

## Developing relationships with donors

[Michelle Wright](#) - Chief Executive, [Cause4](#)

[Clare Titley](#) – Director of Philanthropy and South West, [Arts Council England](#)

[David Byrne](#) – Artistic and Executive Director, [New Diorama Theatre](#)



## Introduction

This session looked at how arts organisations can better address the needs of current and prospective donors. The panel shared their thoughts on the barriers and opportunities open to the sector and how we might work together to overcome address these.

## Presentation

**Michelle Wright – Chief Executive, Cause4 and programme director of the Arts Fundraising and Philanthropy programme.**

I'm going to start by talking about a recent experience that I had in New York. I was really lucky to have a whole week in New York talking to arts organisations and I wanted to start with this because we're so often told to look to the States in terms of fundraising. We're told that they've 'got it right' and they're brilliant in terms of their donor engagement. It was really interesting for me and there were two things in particular that arts organisations were telling me. The first was that they've got exactly the same issues at the moment in terms of recruiting fundraising talent and they've got even worse issues in terms of retaining fundraising talent. In New York I was told that the average stay of a fundraiser is just 18 months and for any of you that run fundraising departments you'll know that when you go to a new job it can take about six months just to get to know your donors and so 18 months is no time at all. The other thing that I thought was really interesting and is quite a new thing is that with some of the really high profile initiatives what's happening in terms of the donor base, particularly for the Family Foundations that have traditionally been really generous in supporting arts organisations, most family foundations would expect to support arts organisations and have them as part of their portfolio – what's happening with the next generation of people in those foundations is that they're turning to Gates and Clinton and they're looking to different causes. Certainly the people I talked to from the American orchestras and the Met are seeing absolute turn off of the donors for the arts and it's causing some panic. I thought that would might be interesting to share in terms of context and it really is

interesting in terms of the profile of philanthropy with some of those big philanthropists changing to the environment and ecology.

Why do people give? I've been thinking a lot about this in terms of philanthropy at the moment and I think for me it is basically about three reasons:

- people give because they've got a link to the cause – I've just given one of my first personal gifts to a charity which is about something linked to me from my childhood.
- they give because they think it can make a difference – this more engaged philanthropy is a trend at the moment. I've just started a piece of work in a new area for me with a charity called Malaria No More UK. When they started talking to me about what they wanted to achieve it was seducing me because, if they really do achieve what they are setting out to achieve, in ten years' time we could eradicate malaria and I thought that's wonderful to be part of the cause that could potentially be solved. Again, for some of the fundraisers in the room, I feel this quite often – however much money you raise and however well you do it sometimes feels like a bottomless pit so you think how wonderful to be engaged with a cause that you could genuinely make a difference with and solve it.
- ego and being seen to do things is still a part of the picture but I do think that's in terms of that more traditional patronage and those sorts of people who are motivated purely by ego seems to be the right thing. That, as a trend is disappearing I think.

So I started to think about the arts organisations I know that are doing those things very well in terms of engaging with philanthropists and, in terms of a personal link, I always turn to an example of what I think is brilliant which is Artangel and their Company of Angels and how they really get people very close in a very simple and distinctive way into each of their new artistic projects. In terms of making a difference I thought about the London Sinfonietta, again in terms of contemporary music their brand is all about making music happen and with reference to their major donor scheme they knew that they couldn't really have a traditional patronage scheme. That wasn't their market and they didn't want to go to some of their patrons making, what I call, the dreaded annual gift. They didn't want to get into that yearly cycle so they developed a scheme called London Sinfonietta Entrepreneurs which is about big gifts of £10,000 to really make new work and new projects happen. It's again got a seductive quality about being able to make a difference.

I'm doing some work for English National Opera (ENO) at the moment and I'm mentioning this because I think it was an example that a lot of organisations get into it. We're looking at changing their individual giving scheme and simplifying it and doing lots of things in terms of their new business plan but when I started working with the team they probably had about 15 different

structures, 15 different ways that you could become a donor for ENO. If I had £5,000 to give ENO it's actually quite difficult to find out where your gift would sit in that structure. Often, historically, we end up with very complicated giving structures when actually, the Artangel structure of just having one way to give and engaging in more creative ways can often be more effective. What happens with teams when they've got complicated structures is that you then end up managing donors in a 'box' or in a category because you've got so many different ways that you have to service them rather than as human beings. This thing about giving being a 'social act' is absolutely critical. As fundraisers we become so under pressure in terms of delivering our fundraising targets that we forget our donors are actually human beings who want to be treated like human beings. Matthew Bowcock was going to talk about giving being a social act rather than an economic transaction and I think that's spot on. Quite often, organisations forget that if donors are really going to engage with the organisation it needs to be fun and it needs to be engaging and they need to be treated like human beings.

