

**HOW TO:**

**GROW  
TO \$1M**

**ANNUALLY**



**Studies tell us that over 80% of the 1.4 million charitable organizations registered in the United States never reach \$1Million annually.**

Urban Institute's Center on Nonprofits & Philanthropy

## PLAN TO GROW

THIS IS A MARATHON – NOT A SPRINT.

There are countless seminars, classes, and trainings you can enroll in to learn how to do individual fundraising. But often that is not the problem keeping organizations from growing.

If you are simply trying to figure out the quick-fix fundraising formula you will never grow, and your organization will not become sustainable. What you do need to do is fix all the ways your internal structures support fundraising.

You can grow your organization – you can overcome the statistics that tell us most nonprofits will not grow into strong businesses to support their founding missions. **This document explains six of the more operational or internal sticking points that cause funding plateaus and prevent growth long-term from individual donors.**

When planning to grow, leadership must not solely focus on the act of fundraising. It's more important to understand how the three distinct nonprofit pillars (program activities, fundraising, and general administration) integrate to drive funding growth. This is key—annual development (and thus steadily growing your funding year after year up to and over \$1M) is not about being brave enough to ask for a gift but understanding how every aspect of your business impacts income.



### A DOCUMENTED PLAN

You must be prepared to present the annual and growth plans of your business to donors.



### A BUDGETED NEED

Yes it's true – you must spend money to make more money. A growth mindset should drive your budget.



### DONOR-FOCUSED PROGRAMS

The issue you are solving and the solution you've created must be clear for donors to consider making large gifts.



### SEGMENTED STRATEGY

Each group of donors needs a strategy and metrics for enrollment, retention, and growth.



### ANNUAL RHYTHMS

Get into the monthly, quarterly, and annual rhythms that are characteristic of successful nonprofits.



### EMBRACING METRICS

Live in a world where metrics are understood and the path to success is monitored every day.



## A DOCUMENTED PLAN

### GET YOUR AMAZING PLANS ON PAPER

Sometimes the biggest mistakes leadership can make is focusing only on immediate funding needs; however, much of what grows and creates long-term, organizational health is the time given to creating the plans as to how you are going to build a sustainable organization. These plans are an integral part of your fundraising efforts.

If you want to move your top donors into an annual mindset—one where they give their best gift every single year—you must share and engage them in your annual plans on a regular basis.

To ensure the best chance at funding your plans, priorities should be given to those donors of the highest value and opportunity for results—which are the major and mid-level donor portfolios.

#### STRATEGIC PLAN

The strategic plan should be scaled to meet the organization, so the plan does not need to be a long, drawn-out process. Keep it simple and create something that the team can actually use. Commit to this process taking no longer than 60 days.

Consider hiring an outside consultant who can teach the Executive Director to create a simple strategic plan for the organization. This approach will be a one time investment versus paying someone to create a plan every three years.

#### DEVELOPMENT PLAN

Like the strategic plan, the development plan should lay out the segmented activities, events, and relationships in which the organization seeks to engage. The plan should outline the resources, staff, and budget required to accomplish the financial goals.

The plan should speak to growth, retention, and enrollment rates for the current year as well as a look-ahead for the next three years.

This plan should drive all priorities and time-allotment for the fund development team.



# A BUDGETED NEED

## INVEST IN YOUR GROWTH

Organizations must formulate and present the budget to enhance the development strategy. Donors, especially individual major donors, need to understand your overall funding structure and their crucial role in it each year.

The development team should be able to present the budgeted annual need, the financial trends of the organization, and the programmatic plans for the next few years. The development staff needs to be able to have a conversation about their business with the business people they are soliciting.

To create a growth-minded development strategy, a very systematic approach should be taken to design the budget – both the expenses and income and particularly how it's fully supported by the staff and metric-based development plan.

### | EXPENSES

You must be a translator for your donor. This means the expense budget should be forecasted and extracted out into a public budget into the IRS Form 990 standard categories of programming, administration, and fundraising.

Any budget presented to a donor should be represented in the same format the IRS requires. This way you can actively use your Form 990 in your fundraising strategy.

### | INCOME

Although it is a typical practice to forecast expenses each month, organizations should also forecast income each month (per donor segment) so the entire team has expectations set for fundraising activities.

Not only will this approach help identify times where cash flow may be tight, but this will also assist in preparing your staff and donors to get into a rhythm of annual giving.



# DONOR-FOCUSED PROGRAMS

## THE CASE FOR WHY YOU EXIST

Your case for existence is a vital factor in a successful and growing fundraising operation because it is the basis for establishing every individual's reason for giving. Your organization must be able to convey the change that can be made in the life of the participant with a donor's help. The root of this lays within the programs you've designed to solve a problem.

