

Five Ways Your Fundraising Development Plan Can Lead to Fundraising Success



General Dwight Eisenhower once said,

“In preparing for battle I have always found that plans are useless, but planning is indispensable.”

Having an annual development plan helps you define not just what your fundraising goal will be, but also what key steps and metrics you need to have in place to successfully reach that goal.

It’s a competitive nonprofit landscape out there. Staff bandwidth is often limited and overstretched. Boards and CEOs don’t always see themselves as “fundraisers.” Giving USA reports each year show that total giving is on the rise, yet nonprofits on average lose more than 60% of their donors every year.

In fact, a [study](#) conducted in 2020 by Dr. Adrian Sargeant and the Institute for Sustainable Philanthropy explored the role of development plans in an organization’s fundraising success. There has been plenty of anecdotal evidence that organizations that have written fundraising plans tend to have more consistent results of growth and success.

This [study](#) was the first of its kind exploring how fundraising development planning contributes to fundraising results. Not only did it assess how much the act of planning and the written development plan itself contribute to a nonprofit’s fundraising results, it also took a wider view to determine the other factors that play a role in a nonprofit’s fundraising thriving.

Having a fundraising and development plan drive donor strategy enables the organization to:

01 Create stronger donor engagement

02 Set the stage for major gifts

03 Lay the foundation for tomorrow by ongoing learning and iterating

04 Build the practice of data-informed planning

05 Show boards good fundraising practice

Whether your nonprofit has a fundraising development plan or not, here are some tips to help you build a stronger approach to raising more money and keeping more donors.

Fundraising Plans = More Money Raised

The overall conclusion was that there is a strong connection between having a formal annual strategic fundraising planning process in place and whether that nonprofit was successful in meeting its fundraising revenue goals. But having a fundraising development plan also led to a greater fundraising culture, more data-informed planning, a stronger commitment to sticking with the plan, and more involvement by board and senior staff in fundraising.

If we think about all the factors that motivate donors, a development plan becomes more like a playbook on how to build meaningful donor engagement that leads to increased retention and, ultimately, giving.

Development Plans Lead to Retention and Growth

A development plan becomes more than just a set of lists, calendars, and activities. It's a strategic compilation of all the ways you can connect and communicate with your donors which, if done effectively, leads to increased revenue.

The realism in a development plan comes from building next year's projections off of current and past giving trends. Ask yourself how much can you grow your fundraising that's realistic but also a little bit of a stretch?

Getting Started to Plan

The first step to building a good development plan starts with a discussion with your senior staff (executive director, board, development director, senior leaders). This may seem obvious, but development staff are often omitted from organizational financial decisions. As a development leader, you can share perspectives on what is realistic to raise given the context of your current and previous fiscal years' fundraising trends.

When you've determined your goal for the next fiscal year, learn and grow from what's worked and where you have untapped opportunities:

- Did you raise what your organization needed in past years? What contributed to your success? What held you back? What could you do differently?
- What's your donor retention rate and average gift amounts? How has that tracked over the past couple of fiscal years?
- How does your fundraising revenue breakdown, and what were your fundraising expenses for each donor type?
 - Annual Giving (mail and email appeals)
 - Corporate gifts
 - Foundation grants
 - Major Gifts
 - Events
 - Membership dues

You don't want to repeat past mistakes or continue doing something that just isn't yielding the results with the best ROI. Understanding how (and where) funds have been raised in the past helps you map out a solid plan to build your fundraising goals and strategies this year. **Use the template at the end of this guide to map out your fundraising trends and goals.**



Focus Your Development Plan On More Than Just Money Raised

Think about your development plan as building a stronger fundraising strategy in five key areas:

1. Create greater donor engagement

It's easy to become complacent and think that just because donors have chosen to invest in our cause, they will unconditionally support us and that when we ask again they will give. Nonprofits on average lose more than 60% of their donors each year because they don't connect with their donors. [Donors want to see, feel, and touch the impact their gifts are having.](#)

[Good donor engagement](#) involves a regular calendar of touchpoints, updates, and communications that highlights stories of successes, results, and even failures. Annual reports, newsletters, special webinars hosted by your key program leadership, holiday and birthday cards are all examples of ways to enhance your relationships with your donors.

2. Set the stage for major gifts

Every organization no matter how small can and should be raising major gifts. [A successful major gifts program](#) does not focus on high net-worth individuals with no connection to your organization. In fact, you probably already know who your major (current and potential) donors are.

Your next major gift will likely come from one of these donors who has capacity and who has been supporting you for a long time (and not at particularly high levels) and may also have been involved as a volunteer. Carving out a little time for more personal interactions with these donors will help you qualify those who can make larger gifts down the road.

3. Lay the foundation for tomorrow

Without question, your limited bandwidth should be focused on donor retention because once you lose the donors who already opted to give to you, it's hard to get them back. That said, it is still important to plant the seeds for the next pipeline of donors to your organization.

The best potential new donor names are people who self-identify in some way or who are connected in some way to you. Perhaps it's through a sign-up on your website, following you on social media, attendance at an event, or a visitor book if prospective donors can visit your facilities.