To continue with the international development theme for a moment, this is an area I'm quite involved in but it's brand new for me so I'm learning very quickly. Because it's quite complicated, the issues and the causes are huge in terms of being able to get people engaged – they end up having to work quite hard in terms of major gifts and how they engage donors and I think, looking at those examples could be brilliant. I came across one, [Age International](#) and their gift programme is based on specific themed projects and countries. If you're a donor you are able to engage with them in terms of your interests and in terms of where you want to make your gift. Another example is the [IRC](#) which is about water sanitation across Africa. Earlier today, Andy Hamflett was talking about Water Aid International who are really ahead of the game in terms of their digital fundraising. But interestingly, they're getting ahead of the game from the IRC who are the strategic organisation that make things happen and are able to engage with long-term infrastructure whereas quite often, Water Aid are putting in place some of the tools to make things happen which then end up not being able to have long-term potential and impact. And so, the IRC are a broker, a 'middle man' which makes it a very difficult donor ask – how do you build a relationship with an organisation that is the organisation that talks to governments, that makes sure that infrastructures are going to work? It's not the sexy side of fundraising, it's not where you can genuinely see the impact that you are investing in. The way that they're going about things is to genuinely engage groups of philanthropists with the intellectual aspect of the cause so they're bringing together a small round tables where people can meet the governments and see what's happening 'on the ground' and be part of a small group that can really be engaged and help make things happen. I think that as arts organisations, again there are certain aspects of engagement

that we sometimes forget about because we're still in a structure of old fashioned patronage programmes.

The other thing, related to that is, I work with a lot of organisations who are really struggling with fundraising resources. Quite often we spend time talking about where they should be putting their energy, their resources and I think we're under pressure, I see it a lot in my work on the Arts Fundraising and Philanthropy Programme that quite a lot of fundraisers feel that they're not doing a good job if they're not doing major gifts, they're not doing trusts, they're not doing corporates and digital programmes and that they've somehow got to have everything if they're doing a good job. Quite often it's just completely wasted energy and impact. With most organisations I work with who are small to medium scale I would say forget the friends scheme and while I'm completely committed to digital fundraising and philanthropy I'm kind of saying it to that as well – which I realise might be controversial for some people in the room. It's much more beneficial and a much better use of time to be engaging four or five major donors into giving that transformational gift rather than getting into a crowdfunding campaign that's not going to have the impact that you want or need. For some organisations, transformational gifts can be £200,000 but for smaller organisations that transformational gift can be £5,000 and would have that seductive element of you being able to engage with the organisation to be able to get involved. That aspect of treating donors like human beings is crucial.

Another example that I came across recently in terms of being seduced by an organisation is that we're doing some work with [university technical colleges](#) – a new schooling system for 14 to 18 year olds in terms of training people for next-generation jobs. The thing that really gets my curiosity about this is that these colleges are being set up to train people for jobs that we don't even know exist yet and I think there's something really brilliant about that. In terms of their impact they're quite a new thing but every single young person who's been through a university technical college at the moment has been employed. That almost got me writing out a cheque because I think there's something very seductive about that and I think we need to constantly, as arts and cultural organisations, make sure that we are ahead of the game in terms of how we're going about talking and engaging with people.

I want to end with two areas that are current – regional philanthropy and innovation and entrepreneurship in terms of fundraising. Starting with regional philanthropy, many of you will have heard Ed Vaizey's comments about regional arts organisations being 'pathetic' if they couldn't raise philanthropy. For a very hard-working sector trying to do its best at the moment with a difficult economic climate, that's not helpful to say the least. What strikes me about those sorts of comments, as a practitioner, is that the facts are baseless. If you're going to change things and

you're going to change a culture then you have to create demand. This comes back to me, which is why I started with it, to the Gates and the Clinton affect, because actually what they're doing in terms of those very high-profile initiatives is changing the climate and the ecology and if we're going to change peoples' expectations and those wanting to get involved in regions with arts organisations then we have to create that demand and we can do that through campaigning, you do that through good communications and you do that through very simplistic, distinctive messages. I was struck by the figures that I think Peter Bazalgette presented saying that £740million of Local Authority money that would normally go the arts was under threat. It's that sort of campaign that would get donors involved. That's the sort of engagement that I think we should be having and the sort of rhetoric we should use.

Finally, the courses that I teach on the Arts Fundraising and Philanthropy Programme are around innovation and entrepreneurship and I think it's really interesting because when you use those words, most people turn their attention to digital or to crowdfunding or whatever the great new next technique is that is going to get my organisation ahead and what should we invest our resources in. But what's become very clear to me, from my own practice and from talking to a number of organisations from around the country is that actually, there are three very simple things allowing arts organisations to get ahead on fundraising. The first is about distinctive messaging and positioning. An example of that would be the [Reading Agency](#) which is a charity working with the library sector nationally. They've really zoned in on that one piece of key positioning that *they* are the creative organisation working with libraries. They are not the only organisation working with libraries but they've been so strong and determined on that messaging that the funders are recognising them as that organisation and they've got funders coming to them with ideas to fund programmes because they are so closely involved with the library sector. The second area is *place* and I'm really interested in place-making strategies but again, talking to a number of funders, they want to fund organisations that are properly, genuinely, engaged with the place where they operate. I say 'properly' because I think if we're honest, that some organisations pay lip service to it. It's the organisations that not only work with the schools in their area and have properly engaged programmes that have been well developed but they've developed programmes because they're responding absolutely and categorically to the need in those schools – where the gaps are, where the funding gaps are and that's what the funders are responding to.

