



Session on Fundraising Strategy & Execution

Sattva conducted a session on **Fundraising Strategy and Execution** on **May 4th, 2022** wherein we discussed the major aspects of fundraising i.e.

- Building an Investment plan
- Donor Acquisition
- Donor Retention

Sattva has curated this **Frequently asked Questions (FAQ)** document which will help you understand **Fundraising Strategy & Execution** in a broader Context.

We have also curated a document with some of the [resources](#) which can help you discover foundations, corporates and HNIs.

Reach out to us at partnernetwork@sattva.co.in with any questions and for information on future engagements.

Building a Fundraising Plan & Investing in it

Q1- How many people should essentially be there in the fundraising team of the organization?

Ans: The recommended cost of fundraising (mainly comprised of people costs) as a percentage of the annual operating budget is around 2-3%. The functional skill sets required are across donor intelligence building (presales), proposal writing, hunting and donor management. For early stage organizations, there are typically 2-3 people and 5-8 in growth stage organizations

Q2- What are the different skills that a fundraising person should have?

Ans-Functional skills required to be in this team are:

- Pre Sales- People who can do a quick research about prospective donors, their priority/focus areas, overlap areas with your program and figuring out go-to-market towards C-suite executives in the donor organization.
- Ability to write & Communicate effectively- The person should be able to build effective powerpoint presentations, proposals etc.
- Ability to navigate in the donor ecosystem- The core skill set includes the ability to pitch and also navigate in the donor ecosystem and make sure that the series of steps after connecting with the donor to the point where MOU is signed are completed smoothly.
- Donor Management- reporting, designing engagement of leadership & staff, budget management, appropriate and efficient allocation of resources, relationship building

Q3- What should be the experience of the head of the fundraising team?

Ans- Minimum of 10 years

Q4-How to advertise for the recruitment of fundraising professionals ?

Ans- Advertise through:

- LinkedIn- Post + Create a Job with the Jobs section & Invest in the recruitment campaign through linkedin
- Website- Post in the careers/Join us section
- All Social Media Platforms- Regular posts about hiring on all platforms(facebook,twitter, instagram)

Distribution of your talent needs in appropriate groups/forums is far more important than the specificity of the role in the job description

Q5- What should be the ideal money that should be spent as the cost of fundraising? Ans-A good fundraising team operates with 1-3 percent of their annual operating budget going in as the cost of investment

Donor Acquisition

Q1- What kind of communication strategy and organization should adapt to display the work that can be effective for fundraising?

Ans-

- Website-Investment in the website is an asset. Regular updates should be posted on the website
- Automated Mailers- Various softwares can be used to create inmailers which can be used to communicate the updates with the donors.
- Newsletters- Newsletters are the best way to communicate with the donors which is consistent but not repetitive. Canva can be used to create newsletters which can be circulated monthly or quarterly with the donors.
 - Information that can be included in the mailers are :
 - 1. Stories of impact
 - 2. What is happening in the organization
 - 3. What is forthcoming
 - 4. Who all have joined the team etc

Q2-What is the Importance of Blogging on a website from a fundraising point of view? Ans:

Blogs as a tool to communicate to donors is not that much effective.

- It is more effective in portraying the top people in the organization as thought leaders and thus does not bring any benefit in fundraising.

Q3-How can the fundraising team generate more leads?

Ans-

- **Have a clear and concise message-** A short, crisp and clear message is very important.
- **Equity on LinkedIn:** Building the personal and professional equity of the head of the fundraising team on linkedin is very important . The more the head of the fundraising team is active on the platform and has added the right people and how fast he is in connecting and striking a conversation with the people , the more inbound leads will be generated.
- **Automated mailers or newsletters**
- **Attend relevant events with prior research on attendees**
- **Through board members with access to C-suite execs**

Q4- What are the pointers that should be kept in mind when drafting a communication message?

Ans-

- Keeping it crisp and Simple, clearly explain who you serve and why you serve them.
- Discuss how you serve them
- Explain what makes your nonprofit different from others that share your mission.
- Point out how people can learn more about your nonprofit

Q5-Should a third party be involved in building a fundraising team for the organization whether full time or part time?

Ans:

- Fundraising talent should be home grown
- Should be full time.
- Engaging third parties can give quick results but is short term and not sustainable.

Q6- What is the right time to begin conversations for fundraising?

Ans: The conversations of the NGOs with the corporates should start around in quarter 1 & 2.

Q7- What should be the strategy to acquire foundations?

