

## Moves & Management

June 2010

### Catch The Osborne Group

July 1 - [Greater Detroit Association of Fundraising Professionals](#),  
Royal Oak MI

July 15 - Easter Seals Midwest Regional Meeting,  
Chicago IL

July 20 - Junior Achievement Leadership Conference,  
Minneapolis MN

July 25-29 - [CASE Summer Institute for Educational Fundraising](#),  
Dartmouth NH

July 26 - [Virginia Fundraising Institute](#),  
Richmond VA

### Key Facts from *Giving USA 2010*

- **3.2% decline in 2008, on top of a 2.4% decline in 2007**
- Giving from individuals stayed steady at \$227.4 billion
- **Giving to education dropped by 3.2%**
- Giving to the arts

### The Gift We All Received

by Karen E. Osborne

Once again Warren Buffet has given us a priceless gift.

When he made his extraordinary gift to the Gates Foundation, he gave us his first priceless gift: an opportunity to discuss with our donors how they make their philanthropic decisions, where they stand on the issues of giving now and on leaving one's wealth to one's children. Surely we ask these questions anyway, but by putting the issues on the front pages of major newspapers and online news sites, that conversation became infinitely easier and more focused.

*Well, he did it again.* Buffet and Gates are challenging billionaires to give 50% of their wealth away to help solve the major problems of the world. Wow. How do your donors feel about how much they should give - how much is enough? How do they feel about transformational giving? What impact do they want to have? You don't have to be a billionaire or rich to be challenged by these two men. I feel challenged. Are we doing enough?

Last year we were in a terrible depression. Giving saw a 3.2% decline from 2008, after a 2.4% decline in 2007. But giving from individuals stayed steady at \$227.4 billion. (See **Key Facts**.) This speaks volumes about the truths you know, but maybe have yet to fully actualize.

1. **Balance your portfolio.** What is it today? How will you get it closer to the national reality from individuals, corporations and foundations?
2. **Focus on leadership annual (\$1,000+) and major gifts.** Sit down and do a time log. How much did you as CDO or as CEO spend on current major donors from all private sources? How much time did you spend on special events? With donors under \$25,000? And with potential, multi-year major donors?
3. **Use direct mail and special events as a pipeline.** Call to thank, welcome, invite, track, provide awesome stewardship and follow-up.

And don't forget to maximize the Buffet-Gates gift. Go visit your donors and engage them in a powerful discussion about philanthropic values.

fell by 2%

- **Federated giving declined by 4.2%**
- Giving to religious organizations fell by 0.3%
- **Health, environment, and social service GREW by 2-4%**

### If you'd like to learn more about:

- Strategic or campaign planning
- Identifying and analyzing metrics
- Building a culture of philanthropy
- Board development

Or any other aspect of philanthropy, opinion research or organizational management...

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914 428 7777

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## How to Lose a Donor in 30 Days

by Neesha Rahim

In case you hadn't figured it out from reading our articles or hearing any of us speak, we love trends! As a busy development officer or executive, it's hard to prioritize on which to concentrate. I've got one for you which has personal meaning to me and also will serve your work immediately: ***Donors give more to organizations that afford parents the opportunity to teach their children about philanthropy.***

*Here's how this has played out in my family...* My husband and I have long struggled to help our kids understand how lucky they are to be living in a land of opportunity, and now in one of the wealthiest towns in this country (no matter that we have the smallest house in it!) Talking to them about global issues and taking them to our homes in India and Pakistan, (since it rarely happens), isn't good enough. For us, giving to various charities and getting them involved in their work, has been the only tangible way to begin to accomplish our goals. In my work and my life here, I've met many other parents who feel the same way.

On the occasion of his 6th birthday, we asked our oldest to consider the kind of difference he might make in the world by asking guests to his birthday party to give to a charity of his choosing, rather than buying him a toy. We thought this wasn't going to be an easy sell and had marshaled many arguments tuned to our 6 year old. Amazingly, it wasn't as difficult as we thought.

I was surprised when he chose an organization that delivered clean drinking water around the globe, over the seemingly more "kid-oriented" social service groups. But he was drawn to the cool website and the enticing video created by the founder. The founder spoke of creating the organization with proceeds made in the very same way our son was: asking his friends to make a charitable gift instead of buying him a gift for his birthday.

My son raised more than \$1,000. We gave an additional gift - a stretch above our usual contributions. His friend was so taken that she decided to follow suit and ask for investments to the same organization rather than receive gifts from friends also. She raised an additional \$700. Her mother told me that her niece is also donating her birthday to them.

Between my son and his friend, this group of kids under seven have made a significant impact with their generosity - according to the homepage of the site, they have helped secure clean water for 100 people for 20 years. Parents I hardly know still thank me for this opportunity to organically teach their children about water issues in our world and express a desire to do what we did.

I know that the organization could have raised even more through others.

### But they won't.

Here's why: neither my son, nor his friend, nor us (and probably, our guests too!) received a single thank you beyond a web-generated message - an obvious "auto receipt" - that came one month later!

Despite the fact that I can well imagine the development team is overworked

and diverted by other priorities (probably creating those cool videos), and despite the fact that I still believe this organization does good work on the ground, I am angry.

And I can tell you now that I will never give to them again.

I've had to apologize to everyone who gave and have recommended that everyone give to another organization in future. The last thing I want is for my son or any other child to feel that their efforts don't really matter.