The final P is *partnership* and I think that organisations are really using partnership to really motor forward with their fundraising and doing interesting and creative things and filling gaps in provision that allow them to get ahead on their fundraising. An example like the Barbican Centre in their partnership across east London where they're working with arts organisations and schools

and really talking to them about what the gaps are and how they, as a big, national organisation can help to fill them.

I thought it was apt to have 'three Ps' instead of 'four P's' for a marketing conference so those are my three P's around organisations that are getting ahead in fundraising – positioning, place and partnership.

## **Presentation**

### **Clare Titley – Director of Philanthropy and South West, Arts Council England – overseeing the implementation of Arts Council's Catalyst programme**

I should have put my hand up earlier when you were asked to put your hands up if you are a fundraiser because I am also fundraiser and I joined Arts Council in February this year. Before that I worked for Welsh National Opera (WNO) for eight years and before that I worked as a fundraiser in international development. So, I count myself as a fundraiser and what's so exciting about working the Arts Council is that I'm working with organisations now that are doing some really great work but also encouraging some organisations to start out on their fundraising journeys. I'm going to take this opportunity to tell you about what Arts Council England have been doing in relation to fundraising, philanthropy and supporting organisations to develop stronger relationships with their donors and I want to use that as an opportunity to share some of the success stories and key observations that we've had from Catalyst which is our programme of work in which we are supporting this.

For those of you who don't know, Arts Council England champions, develops and invests in artistic and cultural experiences that enrich peoples' lives. We support a range of activities across the arts, museums and libraries to inspire us, bring us together and teach us about ourselves and about the world around us. Between 2011 and 2015 we'll be investing £1.4billion of public money from government as well as £1billion from the National Lottery.

*Great art and culture for everyone* is our ten-year strategic framework and we're delivering our work under five goals. Goal Three is concerned with increasing the resilience of the sector and that's where philanthropy comes in. Philanthropy and fundraising is a key part of delivering this goal and we believe it is vital for organisations to be able to adapt and respond to the challenges that they face. It's important for organisations that we fund to have robust business models and operate without an over-reliance on one source of funding. As with all other areas in society that receive public funding, in these current times the arts is receiving less. Increased income can provide quicker results for some organisations but unless philanthropy and fundraising is addressed there's likely to be significant impact on arts provision in the future.

We're investing in organisations' fundraising capacity and supporting them to develop stronger donor relationships through our Catalyst programme that I mentioned earlier. Catalyst is a fixed-term programme that we introduced in 2012 and it comes to an end next summer (2015). It's a £70million programme which supports over 400 organisations across the sector to establish either an endowment, build their capacity to fundraise for new money which we have matched as well as encouraging arts organisations new to fundraising to work together as part of consortiums. In addition to that grant programme we are also supporting the fundraising skills development. We're supporting the Arts Fundraising and Philanthropy programme that Michelle mentioned earlier and through that there is also the fundraising fellowships programme. Arts Council have committed to philanthropy and with the introduction of my role to build advocacy in the sector and to further build on the investments to date. So, when I started in February we had just appointed an independent evaluator for Catalyst. We appointed [BOP Consulting](#) and we'll be getting some early findings from them in the autumn. Generally, organisations have found the programme to be hugely beneficial although among the success stories as you would imagine, there have been some struggles and challenges and the evaluation will help us to understand some of these challenges as well as the success stories to help us build on these for future investment and also an opportunity to share some of that learning. We haven't got any evaluation findings just yet but we do have a network of Relationship Managers across the country working directly with Catalyst organisations, hearing them reporting back, feeding that through to us and also I've been meeting a number of organisations and hearing from those directly since I joined in February. Based on that and the learning coming through from the Relationship Managers, I just want to share with you six key observations and some of the success stories.

First, those organisations which see themselves as a charitable cause understand the benefits to wider society support for the arts can generate and have allowed this to influence their case for support and seen success. Earlier this year the Charities Aid Foundation (CaF) produced a report looking into the motivations of donors and it found that the average Briton gives about £10 per month to charity. Arts and cultural organisations are charities but are reportedly receiving about 1% of that charitable giving. So, a challenge to you – how many of you know your charity number? How many of you display it prominently in print or hear about colleagues outside of the development department talk about your organisation as a charity? A recent YouGov poll found that 8% of respondents recognised arts and culture as charities that they could donate to. Some people have argued that the sector just isn't very good at inspiring people to give. Many cultural organisations, especially some smaller ones are struggling to identify and communicate the social and culture benefits in addition to the intrinsic value that your work ignites in individuals. This is the

same sector that's vibrant and full of masterful storytellers. Booktrust is one organisation that, since Catalyst investment, they've positioned themselves clearly as a charity and in doing so they've reviewed their case for support by ensuring that their donors are helping to make something extraordinary happen.

