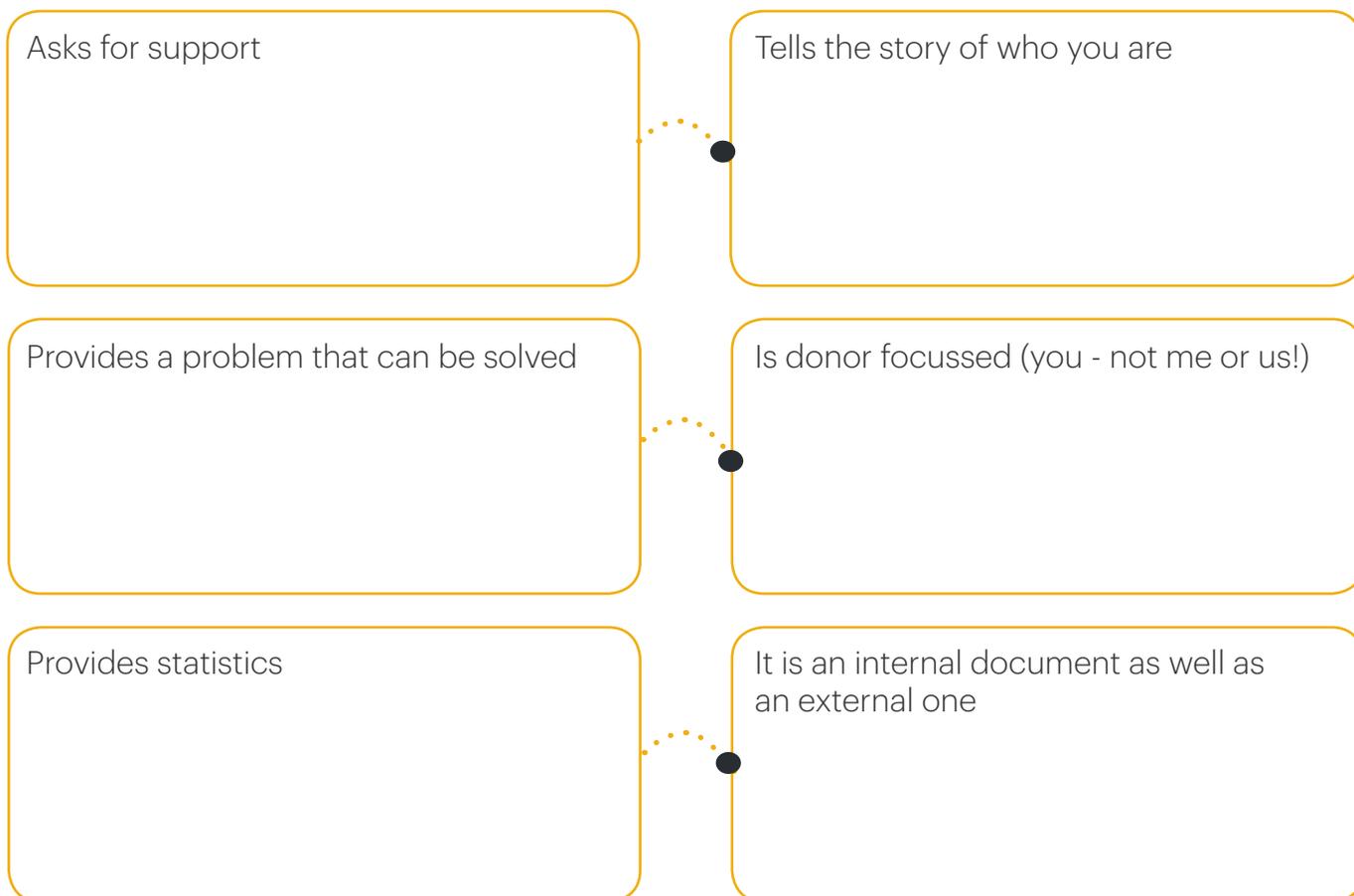


Step #1

The Case for Support

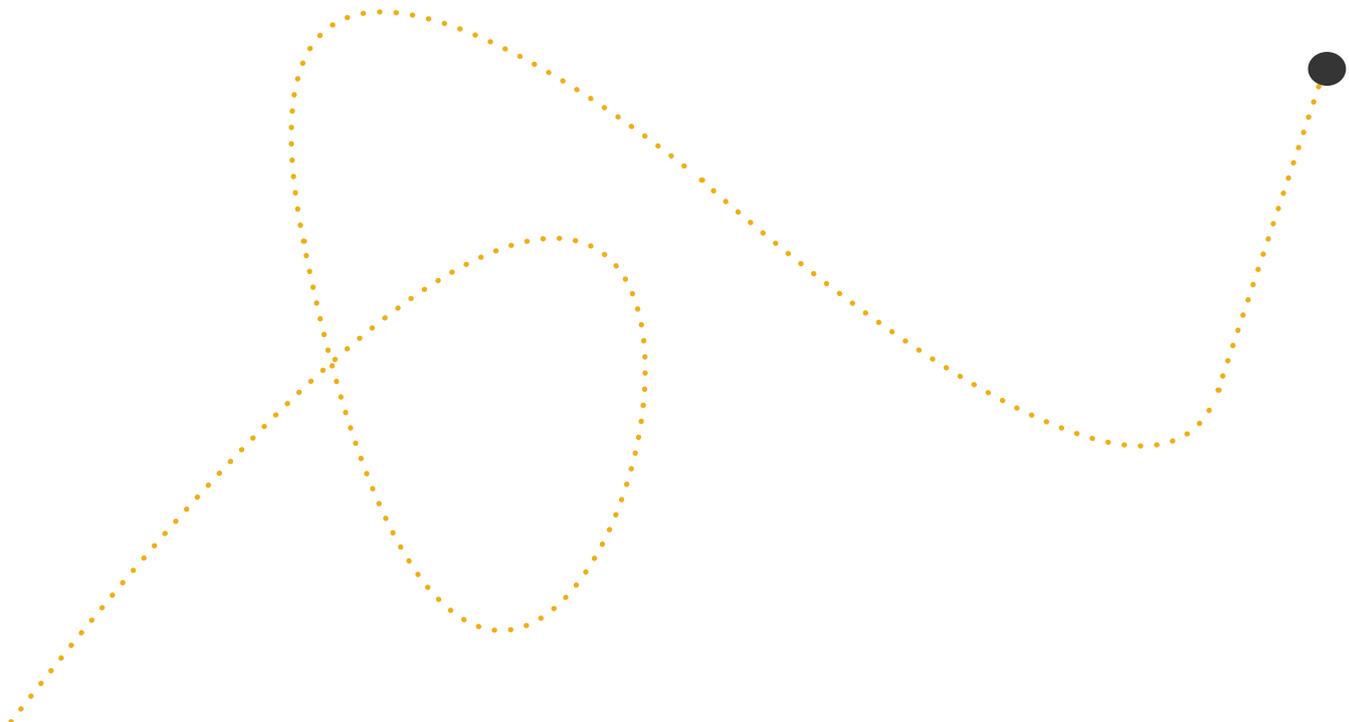
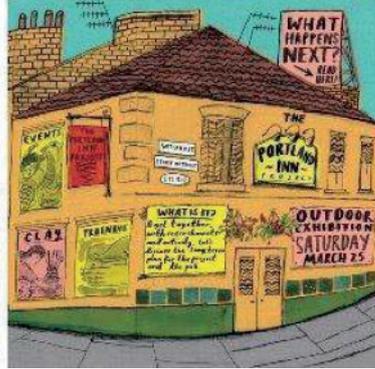
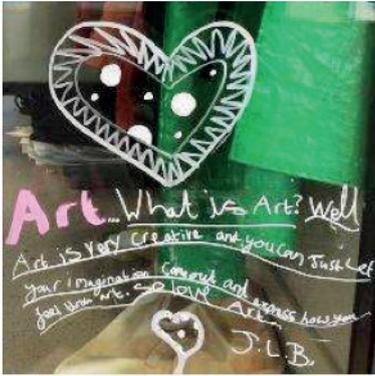
A Case for support is a document that tells donors who your organisation is, it's mission, what it has accomplished, outlines your vision for the future, tells donors why your organisation's vision matters and why the donor should care about you. Most importantly it tells the donor what you want from them and how much money you need.

- Does your organisation already have one?
- If you do, how often is it used and updated?
- If you don't have one you can build one (or many for different donors)
- What are the key components? A great case for support (C4S) document:



British Ceramics Biennial

Cover of the Case for Support document



Step #2

Networking: Six degrees of separation

A 'degree of separation' is a measure of social distance between people. You are one degree away from everyone you know, two degrees away from everyone they know, and so on. Using this theory you are only 6 steps away from that important donor at any one time. Do an audit of your networks and think about who you know that knows someone else that might be connected to your ideal donors.

