Chapter

04 | IMPLEMENTATION

1.   Overview

The implementation stage involves the 'friend-raising' principle of donor development. Saying a heartwarming thank-you and highlighting how the donor's gifts has impacted the cause that they supported is an effective way of encouraging repeat contributions.

2.   Key actions

To be effective in implementation, it is important that the NPO set up an effective:

a.   Donor management process

b.   Donor recognition process

c.   Donor communication plan
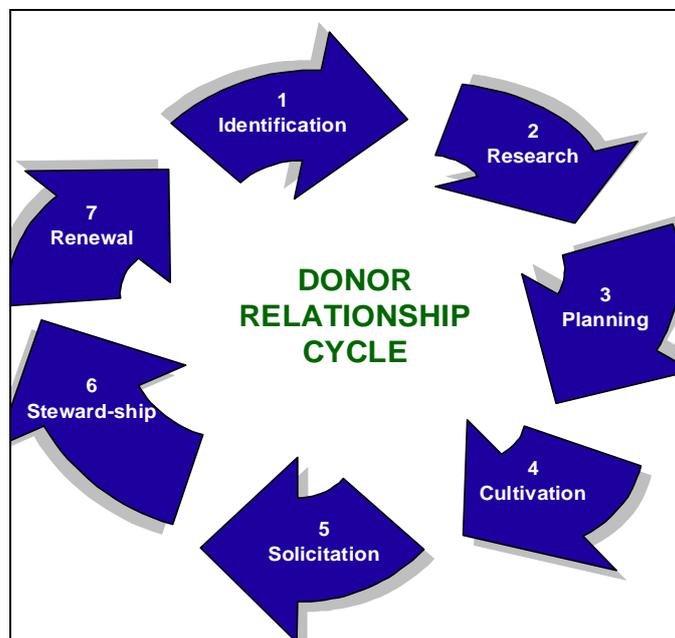
a.   Set up a donor management process

The donor management process includes a database and ways for the NPO to build relationships with potential and current donors over time.

Steps 1 and 2: Identification and research

Identify individuals or institutions such as corporations and foundations that may believe in the mission of the NPO and have the capacity to make a contribution. Research the motivations and interests of these potential donors to determine whether you and they share an interest in the same objective and add this information to the database.

Step 3: Plan

Plan the appropriate method of engaging the potential donor. For example, a high-net worth individual may be engaged through her company as part of its corporate giving programme or through a substantial gift in her personal capacity.

Step 4: Cultivate

This is when the potential donor learns about the NPO, its vision, leadership, and programmes, while the NPO learns how the potential donor and the NPO can work towards a common goal. Tracking the various interactions and feedback from the potential donor provides valuable data for the next action.

Step 5: Solicit

Based on the above actions, the NPO then solicits the potential donor, in such a way that the potential donor willingly supports the nature and quantum of the NPO's request[1].

Step 6: Stewardship

Stewardship involves reporting to the donor how the donation has impacted the cause. Information in the donor database on the motivation and interest of the donor, and how the donor prefers to be thanked, is useful when developing the acknowledgment and report for the donor[2]. It is also useful to capture information on other involvement with the NPO, the "recency" of gift, the amount(s) and the frequency of giving, as these will provide a holistic report of the donor's support, rather than be limited to acknowledgement of a specific gift.

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[1] Please refer to the annex on good fundraising practices in the Code of Governance for Charities & Institutions of a Public Character

[2] It is a general principle in Code of Governance for Charities & Institutions of a Public Character that an NPO provide information to the public e.g. on mission, programmes, performance and finances. For those in the enhanced tier, NPO's board should ensure "adequate reporting" of the progress of the charity's programmes and outcomes to relevant stakeholders e.g. donors and grantmakers.

Step 7: Renewal

What is true for the for profit business works holds true for the NPO too - the best donors are repeat donors. The NPO must continue to build relations with donors by giving them further opportunities to be involved, e.g. through further donations, and involve others in the NPO's cause. A good donor management system tracks the growing (or declining) relationship of the donor with the organisation and helps provide information that can enhance that relationship.

◈ What a donor database can do

An accurate, timely and up-to-date donor database helps the NPO to:

◆ Establish bonds with current and potential donors

◆ Track the cultivation of potential and current donors through contacts made, events attended, mailings sent, etc to track these interactions and forge a holistic relationship with the donor

◆ Evaluate the relative success of specific events, volunteer recruitment campaigns and mailings, so that planning for future events and campaigns can be based on data that is used to improve the effectiveness and efficiency of the activity. For example, which activity yielded the most number of donors? Which activity led to the most (or least) supportive donors?

The donor database may be filed physically as paper records, or electronically in a spreadsheet or database software. A good donor management should be able to capture basic information such as:

◆ Contact details: e.g. name of person, name of organisation (if applicable), address, email, telephone number

◆ Donor's relationships: with other supporters (individual or institutional) within the NPO

◆ Recency: when was the last gift the donor made and for what project

◆ Frequency: How often or in what forms does the donor support the organisation? For example, the donor may make a personal donation while at the same time buy tickets to a charity show or golf tournament and also regularly buy festive greeting cards from the organisation

◆ Amount: what is the level / total sum of contributions of a donor to the organisation

◆ Use the information captured to nurture the relationships the donor has with other supporters and potential supporters to strengthen the supporter network as well as the sense of belonging

◆ Facilitate the fundraising initiatives of the NPO through the:

- Renewal of support - where a one-off donor is encouraged to be a regular donor

- Upgrading of support - where a donor giving a certain quantum is motivated to increase the amount

- Cross-selling of NPO products or events – where a donor is provided opportunities to support more than one appeal by a NPO, through participation in special events, buying of merchandise sold by the NPO or giving a large gift in response to a specific capital fundraising appeal

b.   Recognise donors

As supporters and donors get more involved with the work of a NPO, they get an increased sense of belonging to the organisation.

Hence "*friend-raising*" activities and events in the form of donor and supporter recognition are important. Low cost, high impact activities or interaction opportunities, as stated below, can be designed such that the donors and supporters keep their interest and commitment to the NPO.

☞ **A donor relationship building process includes**

❶ **Donor appreciation**

Donors can be appreciated for their support and contribution to the NPO through phone calls, personalised letters, certificates, plaques and merchandise like mugs, pens etc, based on donors' preferences. How the NPO presents these tokens of appreciation may be more important than the gift itself.

❷ **Donor recognition**

Donor recognition and benefit (e.g. naming rights to buildings or events) should not be "one size fits all", since there are different types of donors. Having different donor categories helps ensure that donors are acknowledged promptly and appropriately based on their level of contribution.

❸ Donor involvement

Donors who are invited to join an advisory council or major donor network may feel appreciated. Being asked to serve in leadership roles for a cause they are close to is seen as a privilege, even if they choose to decline the offer.

c. Communicate with donors

The donor communications ladder shows the various levels of donor communications and engagement, from the least personalised to the most personalised. Fundraising is about "friend-raising". NPOs that put in time and effort for their friend-raising activities should use all of the steps in the communications ladder, while nurturing the relationship with their donors.

Donor communications ladder

One-on-one meetings
Small group activity
Large event
Telephone calls / web-based interaction
Personalised letter / email that does not ask for funds
Mass mailed letter / SMS
Newsletter / e-newsletters
Brochures
News releases
Websites

Least personalised → Most personalised