While most donors might agree that they see good, mission-based work happening within organizations, there is not always clarity on the organization's programs and results. Clearly defined programs need to be integrated into all donor activities and communications. If done correctly, your brand will be strengthened; it can allow a donor to understand the heartbeat and true need and mission of your organization.

Make sure you are presenting the organization's programs in a way that seamlessly integrates them into one directed mission. **The presentation of the programs and their goals should provide clarity in a donor's mind.** Budgets, internal systems, donor presentations/proposals, and IRS filings should reflect these programs.

**IF YOU'RE A SUBJECT-MATTER EXPERT IT'S HARD TO OBJECTIVELY CATEGORIZE AND DESCRIBE YOUR PROGRAMS TO AN AVERAGE DONOR. THE FIRST STEP IS TO LOSE THE ACRONYMS AND INDUSTRY JARGON IN YOUR PROGRAM NAMES.**

**MAKE SURE YOUR PROGRAM DESCRIPTIONS ARE NOT TOO FOCUSED ON THE MEANS TO THE MISSION RESULTS - BUT REFLECT HOW YOUR ORGANIZATION'S MISSION IS THE SOLUTION TO SOLVE A CRISIS.**



## SEGMENTED STRATEGY

### ONE SIZE DOES NOT FIT ALL.

Besides having the ability to connect and form deep relationships with donors, the daily discipline of regular development activities is the greatest contributor in generating steady revenue. When leadership doesn't allow enough time to design and implement custom, exclusive donor experiences for particular segments of the constituency, the organization will not grow to what it could be.

The constituency (including prospects) needs to be divided (or segmented) based upon naturally existing criteria such as past giving trends, ability to give, how the donor has given, age, or when the donor has given. Once these segments have been identified and sorted, tactile plans and strategies can be designed for each donor segment. For each segment, we must deeply understand what we must do to serve THEIR mission. Every engagement is rooted in what the donor values about the mission and organization.

**Segmented activities should be woven through many areas of the communication and marketing. Here are a few idea starters:**



#### NEWS

You may need multiple versions of your newsletter; think what different messages you need for monthly donors, volunteers, or grassroots donors.



#### APPEALS

An easy way to segment appeals is with the gift array envelope – know last year's numbers and stretch. Then customize the insert based upon the segment.



#### EVENTS

Create events to support your overall segmented strategy – but try not to mix levels of donors. The larger the donor the more exclusive the experience.



#### THANKING

As a rule of thumb, the larger the gift the more customized the thanking should be. Take the time to knock the socks off of your top 30-50 donors this year!



