Partnerships for Philanthropic Expansion

Who is here today?
- Role in the organization/philanthropy
  - Lay Leadership (Board or Officer)
  - CEO/OED
  - CDO/Director of Development
  - Other
- Percentage of time spent on philanthropy – how do you track?
- Tenure with your current organization

Your KEES Team
- Heather Eddy, President and CEO
- Alison Lewin, Project Director

December 18, 2018
1:30 pm Eastern
The Agenda

Today We Will Cover:
- Maximizing Philanthropic Capacity with Today's Reality
- Today's Philanthropic Environment
- What Does This Mean for Your Agency?
- Roles Everybody Plays in the Philanthropic Process
- Setting Expectations
- How to Build a Cohesive Team Focused on Philanthropy

Maximizing Philanthropic Capacity with Realities of Today

Giving USA
Annual Report of Philanthropy in America

Report Highlights ~ 2018
- Annual Report compiled for 60+ years; longest continual report in the United States
- More than $401 billion given to USA nonprofits in 2017
- 5.2% increase over 2016
- Largest increase (% and #) in recent years
- First time ever that giving has surpassed $400 billion
- Individuals account for 79% of all gifts
- Higher if include Family/Personal Foundations and DAFs
Common distribution of Human Service donors  Mature development program distribution of donors

- Planned gifts
- Capital gifts
- Special gifts
- Renewed gifts
- Direct Mail gifts

Over time, individuals at the bottom of the pyramid are cultivated toward making larger gifts

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Transactional vs. Relational Fundraising

**Transactional Fundraising**
- Cultivation: 20%
- Ask: 80%

**Relational Fundraising**
- Cultivation: 80%
- Ask: 20%

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Giving USA Annual Report of Philanthropy in America

Continued…

- Giving to Religion grew by 2.9%
- Giving to Human Services grew by 5.1%

*What motivates your donors? How do you know?*
Understanding Donors' Motivations

Percentage of Donor Households Reporting Their Most Important Motivation for Giving

- Basic needs: 15.8%
- Make world better: 10.2%
- Make community better: 12.5%
- Poor help others: 11.5%
- For equity: 11.0%
- Own decision about money: 7.2%
- Problems in world: 5.3%
- Serve government/cause: 4.0%
- Support friends/family: 3.9%
- Other: 3.5%
- Diversity: 1.4%
- Etc.

Source: Center on Philanthropy at Indiana University, using data from Knowledge Networks.

The Dream Team: What's Your Role?

Why Focus on Partnerships?
Defining the Roles of Each Partner

Types of Nonprofit Boards
Where are we now? Where do we want to be?

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<th>Board Members</th>
<th>Vision</th>
<th>Planning</th>
<th>Fund Raising</th>
<th>Staff</th>
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<td>Founders + Family</td>
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Composition
- Founders + Family
- Founders + Friends
- Professional
- Strategic Composition

General Focus
- Planning: Everything / Day to Day / short-term / long range / Strategic
- Fund Raising: Events / Grants / Some individuals approaches / other functions

Board/Philanthropic Role
- Viability/All Resources: Ongoing Existence / Shared function / Supporting ambassador
- Staff: Reporting/Management: Structure / balanced flat and fluctuating / fully developed staff / structure / specialized talents

Culture of a Philanthropic Board

Evolving Fundraising Function
- Funding request based on needs of organization
- Revenue-oriented: "budget shortfall"
- Short-term horizon
- Topic of philanthropy avoided as awkward, stressful
- Some Board members participate: "give until it hurts"

Mature Culture of Philanthropy
- Funding request based on instincts, desires of donor
- Donor-oriented: "put your resources to good use"
- Long-term horizon
- Philanthropy taught, modeled for others
- 100% Board participation: "give until it feels good"
Transforming to a Philanthropic Board

Stages of Evolution

- **Ambassador**
  - “I will ask others to give”
- **Advocate**
  - “I will ask others to donate to our cause”
- **Donor**
  - “I will make a donation (annually)”
- **Volunteer**
  - “I will give my time”

