

Re-Thinking Event Fundraising as a Long Term Strategy

Rely on stable infrastructure, not individuals, to maximize and increase event fundraising over the life of the non-profit

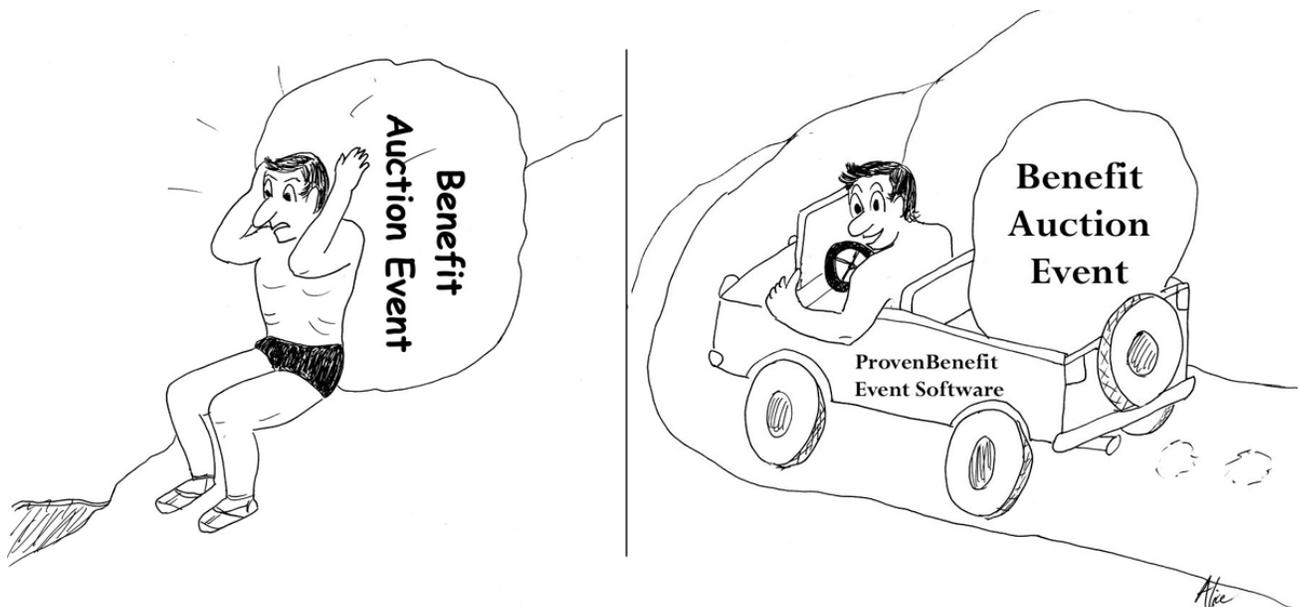
Fundraising is the life blood of every non-profit organization. Without it, the power to help is diminished. With it, the possibilities are endless. That's why raising money is a never-ending process for the approximately 1,010,400 charitable organizations throughout the United States.

According to a survey by the Giving USA Foundation and the Center for Philanthropy at Indiana University, Americans gave a record 306.4 billion dollars in 2007 to charitable causes. With this much money at stake and so many organizations vying for a piece of the proverbial pie, maximizing and even increasing the charitable donations that flow into your organization is critical.

At the heart of the fundraising effort for many

charities is the special event, which can include everything from live and silent auctions to galas, and golf tournaments. These events rake in an estimated \$40 billion annually – 15-20% of all fundraising – based on studies conducted by the Association of Fundraising Professionals.

Yet many charities approach special events as a series of individual events to be planned, hosted, and then wrapped with a sigh of relief. Let's worry about next year – next year. But this is a shortsighted view and without a long term approach to the fundraising challenge, these organizations become like Sisyphus, the doomed Greek Mythology character that rolled a boulder up a hill – in this case every year – only to have it roll back down again.