Ans-

- **Follow the foundations on all their social media channels:**It's very important to keep a track of these organizations through their social media platforms as they timely update on their linkedin channel inviting applications for funding opportunities.
- **Subscribe to newsletters of the foundations**
- **Subscribe to the platforms like:**
 - A. Tamuku
 - B. Foundations Directory online
 - C. <https://india.candid.org/>
- **Reach out on LinkedIn:**Most of the foundations don't accept unsolicited applications but since they are present on LinkedIn, one can reach out to them there and strike a conversation just to learn about them and share the work of the organization in the sector.
- **Focus on building relationships:** Reach out to the foundations on their social media platforms especially through linkedin not to ask for funds but just to get acquainted.

Q8- What should be the strategy to acquire Corporates?

Ans

1- Subscribe to platforms like:

- A. The CSR Journal.in
- B. The CSR Box.gov .in

2- Reach out on LinkedIn: Reaching out to the head of the CSR team of the corporates through linkedin is also a good option to just start a conversation.

Q9- What is the best strategy to approach HNI donors?

Ans- Through Publicly available data: There is enough publicly available data on the startups which are doing well and not in their early stage and have received beyond series c and series d funding, reaching out to them to get acquainted and build relationships that can help in raising funds.

Q10- What are some platforms that can be used to approach HNIs?

Ans

- A. Crunchbase
- B. Tech crunch
- C. Your story

Q11-What is more important - Having a large number of potential donors or having few donors with stronger partnership?

Ans

| Breadth | Depth |
|--|--|
| When there are more partners the risk is mitigated | When there are less number of partners the cost of partner management is reduced and allows for deeper relationship building |

Thus, in the start of the fundraising journey the organization should not focus on depth and should reach out and onboard as many as partners , whereas if an organization is already in partnership with many organizations then they should focus on increasing the support (depth).

Q12- Does fundraising dinners work?

Ans-Yes it works but the cost associated in organizing such fundraising dinners is approximately 30% of the money raised which makes the ROI less compared to institutional fundraising.

Q13- What is the ideal conversion rate?

Ans: 10-15% is a good conversion rate.If the organization reaches out to 100 people and Then the conversion happens with only 30-35 people and proposals are sent to them. After which only 10 MOUs are signed and the partners are onboarded.10-15% is a good conversion rate.

Donor Retention

Q1-What is the funding timeline of foundations?

Ans-Most of the foundation have a fit timeline (usually 3 to 5 years) to provide funding.

Q2-What is the funding timeline of Corporates?

Ans-Corporates usually have a timeline of 7 to 10 years to provide funding to partner NGOs considering there is no financial misappropriation, ethical misconduct or no proper utilization of funds.

Q3-What should be the ideal retention rate of the partners?

Ans-100% renewal is expected unless there is some specific reason and few of the renewals could be upselling.

Q4-How to make sure that all the people in the corporation know their NGO partner? Ans-

- Look in the CSR Column of the corporation's newsletter.
- Reach out to the other people in the organization and get yourself acquainted.

Q5-What is the most tactical strategy to make your presence felt to the Corporates? Ans-

- Presence in important sectoral events: Make your presence felt in important sectorial events like international summits/webinars/seminars.
- Represent your organization's voice in such events to position yourself in the ecosystem in a certain way.
- Blogs or articles on linkedin and other mediums are always good tools to make sure that the organization work, name and the people are coming in the radar as much as possible. ● Relationship building is the most important aspect of renewal and upsell.

Q6-What are the points a Corporate keeps in mind while evaluating their NGO partner? Ans- transparency, history of work, current partners, rigor and clarity on model, demonstrated strength in execution, strength of data, cost efficiency, alignment with their priority areas

Q7-What are some key differences regarding the funds coming from Foundations/Corporates/HNIs?

Ans-

- Foundations: Shorter life-spans but extremely strategic as they bring a lot of credibility and have PR value
- Corporates: High life time value so retention becomes important.
- HNIs: Shorter life-spans like foundations but the quantum of support may not significantly improve year on year.

Q8- What is a good mode of communication to retain donors from abroad? Ans- Keeping them in loop through emails, quarterly zoom calls to give them updates and sending them reports once in six months would be more than enough.

Q9-How to build a culture of developing a relationship with the donors in the NGOs?

Ans:

- Investing in senior people who have experience of having worked with, spoken to, interacted with the senior leaders in the corporates can effectively help to build a culture of developing a relationship with the donors, especially institutional donors.

Others

Q1-How long should one wait to hear from donors once details are shared with them? Ans: A week's time should be given to wait for the response from the other side, and then a follow up message should be dropped.

Q2: What is the preparation that should be done to get the CSR fundraising? Ans: Get all your documents right and well updated such as the 80G, budget, annual reports, plans etc so that they can be used immediately when required.

Q3- How to utilize the funds effectively ?

Ans: Unrestricted funding comes from foundations who are comfortable with the funds being used for programmatic purposes but the funds from International or National organizations or the CSR should not be used building a fundraising team. Raising funds through the entrepreneurial ecosystem is also a good option as nowadays Gen Z knows the importance of building a team and capital investment so reaching out to them can help.