Overview of the Board’s Role

**Board of Directors/Governing Body**

- **Primary Duties**
  - Care, Loyalty, Obedience (legal)
  - Being Present
- **Fiduciary Obligations**
  - Conflict of Interest
  - Organization’s Assets
- **Leadership Responsibilities**
  - Chief Executive: Hire, Establish Expectations, Convey, Cultivate
  - Ambassadors
  - Garner Resources

Adopt A Performance Matrix Mindset for Everyone on “the Team”

- Set Measurable Monthly and Annual Goals for each team member:
  - Lay Leadership/Board
  - CEO/Executive
  - Development Staff
- Convey Verifiable Cultivation Activity Expectations.
- Provide Recognition of Accomplishments.
- Benchmark Areas of Improvement for each Team Member.
- Create A Motivated Working Team Environment and Celebrate Success.
Marketplace Data

What CEOs, CDOs and Board Members are saying… and what they expect.

What do you think? What do you want?

Keys to Philanthropic Success

Top responses from Chief Development Officers:
- Engagement, branding, public relations
- Clearly communicated mission and programs
- Cultivating relationships with donors at every level – individuals, corporations, foundations

Top responses from CEOs and Executive Directors:
- Showcasing/presenting top-performing programs and events
- Managing relationship with major donors, and having a broad base of donor support

Board Members and Volunteers: Relationship Insights

What is the single action that the CEO/ED takes that best propels the philanthropic process?

Top Responses:
“Advocacy and staying on message”, “community involvement”, and “personal involvement in fundraising”

What is the single action that the CDO/DoD takes that best propels the philanthropic process?

Top Responses:
“Identifying and prospecting donors”, and “clear communication and expectations” – making sure the ED and Board are well-informed
Chief Development Officers: Relationship Insights

What is the single action that your CEO/ED takes that most supports the philanthropic process?

**Top Responses:**
- "Interfacing with donors", "making the ask" (especially for major gifts), "visibility" at meetings and community events
- "Visibility at events and community"

What action do you wish your CEO/ED did differently to support the process?

**Top Responses:**
- Increase the frequency of calls and meetings with donors "more calls and meetings", "more higher-level donors"
- "build a culture of philanthropy", "engage the Board/alumni"

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Presidents/CEO/Executive Directors: Relationship Insights

What is the single action that your CDO/DoD takes that best propels the philanthropic process?

**Top Responses:**
- "Individual donor outreach", "grant writing and research", "special/annual fundraising events"
- "Grant writing and research", "special/annual fundraising events"

What action do you wish your CDO/DoD did differently to propel the process?

**Top Responses:**
- "More face-to-face meetings with donors", and "build relationships" with long-term and major donors
- "More face-to-face meetings with donors"

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Characteristics of a Great Fundraising Team

**ABILITY**

- To clearly and collaboratively communicate the mission, listen to the needs of the donor, make the ‘ask’ and steward the gift.
- To multitask without stress using business processes and protocols to handle funding priorities and cultivation activities.
- To be creative, spontaneous, supportive and humorous in team and donor interactions.
Characteristics of a Great Fundraising Team

CREATE

- A collegial, fun-filled, exciting fundraising environment.
- A ‘service mentality’ among all fundraising activities.
- A central focus on communicating, communicating…and more communicating.

Suggestions to Grow Philanthropy

- Increase number of asks annually
- Customize/Segment appeals
- Increase stewardship
- Engage Board/Leaders/Volunteers in meaningful ways
- Focus on individuals
  - “Pipeline” Development
  - Major Gifts
  - Event Engagement and Follow Up
  - Mission Focus
  - Case Statement/Telling our Story
  - Customization
  - Outcomes
  - Donor Intent
- Grow Board Culture of Involvement in Philanthropy

About KEES

MISSION:
To build transformative teams and leaders

PRIMARY SERVICES:
Leadership Consultation
Executive Search
Specialty and Interim Staffing
Human Resource Consulting