

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

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strategies or the time and ability to test and adapt new fundraising models. Many nonprofits are under-resourced, with limited development staff, some of whom split their time with other responsibilities. If you are already wearing multiple hats, it's very hard to learn any new skills and technologies necessary to utilize online DIY tools.

The reality is that organizations engage a consultant for a specific objective or campaign. However, there are very often underlying obstacles and issues that must be dealt with simultaneously—or even before—successful fundraising can fully take shape. Effective consulting almost always requires convincing nonprofit leaders to take some actions that might be somewhat uncomfortable, especially when it comes to fundraising.

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. Not only does the consultant help organizational leaders take action, but they must also figure out how to get enough support so the movement will be successful.

Here are just a few situations I have dealt with as a consultant that could not be addressed through DIY tools.

DEALING WITH RESISTANCE

Early in my consulting career, my firm was selected as the capital campaign counsel for a compelling new center. The CEO was not new to fundraising, though it was his first undertaking of this magnitude. Much of his success would be determined through the realization of this project. He had spent a couple years developing the vision and preparing the board for a campaign. As our work together progressed, it was clear his focus on fundraising and follow-up waned.

The hardest part of consulting is dealing with a client's resistance, whether it's from a staff person

or volunteer. It is a reaction to either the pressure one feels to move outside of his/her comfort zone, a loss of control or going beyond one's known level of performance. Fear of the unknown is real because it's uncertain and unpredictable. Fundraising campaigns are fraught with uncertainty.

It's also a natural human response for people to readily commit themselves to things that will further their interests. In dealing with my client's avoidance, I delivered a "gentle but firm," carefully worded, non-punishing written communication sharing my concern about his time commitment to donor cultivation and solicitation. If he really wanted to achieve the financial targets he set, I explained, it would take a tremendous amount of his time and attention.

A protracted campaign in the earliest phase would cause his board and volunteers to lose confidence. Further, it would set the tone for the rest of the campaign. Gratefully, he took my counsel to heart and agreed with my assessment. We dealt with the resistance through coaching, and the campaign ultimately finished above goal.

SOMETIMES THE STATUS QUO NEEDS A SHAKE-UP

Boards do not like taking charge, though sometimes the circumstances warrant it. A long-established organization with its beloved founder serving as CEO became financially overextended with a capital expansion. When the board chair contacted me, it was clear that a change in direction was necessary. Given the urgency, the board asked me to coach the CEO by developing a disciplined plan for contacting and soliciting long-time donors. We quickly determined the organization's worthiness, which was not clearly conveyed to donors.

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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. 📍



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