Second, organisations have found that it's never too late to start asking. One of the great things about the Catalyst programme is that we support a range of organisations and particularly the consortium organisations – a group of smaller organisations – we made 63 grants to 263 organisations and they've been working together. A number of organisations have been surprised that by just implementing some simple changes they have contributed towards their fundraising targets. Some centres have never had a donations box in their foyer, they can't collect the data from that box but they have seen a marked increase in support. It starts them on their fundraising journey – something that without Catalyst funding they might not have been able to do. Some loyal audience members from some organisations were surprised that they hadn't been asked before to give. They were quite happy to add a couple of pounds onto their ticket price in the form of a donation – a Gift Aid donation. The Courtyard in Herefordshire have seen, since Catalyst, their higher level individual members increase from eight in 2011 to over 150 through the Catalyst investment.

As with marketing, fundraising and philanthropy has to be a key part of the DNA of the organisation which is my *third* point. Understanding should be shared with the board, the CEO, the director and right through to your volunteers. Every member of your organisation, paid or voluntary, is a potential fundraiser, a donor, an advocate to share your message and build support for your organisation. Catalyst has helped organisations to build capacity and bring about this organisational change.

The *fourth* key observation that I want to share with you is about increasingly, organisations have found that Catalyst has allowed them to experiment with new campaigns and to underwrite some of the risk of those campaigns. As a result, more organisations are hoping to implement new fundraising campaigns that their boards may have hesitated over in the past. The Catalyst investment at Compton Verney allowed them to take a risk on a wealth screening exercise. They wealth-screened 40,000 members on their database – something that their board might have hesitated about investing in – but through that work they identified 1,000 potential new major donors. This led to a series of open-house events where staff and volunteers were able to hear directly from potential major donors about their interests and motivations in a social atmosphere and therefore getting those individuals closer to that organisation. This provided a starting block for potential major donor support.



My fifth key observation is that current fundraisers can't ignore technological advances and new ways of giving. I agree with what Michelle said earlier in that for some organisations that isn't going to work. Catalyst has meant for some organisations that they are able to experiment with digital fundraising ideas. Arts Council has also invested in a national funding scheme to develop and roll out a prototype mobile giving platform called Donate and we've seen a number of Catalyst organisations work with Donate on a specific campaign. Catalyst has seen organisations accessing various platforms with ranging successes. The attractiveness for some smaller organisations is the relative cost-effectiveness of such platforms and the ability that certain platforms allow and supply to that organisation mentoring through a project idea, project development and getting it online. We've also found organisations which are primarily touring and non-venue based have sometimes struggled with raising funds and we're at the moment exploring how some of these organisations are capitalising on their strong social media presence by initialising crowdfunding campaigns as well as embracing new technology such as Power Tag which uses beacon technology at festivals and events to transmit messages to your phone and allow you to donate.

The consortiums are teaching us that there's much more value in sharing than competing. I touched on earlier that we're investing 72 grants – £7million in 243 organisations. That investment happened in March last year and so it's still early days as fundraising takes time. Certainly the value of those organisations working together has been really good. In Bristol for example, Spike Island, the Arnolfini and Situations have launched a new programme to promote new art in Bristol and a new art patron scheme for the visual arts. In the Midlands Courtyard has initiated an arts fundraising networking group to bring together some of that learning share that learning and their experiences. We know from Catalyst that more organisations have been supported to fundraise and increase philanthropy and we know that it takes time and the climate for fundraising has been difficult in the last few years. That's why these advances are all the more significant but we know that more needs to be done. At Arts Council England we see ourselves as the pivotal player in the sector to increase private giving and to sustain the arts for the future and the long term. That's why we committed on the 1<sup>st</sup> of July, in among the NPO announcements, to a further investment of £26million in this area for 2015 to 2018. Over the coming months I'll be working to devise a future programme to spend that £26million and to invest in organisations in the sector. I want to take into account all of the learning from the current round of Catalyst, the current fundraising climate and we'd really welcome hearing from you about ways in which you think Arts Council should respond to the philanthropy agenda and benefit your organisations.

