

# Fundraising strategy essentials

*Information on developing a fundraising strategy including the two essential planks of **screening** and **shortlisting**.*

Before starting to fundraise, an organisation should draw up a plan of their proposed fundraising activity. This should integrate with the organisation's overall plans and detail the scope of the activity.

## **Why have a fundraising strategy?**

Having a fundraising strategy is essential and should be developed before you start making funding applications. It will greatly enhance your chances of raising funds, and in the long run save you time and energy by having a framework in place to use and adapt for future funding applications.

## **Developing a fundraising strategy**

Before thinking about what funding sources to apply for, an organisation must determine its overall organisational and project plans, often called strategic plans or business plans. These determine the organisation's mission and vision, aims and objectives, specific tasks and targets, required resources and consequent costings - taking into account all of its overhead costs.

## **Strategic Planning**

A fundraising strategy will be developed to fund an organisation's overall objectives. Fundraising should complement an organisation's primary objectives. Organisations should ensure ongoing integration of fundraising plans with wider organisational plans.

## **Making a Case for Support**

A Case for Support sets out why donors should give to a VCO and how they can contribute to its activities. A general case for support statement sets out all of the key information that needs to be communicated to a range of donors. This can then be adapted to meet the needs of specific donors or tailored to support different fundraising activity.

An effective case statement needs to be concise, coherent, urgent and motivating and will communicate:

- All about the organisation and its activities. The organisation's mission statement might help here.
- The level of the need and why it is important and urgent. Try to paint a picture or use facts and figures.
- The specific objectives of the appeal. Explain how the VCO intends to meet the needs of beneficiaries.
- The organisation's history or recent successes to illustrate why the VCO is the most suitable organisation to make a difference.
- What would happen if the appeal failed? Again, try to paint a picture.
- How much money is the appeal trying to raise and over what period of time?
- Stress the urgency of the need for funds and break total sums into smaller amounts.
- How will the donor make a difference? Show how a potential gift will translate into a tangible benefit.

Good practice tips for making a Case for Support

- Focus on benefits, describing what the organisation does and include examples to illustrate.
- Use clear and simple language.
- Check any facts used are correct.
- Include information so donors understand what they need to do to make a difference.
- Share the Case for Support with the whole organisation and seek views.
- Make sure that the Case for Support is regularly reviewed and updated.

## Using a Case for Support

Once the Case for Support has been written, use it as a basis for preparing fundraising materials, adapting it to suit the intended audience and the method that will be used to communicate with donors.

## Deciding who should fundraise

The choice of individual or organisation to fundraise depends on the time and resources available, the activity to be undertaken, and the ultimate objectives of both the fundraising plan and the organisation's overall plan.

Potentially anybody with the right skills can conduct fundraising activities. In some circumstances, a member of staff will be the right person, in other situations a volunteer or committee of volunteers. Other options include an outside agency, fundraising consultant or freelance fundraiser, or suppliers with specific skills such as printing and mailing, or creative design.

## Screening and Shortlisting: two essential planks

Once your strategic planning is in place, your fundraising strategy should comprise two essential components:

### Screening

Screening is a process of identifying funding targets. Sustainable organisations have a diverse range of funding sources that can come from any or all of seven broad categories of funding.

- Corporate Support
- Trusts and Foundations
- Lottery Funding
- Local Government
- Central Government
- European Funding

Do not go into too much detail at the screening stage. Simply identify the broad categories that may be applicable to your organisation. Too often organisations limit their horizons by going directly to the application stage without taking an overview first.

Try and share out this screening process amongst as wide a group as possible within your organisation. Each of the seven categories could be 'covered' by seven different staff members if you have no central fundraising function, or by seven volunteers or by seven trustees. Fundraising can be everybody's responsibility!

Also keep an eye on the long term. It is worth having a sense of likely strategic changes to funding sources as this can help you with your own strategic planning.

## Shortlisting

Having compiled a list of funders whom you think may be appropriate it is now time to do more in-depth research.

Funders often report that it is incredible how many applications are made which do not meet the basic eligibility criteria and are destined to be unsuccessful. This can easily be avoided by researching what the funder's requirements are.

This more closely detailed research can be done by sending off for eligibility criteria by mail, visiting websites or over the telephone. Workshops and training events are held by some funders to help you make a more effective application. It's not in funders' interests to receive a heap of ineligible applications. So, if in doubt, don't be shy about asking and ensuring that you are eligible before you spend time and resources in filling out applications.

When compiling your shortlist you might like to consider:

- **Region**

Does the funder fund in this geographical area? Don't just look at the thematic eligibility restrictions.

- **Diversity**

It is important to develop a diversity of funding sources. It is worth considering that just because one funder might give you all you need doesn't necessarily make it sensible to accept. What if, for example, the local authority agrees to fund you to 90% of your project cost but restructures after three years and cuts your funding?

You may also like to draw a hierarchy or pyramid of funding sources ranked by the amount you are seeking. This will give you a ready sense of the extent to which you are reliant on each source and it may also be a good idea to postpone big applications until you have built up your 'fund-worthiness' by attracting smaller, possibly more readily accessible pots. And keep as many irons in the fire as you have time for as it is unlikely that you will be successful with every application.

- **Conditions**

Is this the right sort of money? What monitoring requirements come with the funding? It is vital to ensure that you do not become funder led instead of mission driven. Every bid will, naturally, have to be tailored to each funder but guard against distorting your work plan and drifting from the original mission.

Remember, the fundraising strategy is an integral part of the strategic planning process, but as a front-end not a driver. And if at any stage of this shortlisting process you are unsure whether a particular funding source is right for you, pick up the phone and ask. Human contact is nearly always a positive in fundraising.