Without a long term approach to fundraising, organizations become like Sisyphus, every year rolling a boulder up a hill only to have it roll back down again to start the process all over again from scratch.

According to experts like fundraising consultant Mike Vendetti, many charity groups let a lot of money “walk out the door” because the event is planned in this manner. To stop the losses, he suggests embracing long-term strategies and organizing volunteers accordingly.

“You wouldn’t run a business and shut it down every year, then start it up again the following year. It makes no sense but it’s typically what organizations do. So it doesn’t grow. Charities don’t realize what they can do if they’re organized. There are charities out there that make tremendous amounts of money. But as a consultant, I’m not calling the shots. If they choose to ignore common sense...it’s a bit like watching a train wreck.”

Structure, not Staff

At the heart of the fundraising effort are the dedicated individuals that comprise the Board of Directors, staff and volunteers. These dedicated individuals work tirelessly to put on special events for little or no pay to forward the goals of a cause.

Unfortunately, turnover is a fact of life in non-profits and these individuals come and go. Replacements are sure to be found, but if there is no stable structure that can withstand this turnover, the new staff essentially must reinvent the wheel year after year – a horribly inefficient process that costs the organization money.

Experts such as Vendetti claim that this can be avoided by an adjustment in the fundraising mindset and the creation of a stable structure and organization that must accompany such a shift. According to Vendetti, this can be accomplished through comprehensive fundraising software such as ProvenBenefit, designed by Proven Software, of Manlius, New York.

Handled properly, such software creates a structure that can last through any turnover and will increase the fundraising potential of the organization.

“When you have software you can share information that was learned over time,” says Vendetti. This helps long term staff and volunteers to prioritize and increase donations. For new volunteers you hand it to

them and say, ‘start with this.’ There’s no reinventing the wheel.”

Checking Out - The First Concern

Although checking out is typically perceived as an “end of night” issue, it is often at the forefront of the organization’s concern. For fundraiser Gary Tice, the decision to utilize software led to a \$25,000 growth in net proceeds in less than 2 years.

In 2006 Gary Tice was forced to re-think his approach to fundraising after volunteering to help the Step By Step Early Education and Therapy Center in Naples, Florida. His daughter Heather had become event chairwoman that year and inherited an old, manual system that lacked efficient protocols and a continuum mind-set.

“When I’d volunteered for other events, I was involved in getting the tables set up,” says Tice. This time I was involved in the check-in and check-out process and saw how difficult it could be. It was disorganized and frustrating. I was worried about getting people to come back next year. I thought to myself that there must be a better way.”

Tice, a former banker, analyzed the event and realized the old procedures were, in a sense, myopic: in no way did they lay the groundwork for future events. It was this realization that compelled Tice to go online in search of a solution. He selected ProvenBenefit from Proven Software, in part because it included many of the capabilities of SOLD II – a product used for over 20 years to manage professional auctions where the pace and complexity is much more demanding.

According to Tice, the check-in process was fast and smooth the following year, and the check-out time was cut in half. Online credit card processing was cut to 3-4 seconds and invoices with full item information, payment information and even fair market values were instantly available for winning bidders to take to their financial advisors for appropriate tax deductions. All that was left was picking up the item. There was no waiting.

Donor and Bidder Tracking – Worth Its Weight In Gold

Despite heavy emphasis on speedy checkout, the stability and consistency of donor and bidder information is perhaps the most critical element of the process. This extends far beyond entering a name and contact information into a spreadsheet.

“I can’t imagine running any event fundraiser without software,” says Tracy Merfeld, an industry consultant who estimates that it “easily” improves the efficiency of an event by more than 25%. “There is no way you can run an auction of any size with paper and pencil, or a simple spreadsheet.”

True donor tracking includes detailed records that identify donor contributions over time (including major or frequent contributors), items donated for auction, volunteer assignments, reminders of best times to call, etc. Corporate and foundation solicitations such as these must be organized on a schedule that is planned months or years in advance to allow sufficient time for cultivation of the prospect, preparation of the request and support material, and interaction with the funder’s staff.