## Presentation

### David Byrne – Artistic and Executive Director, New Diorama Theatre

New Diorama Theatre is an organisation that helps young and emerging theatre companies from all across the UK. We source them out at festivals, regional theatre studios, university festivals and help them to form into fully professional organisations. We help them not only with their artistic product but also with their organisational development. We help set them up as properly constituted companies, maybe eventually charities, we help them with their first bit of fundraising, we help get their governance right and we help them build themselves as fully sustainable units. When they leave our small studios they can go on to bigger and better things elsewhere and take the skills that they've learned and use them forever. We opened about four years ago and when I took over as Artistic and Executive Director we had been two organisations. We were a touring company producing two shows a year as an Arts Council England Regularly Funded Organisation (RFO) and we were the building. The purpose of the building was to raise money for the touring work. There was no fundraising in place for the building. Then, we lost all of our Arts Council funding. I'm sure some of you have been there before and know what that feels like and it was a terrible time for the organisation – they were going through huge turmoil. When I was offered the job to take over we had no 'friends' as part of the organisation, no individual giving, no trusts and foundation support, and the Arts Council and a little bit of earned income were our only sources of income. We were completely vulnerable and we had about six or seven months to raise just under £100,000 or we were going to go under. A bleak situation I'm sure you'll all agree. As a very small staff we sat down and tried to work out what we wanted to do. Part of that was creating a big portfolio of potential funders – lots of small pots of money – a bit like tapas – places we could get money from where, if someone pulled out again we could move in a different direction. If an individual donor or trust or foundation decided that they didn't want to support us any more we would no longer be left exposed. I'm going to talk about the three ways we attracted donors to our organisation and I'm also going to talk about three things as a sector, especially small organisations, can improve our fundraising, improve our relationships with those donors and attract more donors.

The first of the three ways that you can attract people is if you have a lot of rich friends. I don't have many rich friends and so that wasn't really an option. The second way is having other people introduce people to you who might want to invest in your organisation. The first place I went was our board of trustees. The touring company had been going since around 1976 and most of the board members had been on the board since that time. We sat down and I said OK, there's going to be a bit of a change. We're no longer going to turn up, sit down and have a bit of a

chat about what's going on – I want you to talk to me about who you can bring to help the organisation. It turns out those board members went home from that meeting and didn't talk to anyone until the next board meeting. None of them had anyone to help us, none of them knew anyone who was interested in the arts, nobody brought anybody to any of our shows. I went to a few of the board meetings and I realised why – we were like the angel of history from the Walter Benjamin quote who flies backwards with his back to the future looking down on the gaining wreck of humanity. We picked over what was wrong with the organisation endlessly. The only time we looked forward was when we looked over our accounts to decide what we couldn't afford to do and how much of a black hole there was. They all went home horrified about the prospects for the organisation. I think they were slightly embarrassed by it. I think if they brought friends it would be a hideous experience and we even had one employee who worked for local government and part of his job, as part of the Big Society, needed to be the chair of a charity and he was so embarrassed about being on our board that he put another charity down in its place and sat on two boards. So, what did we do?

We started looking, instead of retrospectively, we started looking forward and tried to put some really exciting plans in place. We realised that we were never going to attract people with the programme of art we had. So we drew up a list of artists that we would like to work with and a list of support that we thought was really exciting. And even though, at the time we couldn't afford it, we decided that we would go ahead with it we'd really dedicate ourselves and like that scene in Indiana Jones films, where he steps off the cliff hoping the bridge would be there we knew that this was going to be the only way we were ever going to attract support. It started to work. People started to get much more excited and motivated about the future plans that we had in place. We were planning so much more in advance that we could talk to people with more confidence about what was coming up and the artists were more genuinely excited and were happy to be there and became more like advocates for the organisation than they had been previously. And then they started to come out of the woodwork. After about six or seven months of having a really good time, building a great theatre company, one of our board members who'd been around since 1976 said to me 'David, I do have a friend who might be interested in coming to help. We've been friends since we were children, would you like to meet them?' I said 'who is it?' She said 'it's Lord Robby Burns, the international CEO of Santander Bank – might he be of any interest?' I asked her why she hadn't mentioned him before and she said that she didn't know how we'd react or what we would do if she brought him in. She felt that previously he might have been mobbed for money or that there wasn't really a structure in place for how to deal with this and that she would have been embarrassed for him. So he came in and we got a cheque on the spot. They are still season

sponsors for the theatre. We started to find that we had more and more friends and it really started to grow from there. Now our board is twelve people – most of the original founding members are gone and we're actively recruiting more board members who can help us. In the last board meeting we voted people on from UBS and Deutsche Bank all of whom have already brought friends to the organisation and are already helping us to move forward. We've founded a development board to further help us and that further extends our reach. We've got people on there from our Local Authority, from social places around the borough such as the hospital, and we're really keyed in to what's going on. As well as links with other arts organisations who can educate us as a small organisation as to how the bigger organisations are doing better. We've got someone from the Royal Opera House who has had incredible advice for us on what we're doing and how we could be doing it better.