Network audit:

The form consists of six empty rounded rectangular boxes arranged in two columns and three rows. Each box in the left column is connected to a corresponding box in the right column by a dotted line that ends in a solid black dot on the right-hand box.

Step #3

Identifying income streams

The key to success is finding the right one or ones for you. Examples of streams are:

- Individual Giving - regular and one off
- Major Donors
- Businesses -Corporate Social Responsibility or sponsorship
- Trust, Grants and Foundations
- Statutory Funding
- European Funding
- Crowd Funding
- Events
- In memoriam
- Legacy
- Community Fundraising



Step #4

The fundraising landscape

What is happening in the environment around you? Have a look at what has been funded in the past and where they money is being shared. A good tool for this is the Private Investment in Culture Survey which was undertaken by MTM and commissioned by Arts Council England to provide an insight into private philanthropy, donations from trusts and foundations and sponsorship in the arts and culture sector.

Taken from the Private investment (PI) in Culture Survey:

- £480m total Private Investment in culture
- £96m came from business
- £245m came from Individuals (ie 51% of total PI is from Individuals)
- £139m from Trusts, Grants and Foundations
- Private Investment accounted for 18% of orgs total income
- Private Investment more important for smaller orgs, accounting for 29% of total income for those with less than £100k income
- The largest 50 orgs receive 60% of Private Investment
- London orgs account for 66% of Private Investment

For the full survey download for the [**Arts Council England website**](#)

Step #5

A Word on strategy

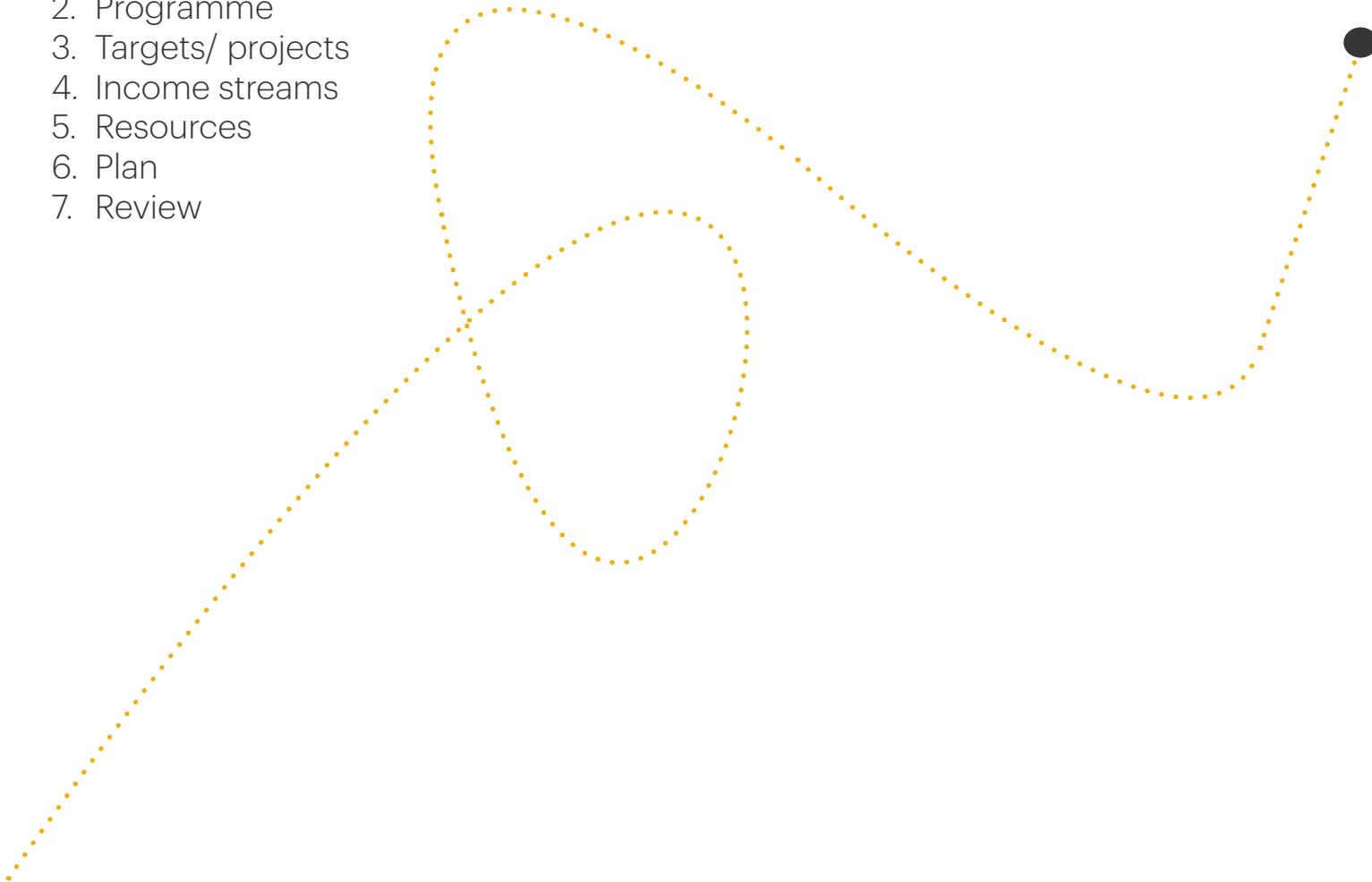
Its a chicken and egg question! Where does your fundraising strategy fit into the overall organisational strategy? You need to take into account many different factors when planning the fundraising strategy for example