# IN ANNUAL RHYTHMS

## DEVELOPMENT IS DISCIPLINE

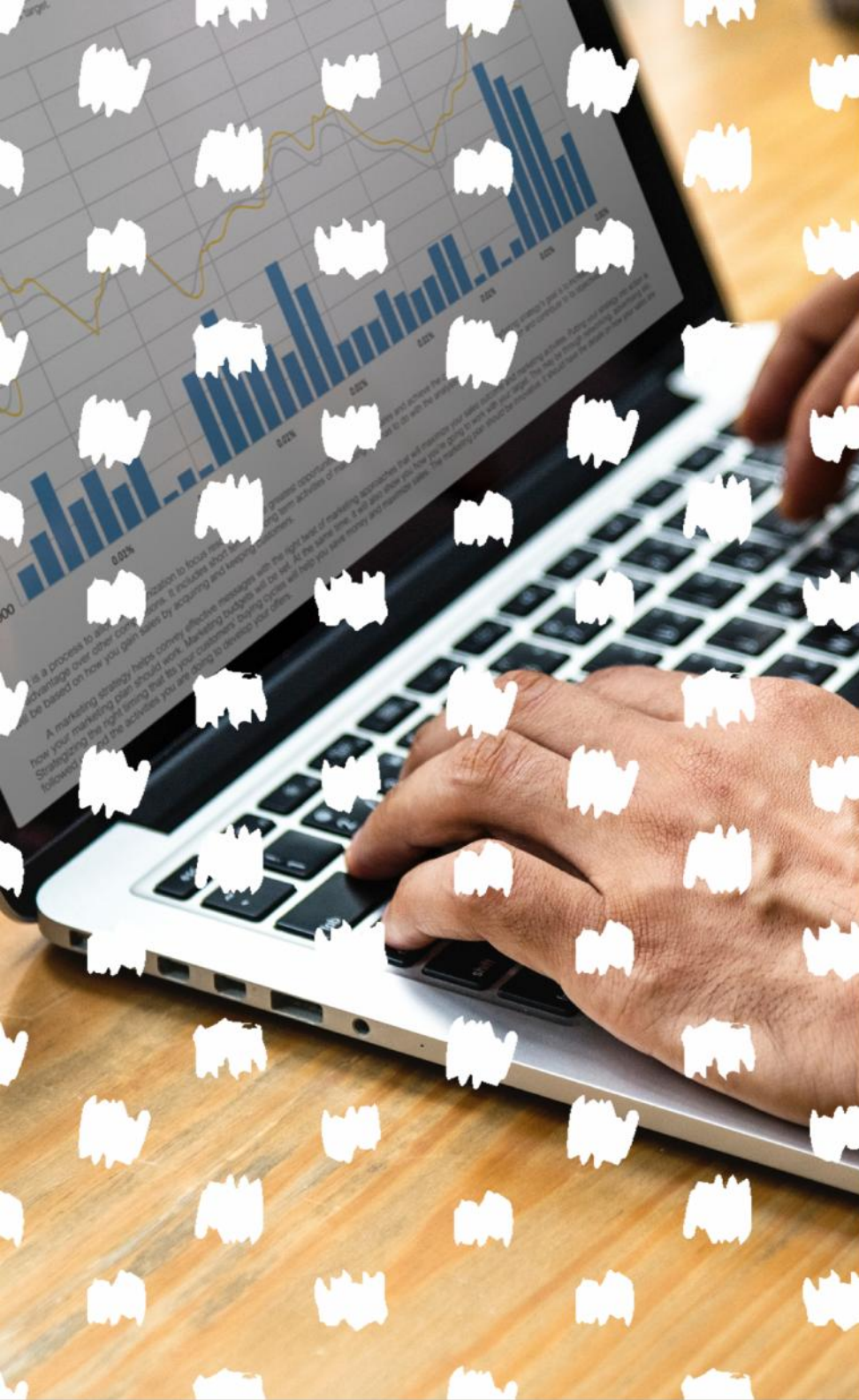
We've expressed the need for leadership to set aside regular, dedicated time for development activities. This is the framework and structure that will grow your nonprofit—getting into the weekly, monthly, quarterly, and annual rhythms that are characteristic of successful nonprofits.

Leadership wears so many hats—we understand. This is where you must be in tune to your time allocation and know when you are ready to hire and spread out the load. The annual program planning and tracking, along with the donor's engagement with those programs, should be the priority of the executive director.

### DISCIPLINE OF DEVELOPMENT:

Here's a snapshot of the types of regular activities that will strengthen your annual individual donor experiences:





## EMBRACING METRICS

### REVIEW YOUR NUMBERS. THEN PLAN.

Integrating donor data analysis into your day-to-day processes is often an overwhelming thought for many. Without a system, there are tasks that are likely not being performed, like auto-renewals, auto-messaging, and crucial report delivery. These vital tasks are best supported with a donor management software program. The software also feeds into the weekly, monthly, quarterly, and annual data analysis that should be performed by the fundraising team (see previous page!).

If there is a very casual, head-knowledge based approach to the giving trends and key metrics in your organization, then growth will be difficult. Your true data trends inform all future steps in funding the organization and your regular activities.

Accurate and regular data creates the opportunity to customize the donor experience, communicate with segments in a targeted manner, and track the cultivation experience.

Donor management software is only as good as the data inputted and managed every day. This must become one of the core and lead tools for the organization. A dedicated staff member should intimately know how to use the program and how the data within ties to the overall development plans and segments. Accounting software like QuickBooks cannot replace the deep donor-specific report abilities of a database.



## OUR SERVICES

WE GROW NONPROFITS ALL OVER THE WORLD.

### QUAMTAYLOR LLC

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QuamTaylor helps Nonprofit Leaders who are ready to invest in leveling-up their organization to the next level, teaching them to understand the tools and skills needed to perform activities that fund their missions every year.

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#### SIX MONTH INTENSIVE GROWTH & DEVELOPMENT COUNSEL

We'll spend six months of intensive time together working on development and organizational processes to position you to grow and streamline your funding. We'll create a custom Strategic Fundraising Plan and then roll-up our sleeves to methodically push through the plan together.



I'm amazed that she [Sherry] truly customizes her counsel, creating on-the-spot solutions for the unique challenges we are facing. Her big-picture perspective helps me see my organization differently.

-Jerry, Executive Director

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#### THREE MONTH FUNDRAISING BOOTCAMP

We'll spend three months teaching you to streamline the processes that position you to grow. We'll work through key principles needed to strengthen your organization and then teach you how to solicit for gifts that will change your organization.



I am absolutely amazed when I think how far our organization has come in the one year. Not only have our cash flow issues stabilized, but also, our vision and mission have been strengthened..

-Sarah, Executive Director