The third way to find people is by them being attracted to your work. As an organisation that supports other organisations it's hard for us sometimes as a receiving house in the traditional sense to attract work that we can fundraise for. All these organisations are fundraising for themselves so what we really needed to do is invest in our organisational marketing to tell people what we do, why that's important and why they should invest in it. We decided to put a 'donate now' box on our website for when you buy your tickets. It's really small and we just wanted to see if people would click it. We put a £1 and a £3 and we just wanted to see if it would work. We did two weeks' worth of work. There's a big media company near us and they didn't have an internal culture so as part of our season's sponsorship we formed an amateur dramatics company and we taught them everything from fight choreography to how to make fake blood, to how to scream like you mean it – all the interesting things we enjoy about theatre. They did a show and all of their colleagues came to the theatre and bought tickets at £5 each. The week after that we did our Incoming Festival which we did with A Younger Theatre and really young theatre companies from all over the company. An arts-savvy audience, under 25 year olds who really wanted to see these companies work and they were aware of what's going on at festivals and this was their only chance to see the New Wolsey Company or a chance to see companies like Antler for the first time before they develop a new show. From the media company we got no donations. For A Younger Theatre and the *Incoming Festival*, one in three people did not donate and that was an incredible result for us. What it showed us was that people who are aware of what we did as an organisation and really understood the value of it and the potential of what we were doing were really keen to give us money whereas people who just saw us as a theatre – where they were simply coming to see something and then go away again weren't really willing to invest. We've used that learning to invest in our organisational marketing – improving things such as website so

that we can better articulate our product, emails that follow up the show you've just seen with me talking about it and some backstage information. We've been realising what we are adding as an organisation has been really important to us. We're going to let more people know about what we're doing but how can we then turn that, apart from a box on our website, into raising money. We decided to make a social life for the organisation. We throw a lot of parties with free pizza and drinks. We thought that we would give it a go and see how it worked. One company that we wanted to work with were Idle Motion and they didn't really have a home in London but I really wanted them to have a home in London. So I took some board members to Edinburgh and we targeted them and asked what it would take to bring them to London. We subsidised it which we couldn't really afford to do at the time but we found a way of making it work. We brought them to London, we really marketed them as hard as we could ... we do 1950s style marketing where we put up posters, I go fliering door to door and the local church tells people what's on in the theatre this coming weekend. We had a great audience come along and the first two nights we just threw a party for whoever turned up. We didn't advertise it but I stood up and said that we'd brought this theatre company in, this is what they do but we're slightly behind on what it's going to cost so if you'd like to contribute to further support this company we'd be very grateful. The second night we did that we raised £7k from people who just happened to be quite well off. It goes to show that without asking we never really know what we're dealing with in the room. Without taking that initial risk on the art and really pushing that organisational message about why they should give us money rather than giving some of the bigger companies I don't think we would have ever made that happen. And the loop really works – if you do really great stuff and you really believe in it and you market it as hard as possible and you really communicate that you're doing something special, more and more people come and you'll get more and more return on that and more likelihood that people will give you something. You'll be able to put that back into doing even more amazing stuff and even more people will come and you'll be self-perpetuating and growing. The donations to Idle Motion were three smaller amounts and Idle Motion then went to perform that show at the National Theatre of China – they got so excited about that and their next show, even though we weren't supporting it went on the main stage at Oxford Playhouse and next season we're opening Idle Motion's next big show and they're already talking about how we can support it. Idle Motion have politely declined to open it in a bigger regional theatre who could give them much better profile than us, to open it in London at New Diorama because of the support. It's been an incredibly good circle for us.

We talk about it quite a lot, especially as we go around the country and people ask us, particularly smaller organisations, what they can do to encourage and engender this. I think

smaller organisations really need to change their culture around giving. Because we're not comfortable with it, we're not set up. A lot of people think that the government pay for the arts or the Arts Council pay for the arts but it's not necessarily their responsibility. There are two ways of doing that. First, you bind people to your organisation with a real social purpose for how that happens. We badgered our new mayor of Camden to make us her official charity which she did and the profile we got that year was phenomenal and it also made a link between people to us and a charity. High profile things like that have really helped us to establish ourselves and to also build a social life around what we do. Because we don't have a culture of giving, people like to buy in to something and that's a very easy way of bringing people into your organisation and making them feel like they belong and getting to know them. It also gives you that opportunity to make *the ask* – gives you a platform from which to make it.

We think about support slightly differently. For example, we're about to launch a friends scheme but we're calling it a supporters scheme. Because we're very small we don't have space for loads of tiers so we're going to have just one tier and it will be a supporting the organisation and will be around £40 to £50 although people can of course give more if they wish. It keeps it simple so that we can administrate it. There's no point in setting up a structure in a small organisation that you can't maintain because it dies and it isn't worth keeping it up. Also, better organisational marketing – people only understand the tip of the ice berg of what you do. If we could market it better they're more likely to find an affinity with something that you do. We need to better communicate when we're fundraising. A lot of small organisations that I speak to sort of panic and are fundraising hand to mouth and say things like 'if you don't give us this then we're going to close'. That terrifies people and I've made that mistake as well. People want to invest in organisations they feel are going to be a success and that they're going to have fun with. People go to the theatre and into cultural institutions because it is leisure time for them and they want to enjoy it, enjoy it because they love it. I think that sometimes small organisations can scare them away too much by really going too short term. Long-term planning and asking for a gift a few years down the line or really tapering that can ease people into it and make it seem like it's worth the investment and you can get a better relationship going. I've found that when we've panic fundraised before those people haven't given again. They've given a one-off gift and then they've gone. It's probably best, like getting into a hot bath, start of slow. You need to get everyone in your organisation on board. Our board are now the best fundraising tools that we have. It's taken three years to get us there.