- What is the size of your organisation
- How long have you been established?
- Why do you need the funding?
- What difference will it make to the organisation?

The organisation strategy and the fundraising strategy must work together so that the fundraising function becomes embedded in what you do.

Seven steps to creating your fundraising strategy:

1. Audit
2. Programme
3. Targets/ projects
4. Income streams
5. Resources
6. Plan
7. Review



Step #6

Prioritisation

Think about what you need the money for? What is your organisations current status? Are you a registered charity or a not for profit organisation? Think about whether you are looking for capital or revenue funding. And consider what your timescales are - map out when you require the funding and work backwards.

Take an audit of your current supporter base. Your best advocates are the supporters you already have.

The Pareto Principle

The Pareto principle is a principle, named after economist Vilfredo Pareto, that specifies an unequal relationship between inputs and outputs. The principle states that 20% of the invested input is responsible for 80% of the results obtained. Put another way, 80% of consequences stem from 20% of the causes.

This principle serves as a general reminder that the relationship between inputs and outputs is not balanced. For instance, the efforts of 20% of a organisation's staff could drive 80% of the income. In Pareto's case, he used the rule to explain how 80% of the wealth is controlled by 20% of the country's population.

To make sure you prioritise your efforts (so you focus on the right 20%) make sure you have an good grasp of:

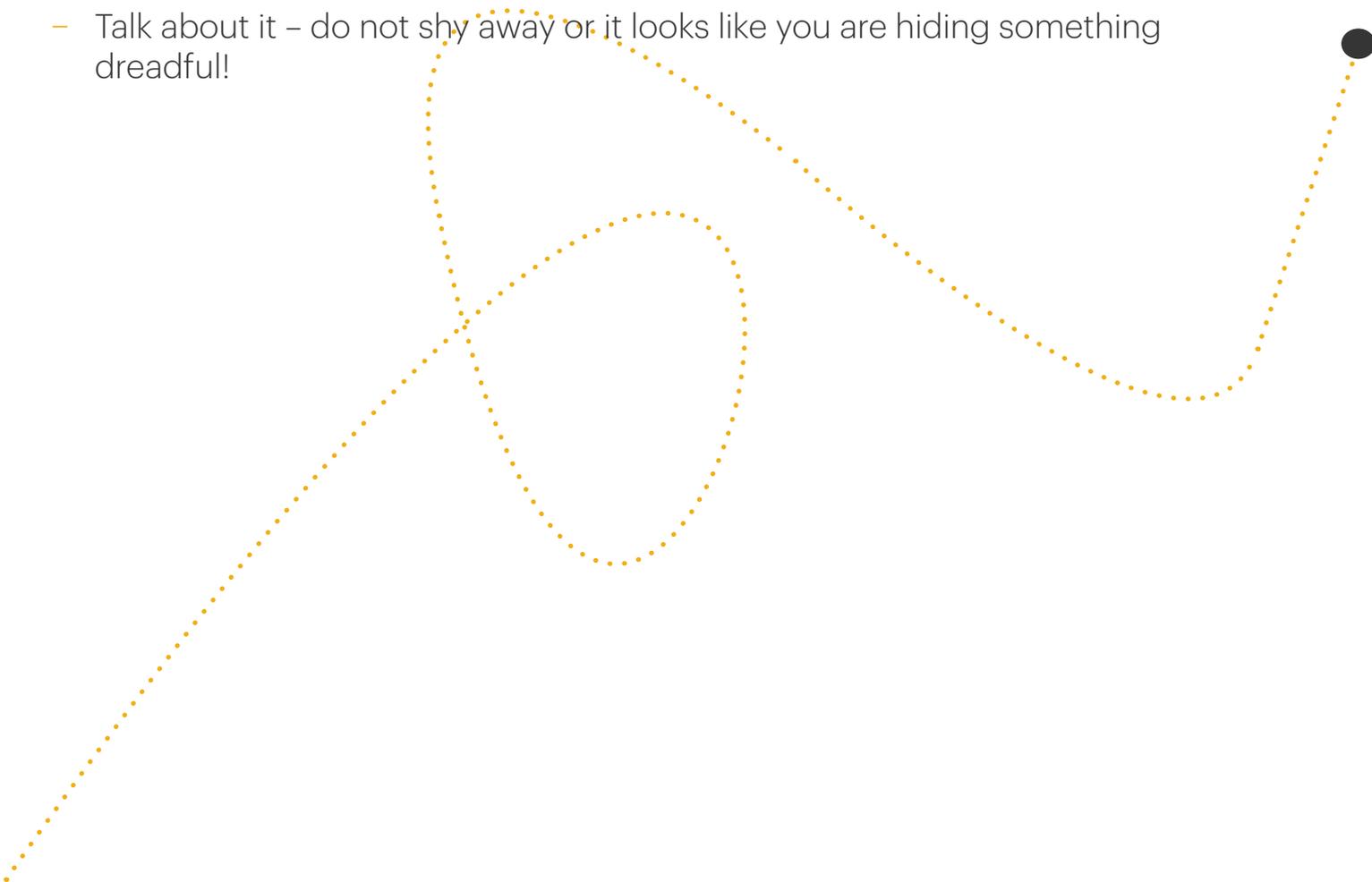
- your resources
- what the risks are
- you have a plan and stick to it!

Step #7

Return on investment (ROI)

Return on Investment (ROI) measures what you are getting back in relation to the amount you have invested. For your donors it is important to identify what the returns are, how they will benefit your organisation and importantly your beneficiaries.

- Work out the ROI on each funding stream.
- Work out the mean ROI across all the streams so that you are not tempted to cut those that have a low ROI
- What is the Lifetime Value (LTV) on each stream? And again what is the mean across all streams. To work out the LTV of a customer or donor use this equation: (Average Value of a donation) X (Number of Repeat donations) X (Average Retention Time in Months or Years for a Typical donor)
- Work out where you might have high up front costs and compare them to the long term benefits
- Use ROI but not in isolation
- Use a 'basket' of ways to measure
- Talk about it – do not shy away or it looks like you are hiding something dreadful!



Step #8

What's stopping you?