This is also a way board members and other volunteers can play a key role in introducing your organization to their networks. Every follower, volunteer, and new name that crosses your doorway should be considered a potential investor in your work. Welcome them.

4. Build a practice of data-informed fundraising

Metrics on any level are important because they give you the data to make informed decisions about where you can build off your successes and identify opportunities for improvement. To help you make your fundraising efforts as effective as possible, keep track of three key areas critical to effective fundraising:

- donors' behavior and giving patterns,
- return of your fundraising costs,
- and the level of your leadership engagement.

Compare a few fiscal years to offer the best picture of trends in your performance, so you can determine where you need to build on your wins and make course corrections. Think of metrics as the vital signs of your organization's financial health.

5. Show Boards good fundraising practices

Another important way to use the development plan to inspire more involvement in fund development by Board members is to chart giving trends of the board and set goals for each year. Reports like BoardSource's Leading With Intent and the Evelyn and Walter Haas, Jr. Fund's UnderDeveloped report cited that boards view themselves as very weak in fundraising and are a contributing factor to high staff turnover.

Similarly, this Institute for Sustainable Philanthropy report found that just 57% of respondents felt their boards were supportive, and fewer than half of respondents reported that all members of their board made a gift in the last year. Two ways to demonstrate good fundraising practice with your boards include:

- **Instead of just reporting fundraising amounts raised in your board reports, regularly include metrics around general donor giving patterns and behaviors (like retention, for example).** Fundraising revenue and donor metrics will paint a more comprehensive picture for board leaders that illustrates how fundraising is not just about “asking for money.”
- Set goals and metrics for board overall giving in your development plan as well. Metrics like average gift, giving participation percentages, total giving amount, tracked over a few fiscal years can offer insight to your board members of the importance they play in an organization's success.

Fundraising Development Plans Help You See Around Corners

Fundraising is increasingly more competitive than ever. There are nearly 1.8 million nonprofits in the U.S. and while the amount of giving nationally is increasing each year, the number of donors and volunteers has been declining. **If we could travel forward in time a year or two from now, what would we discover we should be doing differently today? How could we navigate this year to weather these times in the long run?**

Spending the time to intentionally build a strategy for fundraising and sticking with a written development plan has been shown to increase revenue, increase donor retention, and create higher likelihood of staff retention.

A development plan helps your nonprofit [see around corners](#) to better anticipate and weather factors that will affect your revenue.



To learn more about how you can create your organization's development plan, visit

www.whillconsulting.com

Fundraising Planning Template

Use this template to itemize your nonprofit fundraising data to lend support to your fundraising strategy.

FUNDING INCOME/ EXPENSES BY SOURCE

SOURCE	TYPE	LAST YEAR		CURRENT YEAR		NEXT YEAR	
		INCOME	EXPENSE	INCOME	EXPENSE	INCOME	EXPENSE
INDIVIDUALS	Annual Giving	0.00	0.00	0.00	0.00	0.00	0.00
	Major Gifts	0.00	0.00	0.00	0.00	0.00	0.00
	Online	0.00	0.00	0.00	0.00	0.00	0.00
	Direct Mail	0.00	0.00	0.00	0.00	0.00	0.00
	Events	0.00	0.00	0.00	0.00	0.00	0.00
FOUNDATIONS		0.00	0.00	0.00	0.00	0.00	0.00
CORPORATIONS		0.00	0.00	0.00	0.00	0.00	0.00
EVENTS		0.00	0.00	0.00	0.00	0.00	0.00
OTHERS		0.00	0.00	0.00	0.00	0.00	0.00
TOTAL		0	0	0	0	0	0

FUNDRAISING METRICS

CATEGORY	LAST FISCAL YEAR	CURRENT FISCAL YEAR	NEXT FISCAL YEAR
Donor Retention Rate	0%	0%	0%
Total Number of Donors	0.00	0.00	0.00
Total Number of New Donors	0.00	0.00	0.00
Total Number of Lapsed Donors	0.00	0.00	0.00
Average Gift Amount	0.00	0.00	0.00

About the Author

Barbara has thirty years of annual fund, major gifts, and campaign fundraising experience at major non-profit organizations including Harvard University, the National Trust for Historic Preservation, Oxford University in England, and the American Red Cross.

Her consulting firm, Windmill Hill Consulting, helps non-profit organizations of all sizes peel back the layers and develop a profitable fundraising strategy that focuses on the resources, skills and tactics they need to build more effective donor relationships and catapult their revenue.

She serves as past president of the Association of Fundraising Professionals (AFP) Washington DC Metro Chapter and as a former member of the Advisory Panel for Rogare, The Fundraising Think Tank in the U.K. Her firm, Windmill Hill Consulting, is a member of the Giving Institute and Barbara is involved with the Giving USA report. She is a frequent and sought after presenter at national and international conferences. In 2020, she joined the faculty at the University of Maryland's Do Good Institute teaching nonprofit fundraising.

Barbara O'Reilly, CFRE
Principal
Windmill Hill Consulting