And we need to be better at looking after them when we've got them. We're very strict about how we deal with our donors. We only ask them once a year for money because they are

asked all the time for money. We want them to be able to bring their friends to enjoy themselves, to let their hair down and to really have a good time. I want them to talk to us about art and the companies that we're supporting and the work that we're doing. I want them to be able to do that and relax without waiting for the attack or the metal detector on the door where we're ready to rifle through their pockets every time they come into the building.

Even though it needs to be a full organisational approach you need to have one person who manages the relationship with a funder. Everyone knows who they are and everyone talks with them about the art but when it comes to asking for the money and seeing that through there needs to be a certain amount of consistency so that donor gets the best possible treatment and they're not passed between people. Limit their expectations if they – you can't promise something and then not deliver. One of our biggest donors was originally a donor at a very similar theatre to ours. She gave them a rather substantial gift to bring a theatre company back from the Edinburgh Festival to London and they forgot to invite her. Now she will not go back. That organisation has a development department of three and we are a total staff of three. I think that what happened was that she fell through the gaps because there's so much going on that I think they just forgot to make that invite. We have to work within our capacity and not overreach ourselves so we don't make mistakes like that.

Do everything you say you're going to do. Limit those expectations but really follow through. People really want to build a relationship with you and when they can see that with a small gift you can carry it through and you've done everything that you say you'll do they're much more likely to upgrade and grow with you. All of our gifts have come through people giving a small amount of money and upgrading it to a larger sum and then a larger amount and we're only about three or four years it. We're really optimistic that these friends we have around us will be with us in case we ever have another bad time like we did four years ago and they believe that we'll be true to our word. They'll believe when we come to them and say that this is a crisis.

## QUESTIONS

**Delegate:** A quick question for David: when you talk about small amounts of money, when you're doing 'socialising' what sort of amount are you bringing back from those events?

**David:** A big gift for us is anywhere between £5,000 and £10,000 and we're working with people who are giving us normally between £500 up to £10,000 and we do a lot of different events with different clusters of people. For example we just launched our new season and we had a meeting to work out who to invite to what. We've got a lot of great classic plays in which we will invite a certain audience to. We've got a corporate audience – our season sponsors for example – we'll

invite to a show by Kill the Beast called; '*He had hairy hands*' which is a 1970s werewolf comedy and we know that they'll really enjoy that as they're not all arts goers. We never have them all in the room at the same time so that we can be on message and focused. But they tend to be giving £500 to £6k to £7k and a few will give slightly more but that's exceptional circumstances.

**Delegate:** To follow up on that David, I'd like to ask you how you are finding new people to invite to these events. Are you asking your existing donors to bring friends or are you doing certain amounts of wealth screening on your database or looking at your database and trying to work out who might be the most likely?

**David:** We've never done any data screening of our database. We really are doing it just by inviting people along. At the moment, we're relying on, either people to bring people for us – our board, our development board – and we're also expecting the art, as we get more money in and we get more high-profile companies and more exciting shows, to attract more of an audience who might be able to give. For example, we've got Complicité's associate doing a show for us this season and they could attract lots of people who might have a propensity to give. We're doing a new adaptation of *Mr Ripley* and I know the productions where it's likely that we'll have people come along who might be ready to support the organisation in a larger way. We also know, through a bit of research, those who are coming along who might be able to support us in a small way. So we just need to target 'the ask' on those nights in a way that will work. We'll be launching our supporter's scheme in September (2014) with a show where we're expecting a lot of younger artists with us and then we'll be making bigger asks on those show nights where we know we're going to have audience members who might already have a propensity to give.

**Delegate:** And – just to check – it's you standing up in the bar after the show making 'the ask'?

**David:** That is normally 'the ask' but there's normally a lot of work goes into it. Our trustees there on the night and our artists are also very well briefed into talking about the organisation and what goes on and there's a huge amount of background work that goes into that so that it's not just me standing up there 'cold'. There's a lot of effort goes into creating the atmosphere where people know what we're all doing there and why we're doing it and why it's important. Then I go in for the 'killer punch' with 'the ask' on the night – normally around 10pm when they've had a couple of free glasses of wine.

**Delegate:** David, I'm interested in the Development Board aspect and how you recruited them – who's on it and how it operates.



