

May 11, 2009

## Not-for-Profit Leadership Summit

**Workshop Title:** Creating New Donor Constituents Where None Exist

**Overview:** Creating new donor constituents where none exist is a fundamental task of vibrant fundraising, and in times of economic downturn an even more essential task. The fact is that individuals of high net worth are pretty recession resistant and cultivating them for value-alignment with your agency is a good use of your time.

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### Workshop Outline:

1. The Challenge: Fundraising strategies developed over the past 70 years for attracting individual and major donors are biased toward large charitable institutions.
  - a. The strategies can, however, be adapted to small and mid-size organizations, i.e. those characterized as high-performing, under-recognized, and under-resourced.
  - b. These are typically community-based organizations that lack money to spend on public relations to attract donor dollars and often tend to be overly reliant on government funding.
2. The Solution: To build donor constituencies where none exists is not an impossible mission.
  - a. It requires an efficient and *developmental* process for introducing prospective donors to a charitable institution they have not yet heard of.
  - b. The most cost-effective method is to make these introductions *personally* and through social networking, not by spending a lot of money on public relations
  - c. Donors whom you consider approaching must be *value-aligned* with your institution.
3. Applying the 10:3:1 sales rule
  - a. Of ten people referred to you as business prospects, three will become clients, but not right away; only one will become a client today, the time may not be right for the other two.
  - b. This applies equally to introducing potential individual and major donors to organizations that are new to them.
4. Individual giving and major donor fundraising is an ongoing relationship with the donor.
  - a. Without cultivating and sustaining a personal relationship with your donor, your likelihood of receiving repeated significant gifts is slim.
5. What an “individual of high-net worth” looks like
  - a. The values they espouse are the values of the entrepreneurial nonprofit.
  - b. It is a perfect love match