

# Dollars & Sense...



## ABOUT THE AUTHOR...

### LARRY JOHNSTON, PHD

Dr. Johnston has spent 38 years working on behalf of non-profit organizations. A well-known development consultant and lecturer, Larry has taught at the Graduate Program of Fund Raising Management, the University of San Diego, and lectures at conferences coast to coast.

He holds an M.A. degree in Organization Development and a Ph.D. in Human and Organizational Systems from the Fielding Graduate Institute. Larry's doctoral research resulted in the creation of Donor Value Mapping® -- a tool to help organizations determine and maximize donor satisfaction, loyalty and lifetime value.

Having consulted internationally with clients in Canada, Europe and Latin America, he has a special interest in strategic management and organization development, and leading and managing organizational change. Larry and his wife Rebecca live in Woodland Park, Colorado.

The economic downturn has some ministries reeling, but those with the right development approaches -- especially to major donors -- are weathering the storm.



## Stormproofing Your Major Donor Program

by Larry F. Johnston, Ph.D.

Although the future is fundamentally uncertain, we can count on one thing. The tempestuous seas and gale force winds of the current economic environment will test the seaworthiness of many nonprofit and faith-based organizations. Some will batten down the hatches and seek refuge below deck, simply doing their best to ride out the storm. Others will wisely seek a more proactive approach to avoid ending up on the reefs and will thus have "all hands on deck" to

maneuver the ship expertly until the seas again grow calm.

Recognizing that there's no quick fix for the current global recession, what are some things you might do to weather the storm and potentially come out of the tempest even stronger?

First, let's recognize that a sovereign God is in control and our country has

weathered worse storms. This won't be easy, but neither is it likely to be fatal.

Second, avoid the "gloom and doom" thinking that can very quickly become a self-fulfilling prophecy. Don't yield to the diseased thinking of the guy who was asked how long he had been sick. He said, "In two more weeks it will be a month!"

Third, remember that only the most financially challenged (22% of American adults according to recent Barna research) have temporarily stopped giving entirely, and few if any of them are among your major donors.

Fourth, take advantage of this challenging time to review current strategies and programs and be sure that your donor cosmograph informs a truly strategic

cut. An who will survive the cut? Those organizations that have embraced "the relentless pursuit of donor delight" and have been proactive and consistent in creating *donor loyalty*. It's chilling to realize that even donors who indicate that they are "very satisfied" with an organization can still defect in a heartbeat. It's *delighted* donors that don't defect. Many organizations that have performed poorly in creating value for donors will find they didn't make the cut, and sadly, most will never learn why.

Sixth, don't be a "fair weather friend" to your donors. As John Kennedy once said, "Only in winter can we see which trees are evergreen." During difficult times, some organizations neglect major donors who temporarily can't give, thereby signaling that the only thing they're really interested in is the donor's money, not the donor. If you felt that way about an organization, would it continue to benefit from your support?

Because donor development, properly understood, is about developing donors as individuals (a radically different paradigm and practice than merely developing a donor *base*), this is a good time to do a reality check and confirm that those involved in your development efforts understand that development isn't simply something you do to *support* ministry. It is ministry.

As anyone who has spent a considerable amount of time in the field of development knows, fundraising can be complex. In fact, according to one study, more than 50 distinct disciplines now characterize the field of development. The good news, however, is that there are some simple and abiding truths that every CEO or development officer can follow with major donors. My partner of more than 35 years, Bill McConkey, shares four abiding truths which, while especially appropriate to major donor development, apply to other donors as well. These four "keys" should be com-

mitted to memory by your CEO, development staff, board members, and each staff person genuinely interested in the growth of your organization:

### Four Keys to Major Donor Success

- ➔ **Get involved in the lives of your donors.**
- ➔ **Discover what *their* hopes and dreams are.**
- ➔ **Show them how your organization can be a vehicle for the realization of *their* dreams.**
- ➔ **Challenge them to make their dreams come true *now*.**

### Key # 1. Get involved in the lives of your donors.

In major donor research conducted for my dissertation, one organization (among five) scored the highest in donor satisfaction and loyalty. Not surprisingly, this was an organization that had regular, quality face-to-face time with their major donors. While we're big believers in direct mail, we appreciate the wisdom in the adage that "Nobody ever got milk by sending a letter to a cow! You've got to get close, get your hands on, and stroke!



Make sure every-one involved in your development efforts understands that development isn't simply something you do to support ministry...

**Development IS ministry!**

resource allocation framework for your organization's development efforts (for those unfamiliar with a cosmograph, see my article, "The Call of the Cosmograph" in our website Resource Center: [www.mcconkey-johnston.com](http://www.mcconkey-johnston.com)).

Fifth, recognize that when donors reduce their giving, your goal is to survive

**Key # 2. Discover their hopes and dreams.**

The astute reader will notice that this flows naturally out of Key #1. In other words, if you truly get involved in the lives of your donors – in deep and meaningful ways – you’ll discover what is most important to them. But beware a trap that many CEOs and development staff fall into. They spend so much time talking about their hopes and dreams that they don’t have time to learn the hopes and dreams of their donors. This puts them in a “selling” mode rather than the more desirable “marketing” mode.

Think of it this way: “Selling” is taking what you have “on the shelf” (plans, dreams, case for support, etc.) and attempting to persuade the donor to “buy” it. “Marketing” is finding out what the donor wants and then putting that on the shelf. This doesn’t mean that you become “donor-driven.” It means that while being driven by your organizational mission, vision, and values, you are passionately donor-focused. As Peter Drucker, the father of modern management noted, “The aim of marketing is to make selling superfluous.”

**Key # 3. Show them how your organization can be a vehicle for the realization of their hopes and dreams.**

Let’s go back to the “shelf” again. If you have discovered what the hopes and dreams of your donors are, what kind of impact they want to have and what kind of legacy they want to leave, you can now show them how different programs or aspects of your work can be excellent vehicles for the realization of some of those dreams. If you have discovered what my passion is as a donor, and can demonstrate how your organiza-

tion can be an outstanding vehicle for accomplishing my dreams, how effective do you think you need to be as a salesperson? Not very. By discovering what’s most important to me and demonstrating an interest in how you can further my hopes and dreams through a genuine partnership, you’ve made “selling” superfluous.

**Key # 4. Challenge them to make their dreams come true now.**

(aka, “Do your givin’ while you’re livin’ so you’re knowin’ where it’s goin’.”)

While our Donor Value Mapping® process provides laser precision in identifying what really drives donor loyalty for a particular organization, it’s worth repeating one of the greatest truths of fundraising. Of all the reasons why people give, one is more important than any other: someone *asked*. This means that becoming involved in your donors’ lives, discovering what *their* hopes and dreams are, and showing them how your organization can be a vehicle for the realization of those dreams isn’t enough. In and of itself, that would be like hitting the ball out of the park, running to third base and then walking off the field! It adds no more to the score than striking out! Remember, in the scenario I’ve outlined, you’re not simply asking for a gift. You’re inviting good friends and partners to make their dreams come true.

Invest in these four keys on a consistent basis and you’ll effectively storm-proof your major donor program. Come economic wind or wave, you can count on surviving the storm.

For more about how to secure your base and increase income during difficult economic times, contact Larry Johnston, or any of the McConkey • Johnston team, by visiting our corporate Web site at [mcconkey-johnston.com](http://mcconkey-johnston.com).