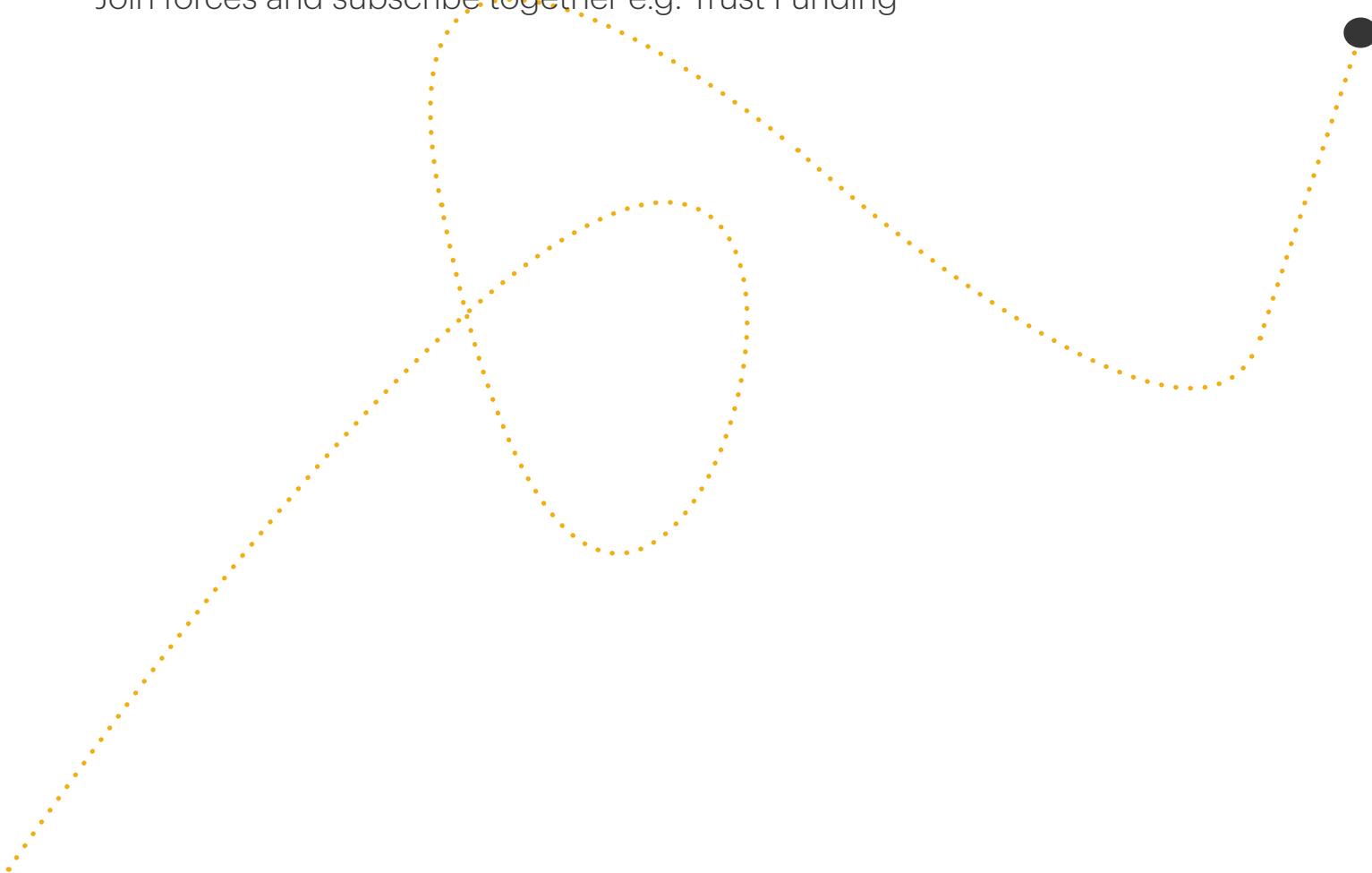
- **Capacity.** Do you have the resources in your organisation to work on your fundraising strategy.
- **Competition.** What are your competitors doing with their fundraising. Are you going after the same people or looking in similar places
- **Dominant position of London orgs.** Where is your organisation situated? Are you competing with bigger organisations in the Capital? What makes yours unique?
- **Lack of skills.** Perhaps you need to look at training your fundraising team? Do you know people who could mentor your staff?
- **Tightening regulation.** The fundraising landscape changes daily and it is hard to keep up with all the changes. Keeping an eye on developments and carrying out PEST exercises will help you become more proactive.
- **Lack of strategy / planning.** Integrated strategic plans will help to embed your fundraising practice throughout your organisation. Remember the old saying failure to plan is planning to fail.
- **Lack of Board involvement.** Your fundraising strategy starts at the top with your Board of Trustees. They are your champions and will help you to share your case for support.

Step #9

Where's the money?

Take these steps to identify where the money is now and what things you can do to access it. Look at

- Current funders
- Competitor analysis
- Who do you know – 6 degrees of separation
- Charity commission website advanced search facility
- Arts Council offer info on their website
- Funding Central – free to use if income is less than £100k per annum. Then £50 to £100.
- Local Voluntary Action Group
- Join forces and subscribe together e.g. Trust Funding



Step #10

And finally

Top tips

Have a plan and stick to it!
Say thank you and then say it again
Fundraising is a team effort
Don't forget to ask for the money....

What next?

What will you do this week to improve / integrate fundraising?
What do you aim to have done in 1 month
What you aim to achieve in 6 months.
Reflect - did you do what you set out to do?



culturehive.co.uk
learn from your peers online