So, who will I be giving to and recommending? The organization that has made it a priority to send handwritten thank you's, complete with drawings and photos as part of their stewardship package. Thus, I've proved another trend (FACT): **the easiest way to lose a donor is to not thank them in genuine ways.**

In a society of consumers led by ratings (think Amazon ratings), this organization might have spent more time on making sure they were leaving a good impression on the donors they spent such an effort on attracting with those cool videos, even cooler blog, the twittering and the site itself. They seemed so "advanced" but they lost us (and our entire network) at the most basic step... **a simple, low-tech thank you.**

## Is Staff Retreat Nirvana Possible?

by *Laura Goodwin*

Yesterday, I spent the day leading a joint staff retreat with the annual fund team and the alumni relations team of a well-known college. ***Sounds like a recipe for disaster, right?*** Annual Fund and Alumni Relations - fundraisers and friend-raisers in one staff retreat together? What could they accomplish together?

By the end of the day, colleagues who did not know each others' names when they walked in the door were sharing drinks and a laugh together. Reunion giving and reunion weekend team members were solidifying plans for joint work throughout the year and everyone on both teams decided to cast aside the old "friend-raiser/fundraiser" labels and become "engagement officers".

**Sounds like staff retreat nirvana, doesn't it?** This "too good to be true" scenario was the carefully planned result of several key decisions before anyone set foot in the retreat room.

1. ***Everyone got out of "the regular space"***. We were lucky enough to have a sylvan conference center at our disposal that offered a comfortable meeting room, gorgeous views and tasty eats during the day; not everyone has those luxuries at their disposal. But, making it a priority to find some place that enables everyone to step away from files and computers, phones and competing priorities is critical to retreat success. Stepping out of your usual space does something more: it is easier to let go of "we can't" thinking and be open to "...maybe we can!" work when you're not sitting in the same four

walls. For these teams, physically separated during the rest of the year, coming together in an off-site location was necessary to build a collaborative plan and relationships.

2. ***Leadership carefully articulated the outcomes they wanted to achieve in the retreat, why we were even having a retreat.*** It's really tempting to schedule a retreat as a shortcut to planning for the next year. We've all thought, "We'll just take a day and get all our planning done and then we can just move on." A great retreat should facilitate planning, open up new possibilities and ways to work together, but setting a retreat to "do all our planning" is not only a recipe for a deadly day but a well-worn path to a bad plan. Our outcomes for this day were simple: *forge relationships between people who don't normally encounter each other in their work day - but should; and establish some overarching goals for ways we can and should work together better.* The solid planning, backed up by data and last year's results, would happen later between small groups of colleagues who now knew and trusted each other better and had the skills and expertise to build a great, shared plan from these (now!) common goals.
3. ***Everyone was enrolled in thinking about these outcomes before stepping foot in the room together.*** Wisely, leadership knew that all the magic was not going to happen in the retreat itself. Each team lead had discussed with his respective team what goals they had for the day, what outcomes they most wanted to achieve during the coming year and then built a retreat with me that fulfilled those goals. First thing in the morning, as I polled everyone about what "success would look like at the close of the day", their agendas and mine matched up exactly. That wasn't luck; it was good planning and wise management before the retreat.
4. ***They planned in fun!*** No matter whether team-building, change management, retrospective analysis, or upcoming planning is the point of your retreat, fun needs to be on the schedule. In building a culture of philanthropy, we not only need to say (and demonstrate) to our outside constituents that what we achieve matters, but we also need to say and demonstrate that to ourselves! Taking time for fun, to celebrate and enjoy each other, sends a clear message that the work each person on your team does is important - and that your core mission is worth celebrating.
5. ***We left with a clear plan for follow-up from the retreat.*** The best retreat days often run afoul if you don't save time at the end of the day to:
  - Establish what your highest priorities are,
  - What the next steps to be taken toward those priorities should be,
  - Who will be taking those steps,
  - And when and how you'll be reconvening to follow-up on those steps.

Inviting a skilled facilitator to help run your retreat ensures that everyone on the team can participate and that all voices can be heard. As well, an outside perspective will prompt questions that help you see problems in a new way, question assumptions that become invisible over time, and can offer professional expertise in areas that may pose a stumbling block during your retreat.

## You Do What You Measure by Robert Osborne

*For many, the beginning of the summer marks the end of the fiscal year...*

*For others, it is a natural break in the fund-raising year as both donors and staff disappear on vacations...*

Either way, it is an excellent time to take stock of your development operation and get things in place for successful fund-raising in the fall. The summer should be a busy time of assessing what you did well and what you need to improve.

Hard metrics are an excellent place to start:

- *What was your retention rate? Better or worse for new donors?*
- *Your upgrade rate?*
- *Your ask vs. closed percentage?*
- *What were the "give and get" numbers for your Board?*

These figures will give you a strong sense of how your fund-raising is going in general.

But "softer" numbers are important, too.

- *How many new prospects did you identify?*
- *How many cultivation visits did you go on as an organization?*
- *Stewardship visits?*

These numbers, while not directly related to dollars in the door, are excellent indicators of your general strategic direction. By tracking and assessing these types of metrics, you ensure that your organization is not just raising the money it needs for this current fiscal year, but is setting itself up for future success by creating a clear pipeline of future donors.

The end of the year is an excellent time to conduct an even more in-depth assessment of your fund-raising operation by engaging professional, outside counsel. You should also consider an objective assessment:

- When your organization is beginning a major gift campaign,
- When it is embarking on aggressive growth,
- Or when it is considering a serious change in strategic direction.

Outside counsel can often identify challenges and opportunities not always visible to staff. They can also help your organization focus on the strategic and not just the tactical.

By analyzing where you are, you can get a much clearer picture of where you need to go. The Osborne Group is happy to help your organization with this.

## About Us

*The Osborne Group is a full-service, international **consulting, management, and training firm** specializing in **opinion research** including donor and customer satisfaction and campaign feasibility studies; **philanthropy** including board transformation and campaign counsel; and **organizational management** including strategic planning and retreat facilitation.*

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