Tracy Merfeld, along with her husband Doug, have spent the past 14 years and counting working the live auction component of the annual Roger Maris Celebrity Benefit Golf Tournament. Now in its 26th year, this event has raised over \$1,200,000 for charities. Merfeld utilizes the Proven Software product to manage many aspects of the auction, which features hundreds of items from the sports and entertainment worlds.

“When there is turnover with volunteers, the charity often loses valuable information,” says Merfeld. “However, with a proper infrastructure in place, the information can be passed on from year to year and they acquire and mailing list where the donors and bidders can be contacted and know of upcoming events.”

Armed with this information, non-profit staff can use a variety of techniques to solicit donations including person-to-person, formal proposals, and direct mail.

“You can also look back at previous years and see which items sold well – so we can solicit more of

them for next year – and which items didn’t sell. We may even need to reduce the overall number of items in order to reduce the selling time because if your selling time is too long you lose bidders as well,” adds Merfeld.

Tracking attendees and developing a history of bids and donations can also improve the returns for future events.

“We want to identify the top 15 percent buyers, the VIPs who spent the most money,” explains Benefit Fundraising Consultant Andy Hill. “With the fundraising software, you find out who your VIPs are and you track them all year long.”

According to Hill, seemingly minor techniques such as seating the best bidders up front for a live auction can generate more revenue over the course of the night. “You generate more revenue by sitting these select people right up front, as opposed to an attendee that is not going to bid at all.”

Revenue Enhancement

During an event additional fundraising efforts and techniques can boost the donations when properly organized and executed. In addition to a live auction, for example, silent auctions, raffles, fund-in-needs, and many others “revenue enhancing” techniques can be utilized. The rule of thumb at an event is that you should get more on most items than fair market value. An organized software system such as ProvenBenefit facilitates the management and execution of these revenue enhancers.

For example, a silent auction with a “buy it now” price can increase revenue generated on a single item by 20% over a silent auction with no buy it now. Research has demonstrated that bidders that dearly want an item will happily pay a higher price on the spot – in this case 150% of the fair market value – as an alternative to waiting until the end of the event to see if the item has been won.

Properly executed raffles also dramatically increase the revenue of certain items, for example jewelry and electronics, which typically do not sell well or at fair market value. Instead, the software can man-

age a raffle at the event with \$20 tickets that generate \$2000 for the same item.

Fund-a-Need are a simple concept as well, an often increase event revenue by 25-50%. It works this way: The auctioneer will take a break from the auction and will ask if anyone in the audience would be willing to donate money to help a charitable cause. This gives attendees the opportunity to simply make donations that are strictly in the spirit of charity without the expectation of goods in return.

End of the Night

According to Hill, many organizations require paper trails for the event. “Many organizations want the software because it provides a paper trail,” says Hill. “It’s a very efficient system for the people that are putting on the auction because at the end of the night they have all the reports on exactly how much each item sold for, how much they received from the live auction, the silent auction, raffles and so on.”

“It’s all right there in black and white and you just print out those reports at the end of the auction, hand it over to the committee member in charge at the end of the event,” says Hill.

Only the end of the event is just the beginning of next year’s event. According to some experts the best time to begin contacting donors and bidders for next year’s event is within two weeks following the event when the charity is fresh in their minds.

“The sooner, the better,” says Hill. “We want to get to all those that participated before anybody else does.”

The goal, of course, is to maximize the fundraising of each succeeding event to best help the cause. After all, that is the true purpose of any fundraising effort.

“If I’m involved in a charity event,” says Hill. “We will be using software as a tool because there is too much to be left on the table if we don’t use it. It’s that important.”

For more information about Proven Software, Inc. visit www.provenbenefit.org; e-mail: info@ProvenBenefit.org or Call (800) 487-6532. Write to Proven Software, Inc., PO Box 476, Manlius, NY 13104