

Guide

Fundraising negotiating: dark art or being empowered to get it right?

Sarah Winchester spoke to Beth Upton from Money Tree Fundraising Consultancy



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Published 2015

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I last worked with Beth Upton at Macmillan Cancer Support in their Corporate Fundraising team, that was ten years ago. She now runs the ever-expanding Money Tree Fundraising Consultancy, a group of talented fundraisers whose expertise lies in high value (major) giving – large donations from companies, trusts and individuals – and supporting charities to set-up, grow and then crucially maintain their income.

Beth is a busy woman so it was at breakfast that we tussled over the ins and outs of negotiations. Like me Beth enjoys the thrill of a good negotiation but immediately understood why fundraisers might need support getting it right: “Often people take the first offer, not the best one”. In her experience, she went on to explain: “charities can be so grateful for any offer of financial support they do not negotiate at all”. In other cases the focus on financial targets for fundraisers can undermine the process: “some are fearful of losing vital income so may undervalue their organisation in a bid to hit the numbers”.

Too much emphasis solely on the financial target, for whatever reason, will leave negotiations dead in the water. A negotiation is the beginning of a partnership and as with any relationship it is important to be flexible. Although Beth and I acknowledged that flexibility was difficult for a lot of charities – limited resources often mean limited options - we also felt that there was another barrier facing many organisations when fundraising from businesses, that they are in control of: “charities don’t value companies, especially since the recession”. This idea that non-for-profit organisations have the moral high ground and therefore should keep a polite distance from corporations was something we both recognised.

In its worst form it can be a potent mixture of dislike and fear: “you can be business-like without being profit driven” Beth stressed. If charities want to secure long-term, sustainable funding avenues from corporations their fundraisers need to be empowered to negotiate and build partnerships with them, “we know how they (the companies) can meet our needs, but we rarely find out how we can meet their needs”. It has to be a two way street.

You are not, we decided, going to get very far as a fundraiser without being a good negotiator so I asked Beth for her advice.

What do you need to do before going into a negotiation?

Beth: Your negotiation will be based on a proposal. Work out what your best case scenario looks like and what your bottom line is. Know what you want. This is not just a case of looking at the financials, make sure you understand all the component parts, their cost and value.

What do you mean by value?

There is a big difference between cost and value. Something might cost your organisation very little but have a far greater perceived value to a potential funder. Take a case study: Your charity gives one of your company partners a case study. The cost to you is minimal, mainly staff time, but your company partner gets an article in their trade press using that case study... it is more valuable to them than the cost to you.

And don't forget to incorporate staff time into your costs, so many people overlook this and yet it is such a big part of any charities' outgoings.

So you have a clear sense of what your proposition is made up of, what your best case scenario looks like and your bottom line, are you ready to negotiate?

No not quite yet. I would spend some time thinking about what different options might come up, what the different configurations of the elements could look like. And what the company might have a preference for. Then I would quickly review my research on the company and check for any recent press articles.

What would be your top tips for the negotiation itself?

A lot of it is about people skills. You need to build rapport – hence the press articles – and then actively listen. You also need to be confident enough to take control when necessary. Try and relax and have fun. Keep reflecting back to the other party what you are hearing to make sure you understand exactly what is being proposed. This keeps everyone on track and gives you a chance to step in and clarify any concerns you might have.

I think people are frightened of negotiations because they are worried about being put on the spot and agreeing to a bad deal, how can people overcome this?

If you have prepared thoroughly then this is unlikely. There should be no surprises if you have really thought about it. However, I accept that it can happen. If you don't know what to do then say that you need time to think about it or consult with a colleague. This is far better than agreeing to something you are not sure about.

Another way to mitigate against this is to take support from within your organisation. If you don't have the authority yourself to finalise the details with a partner, then it is your responsibility to have someone with you from your organisation who can.

And don't be afraid of not securing a deal if you genuinely cannot find a middle ground. This takes confidence as a fundraiser but there is absolutely no point taking your organisation down a road that they don't want to travel and that could cost a lot in time and resources. Leave the discussion open to future opportunities by saying something like 'this isn't right for us now but please can we stay in touch'. If you have been clear and honest about the barriers to a partnership and professional in your approach then the potential partner will understand and often in my experience respect you more for it.

Some corporations will adopt the same style negotiating with a charity as they would any other deal which can mean using some clever techniques. What should people watch out for?

I have experienced the use of personal flattery and criticism before. The flattery made me warm towards the other party and more relaxed. The criticism brought feelings of wanting to make amends. Over time I've realised that the key is to stay focused, stay neutral – don't engage emotionally – and keep a sense of perspective.

And finally?

At the end of the meeting sum up and make sure everyone is clear on next steps and who is doing what. Then follow up swiftly.

Negotiation is far from binary we agreed. Beth likened it to a flavour thesaurus a kind relative gave her for Christmas: "Imagine using a flavour thesaurus instead of a recipe book in your cooking. Suddenly you understand the combinations that work, so when a new flavour is added you know which other flavours will work or not. Negotiation is the same: if you know the elements of the proposal and of your organisation then you know how to create the tastiest result when the other party throws in or takes elements away. Having the confidence to freestyle like this makes the job more fun and more rewarding."

You can learn more about the work of Beth and her team by visiting www.moneytreefundraising.co.uk.

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