The Unanticipated Benefits of Engaging a Fundraising Consultant

By Kathy Kraas, CFRE

Fundraising is challenging under any circumstance, whether it’s to sustain the operations of a nonprofit or to launch a campaign for growth and expansion. So, why should an organization consider engaging a consultant when so many do-it-yourself (DIY) tools are available online, in books and journals, and through fundraising courses, conferences and webinars?

Despite all the DIY tools at our disposal, statistics reveal a number of impediments to our success: Donor retention is stuck at approximately 46% nationally (2018 Fundraising Effectiveness Survey Report). Every 100 donors gained in 2017 was offset by 99 lost through attrition, the report reveals. The development profession has one of the highest turnover rates among any profession. It’s hard to recruit board members who are comfortable with their role in fundraising. Nonprofits must always be in a campaign mode to secure major gifts, not just every 15-20 years as in the past. The competition for philanthropic dollars is fierce.

This brings us back to the fundamental role of the consultant. Successful programs for philanthropic investment are not a cookie-cutter, transactional endeavor with checklists and toolkits. Many organizations practice transactional fundraising because they either lack the skills, experience or capacity to develop relationship-based...
A seasoned consultant will be able to get those within the organization to come to a consensus by convincing them that the action or new direction makes sense.

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We facilitated change by thoughtfully and evocatively interpreting the organization’s value; adhering to a weekly, focused time for donor-targeted calls; and researching, prioritizing and selecting the highest-return prospects first. Quickly, four-figure donors became five- and even six-figure ones.

By demonstrating the organization’s value, the board was able to hire a new CEO within a year to work with the founder. Not only have they gained new donors, but the founder is able to retain and increase support from longstanding supporters and the development department spends more energy and staff time cultivating and soliciting major gifts.

**IT COULD HAPPEN TO ANY CAMPAIGN**

When a campaign begins to lose steam, a downward spiral can ensue. Donors drift, volunteers stop believing and uncomplimentary press and public skepticism make it hard to attract new donors. This was especially true in one situation where a new building was constructed, but unfinished. For fundraisers and volunteers, a campaign turnaround is a chilling prospect, especially when the organization stopped communicating with its donors and identifying new prospects. Such was the case when we designed a renewal strategy for a stalled, two-year-old capital campaign. Who would come forward to lead and influence board members who gave up hope?

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Through our assessment, we identified a volunteer who we felt could steer the turnaround. What made him a compelling leader was his history with the organization, which dated back to his youth. In addition to possessing the stature and resources to lead the campaign’s final phase, his deep history with and love for the organization would influence other investments. He was happy to increase his own support more than once, and with our coaching, convinced the organization to expand its charitable community programs and personally solicited the lead named gift donor. The campaign turned around in less than a year and the new facility opened in May 2019.

**ENSURING “FEASIBILITY” DURING THE FEASIBILITY STUDY**

A young K–12 independent school was running out of space in their leased property. The board formed task forces to explore a potential land purchase and financing options. We worked with them for several years to build their fundraising capacity, which included an increase in parent giving from 40% to 99% in the first year, significantly increasing major gifts and setting board-gift minimums. When volunteers put time and sweat into achieving goals, they have a lot invested in the organization’s success.

After they identified land and financing, the question remained: Could they raise sufficient philanthropic funding to complete the project? Over the course of the feasibility study we realized the campaign goal was not achievable. That said, there is nothing like the urgency of a deadline!

A decision on the land purchase was a month away, at the start of the new school year. If the board did not decide by the deadline the organization would lose their down payment. We circled back with three donors—including a few who were on summer family vacations—to ask if they would consider increasing their gift. This would give the board enough confidence to purchase the land and help reassure them that the campaign would succeed. All three donors agreed and the new campus opened in 2016!

Each of these case studies demonstrate a need for intervention and creative strategy. Of course, online tools can supplement an organization’s campaign preparation, but they will never replace the intuitive process a seasoned consultant brings to the fundraising process. What is often needed is not only new human interaction and management skills, but also different attitudes and approaches. This is the greatest tool a consultant can provide nonprofit leaders and a tool that cannot be learned through online support or DIY templates.

Kathy Kraas, CFRE, is president of K2 Consulting Group with offices in Los Angeles and Chicago. K2 specializes in helping nonprofits see beyond their perceived boundaries and realize robust revenue growth, whether for capital, endowment or annual support, and has produced exceptional results for schools, health and human service organizations, foundations and associations across the country. Kathy established K2 Consulting Group (www.reachk2.com) after more than 22 years of extensive, hands-on experience in board governance, fundraising, marketing and strategic planning for nonprofit organizations and associations.