**David:** We started our development board about a year and four months ago. For the first six months it was disastrous and we really needed to work out who was running it, how it was to be supported by the main board, all the admin that needed to be done and who was going to do it. We didn't get very much done and I was starting to feel a bit down hearted about it. I was thinking that if we're going to try doing it, we should give it two years to hope that something might work out. But, in the last eight months I would say that we turned a corner with it and we're starting to get somewhere with it. I think it took them a while to get up-to-speed with the organisation. I'm very impatient and if I think it's a good idea that we need to be doing it now and getting on with it. I think that now they've got to know the artists better and they've got to know me a lot more. They've understood what we're trying to get out of it, what the purpose is and they've also seen the main board at work and they've seen the benefits and it is really starting to work. We've got a lot of different skills on our development board – we've got people from bigger organisations who can introduce us to their development people – we've had access to the development department at the Royal Opera House which has been incredibly useful in learning what works and doesn't work – some of the psychology behind it. We've got some freelance consultants who are great with the trusts and foundations applications and helping with all those aspects. We've got someone who is a proof reader who reads every application we send out, every communication we do, every Grants for the Arts application she goes through, makes sure the tone is right, she fact checks it with everything else and that's a huge weight off our minds. We also have people who are event organisers and who work in hospitality. So, like our main board, we've got a full remit of skills and what brings them together is their really passion for the organisation and the ability to really articulate and express that to strangers. They're real advocates for us. We meet once every two months.

**Delegate:** A message for Clare. Just picking up on your new plans for philanthropy, you mentioned the collaboration here in the South West with Spike Island, Arnolfini and Situations – I'm from St Georges Bristol and I'm really interested in that. Fundraisers tend to be quite protective of their contacts and I'm wondering how that collaboration of working together and asking for money as a group of organisations works.

**Clare:** There's about 243 organisations working as part of 62 consortiums and a lot of consortiums tend to be art form specific. We've got the Bristol one which is contemporary visual arts, there's a circus one, a carnival group etc. I think the nature of sharing rather than competing is about taking the long-term view in potentially opening up the work of their organisations to people that are interested in the art form and the work as opposed to just that organisation and broadening their

experiences has been really beneficial. Also from the resource perspective and managing a development programme as part of a group has been a lot more effective than one organisation working alone.

**Delegate:** So how does that work in practice? Do they split the funds equally?

**Clare:** Each of the consortiums is working in a different way. The grants were made in March last year and it's purely a capacity building objective. Some organisations are using the grant to get training to back-fill a director post so that director can focus on fundraising. Some organisations like New Art Bristol are focussing on getting a new scheme up and running. They're using them all different but what organisations have typically done is to instigate an memorandum of understanding and that's where they've worked out where the funding is going to go and as part of the application process they will have had to put together a fundraising plan or a plan about where they were going to invest that Catalyst money.

**Delegate:** A question also for Clare. I was one of the Fundraising Fellows at Sage last year and of the things that came up about the Catalyst Endowment plans around competition was that in the north east a small population are engaged with the arts and how each of the organisations have the same short-term large fundraising targets. We were therefore all calling the same people for the donations for the Endowment and that seemed to create competition where there wasn't any before because of such large targets for all of the major arts organisations in that area at the same time. I just wondered what your thoughts on that might be.

**Clare:** I think, to a certain extent, that it is about the organisation's case for support and how those organisations present themselves to members of the public to potential donors. Donors themselves will make the decisions about which organisation they will support and so it's about how that organisation chooses to present its work and reflecting back on presenting yourself as a charity and the social and economic benefits of your organisation but also building that relationship with those individual donors to understand and hear from them what their motivations are and then tapping into those motivations with the work of your organisation to build that journey. I think that there inevitably will be competition for raising funds but it is about how you can present your case for support and how you can stand out from the other organisations. Your actions, what you do, how you treat that individual donor – David mentioned about somebody not being 'invited' to something that they'd supported heavily – I've been included on fundraising dinners and invitations where they've spelled my name incorrectly. Get the basic things right. How those individuals are treated is important and how you build that relationship over time.

**David:** How did you deal with the competition?

**Delegate:** I think that it was kind of sidestepped. That happened and it created that competition – that we were going to the same donors and we had conversations with the donors where we were talking about all the other organisations and that it was nice to be in a sector where it didn't have to be a choice of 'either, or' and could be 'and' but it did make that almost competitive feel didn't seem to be in the sector in that region before.

**David:** Did you talk to each other about it?

**Delegate:** Yes, we did at Catalyst meetings when everybody would ask what the others were doing and we would then all find out that we were doing say, a Christmas telephone campaign. We realised it by which point everybody's plans and campaigns had just happened.

**Clare:** Can I just add that it is really important to bring out in the learning that we're doing from the current round and certainly something that the evaluators will be looking at so that we can build that into whatever investment we make in the future and how we structure the next programme.