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MAY 2004

The Contributor is issued ten times annually and is a publication of the Greater Toronto Chapter of the Association of Fundraising Professionals.

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AFP represents more than 26,000 members in 174 Chapters throughout the United States, Canada, Mexico and China, and works to advance philanthropy through advocacy, research, ethical standards, education and certification.

The Business of Philanthropy

What do today's donors expect and how can your organization deliver? Dianne Lister, LL. B., CFRE and Janet Dey's presentation to the April lunch attendees sought to answer this essential question. Lister is the Principal of The Dianne Lister Group, a national consulting business for the nonprofit sector. Her involvement in the AFP spans local, national and international levels. Her associate Janet Dey is the President of Janet Dey & Associates, which provides advice to business, government and nonprofit sectors.

Dianne Lister and Janet Dey shared their perspective on the business of philanthropy trademarked as "Intelligent Philanthropy™" at the AFP Greater Toronto Chapter April luncheon. Simply put, Intelligent Philanthropy is a two-way street. When acting on behalf of donors, it is a creative process that clarifies philanthropic intent and matches donor investors with worthy charitable organizations and projects. From the nonprofits' perspective, it is an analytical approach to building capacity and positioning charitable organizations for sustainable funding.

Heightened awareness of the need for improved public accountability in the public, private and government sectors is a solidly-entrenched trend and nonprofits universally report that it is harder to get core funding. The economy, competition from other charities and the need to diversify fundraising sources and activities raises the bar that much further. At the same time, donors are more savvy. While venture philanthropy is not a new phenomenon, consumption philanthropy is an emerging trend. These new "investor donors" seek out opportunities to support nonprofit organizations that create excellence as consultants, or that directly support or affect them or their business.

Lister and Dey presented listeners with a snapshot of today's donor as someone who is newly wealthy, lives well (and donates well.) They are concerned about the community and a nonprofit organization's "triple-bottom line" (in other words, the value of their investment from an economic, social and environmental perspective.) This donor seeks balance in their personal, business and philanthropic lives, with opportunities for personal engagement and measures to ensure success.

Their case study walked the group through the machinations of this particular donor's decision to invest in an organization, by posing the question: "What will she be looking for?" They then outlined the detailed steps that this highly informed and focused donor would take to make a decision, including formal research, informal checks with friends and colleagues, and individual market research of her customer base. A comprehensive list of what she would be looking for included: organizational stability, professional management, short and long-term strategic capability, evaluation, understanding of her marketplace, enterprise-wide risk management, detailed financials with proof of diverse funding sources, and a realistic financial planning process.

It all boils down to managing donor investors' expectations, they stressed, and

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AFP Calendar

Note: unless indicated, all functions take place at the YMCA of Greater Toronto Auditorium, 20 Grosvenor Street, Toronto.

Fundraising Day 2004

May 26th, 2004
Metro Toronto
Convention Centre
South Building

June Luncheon:

Tuesday, June 8th
12- 1:30 pm

**Topic: Understanding
Active Citizen Engagement
Among Canada's
Information Age
Generations**

**Speaker: Shelley Smith,
Consultant, D-Code**

Audioconference

Wednesday, June 9th
12:30-2:30 pm

**Topic: The Essence of
Relationship Fundraising**
Presenter: Ken Burnett

Audioconference

Thursday, July 15
12:30-2:30 pm

**Topic: Loyal for Life:
Inspiring Dedicated
Donors**

Presenter: Todd Baker

AFP Congress 2004

November 30 –
December 3, 2004

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this is often complicated by the fact that there is a power differential. Hold your “mission ground”, they advised, and tread carefully with “intercessional” philanthropists defined as individual donors who can shape an organization with beneficial or harmful intervention.

Partnerships: New Research

Less than one month after the April luncheon, which exposed listeners to new information about the business of philanthropy, lunch attendees gathered in May to hear from Andrea Reed, Senior Counselor with Cohn & Wolfe. The public relations firm, which works with a wide range of corporations and nonprofit organizations, piloted this six-month study to better understand emerging trends in partnerships. Reed presented her firm's recent findings on trends specific to corporate and nonprofit partnerships.

Partnership is defined as a mutually beneficial alliance between a company and a voluntary organization, which may include straight donations, sponsorship, or cause-related marketing. Organizations partner for different reasons: corporations might wish to focus more attention on their corporate citizenship, maximize the return on their philanthropic investments, develop effective sponsorship programs, or extend their reach to a target audience. Nonprofits seek to benefit from the resources that corporations can offer, such as volunteers, expertise, or opportunities for a stronger public profile and financial support.

Twenty in-depth interviews with senior managers unearthed some major trends: both sides are taking a more strategic approach to partnerships; voluntary organizations are becoming more businesslike in marketing themselves; relationships between partners are multi-faceted and no longer one-dimensional; awareness about the partnerships is becoming an increasingly important factor in ultimate success. Program evaluation and measurement is also growing in importance.

According to Reed, corporations express dismay that they cannot offer more time, money and volunteers to their nonprofit partners and sometimes blame themselves for not making the most of the opportunities presented to them. At the same time, they are sometimes troubled by what they perceive as a lack of action on the part of their charity partners, and ask themselves “why aren't they doing a better job of leveraging the opportunities?” Ironically, at the same time the charity is thinking “why can't they be sensitive to our limitations?” Other factors that can complicate the relationship include a power differential as well as internal challenges faced by both organizations and charities as staff come and go.

Other major challenges include:

- managing limited resources
- defining and managing expectations
- selling the value of the partnerships
- bridging organization cultural differences
- navigating the corporate world

Reed's advice to nonprofit organizations is to establish a partnership “niche”, and accept that you may not be able to meet all of a corporate partner's needs. She stressed the importance of helping them understand the value of the relationship and one way of doing that might be to introduce existing partners to potential partners. Consider this laundry list of other ideas to foster a good partnership: establish your credibility, operate on a business-to-business basis, include plans on how you might market the partnership strategically both inside and outside your mutual organizations, and establish measurement and evaluation procedures.

Major reasons why partnerships fail was also studied. They include mismatched

Fundraising Day
May 26th, 2004

Limited spaces are available for this one-day conference, showcasing a terrific line-up of speakers, with five tracks, including the first-ever "Ask the Expert" sessions.

It's not too late to register. Simply visit www.afptoronto.org and click on the Fundraising Day logo.

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agendas or expectations, lack of clarity around roles, lack of resources, breakdown of trust and communication and failure to deliver on promises.

For more information on the survey, contact Andrea Reed at 416-924-5700, ext. 4052 or e-mail: andrea_reed@ca.cohnwolfe.com.

Chapter News & Developments

2004 Philanthropy Award Recipients to be Honoured:

The AFP Greater Toronto Chapter would like to congratulate our 2004 Outstanding Philanthropists, Barbara and Pat Keenan and our 2004 Outstanding Volunteer, Miles S. Nadal. Award recipients will be honoured at an Awards Ceremony for their exceptional leadership and their outstanding contribution to the advancement of philanthropy on Tuesday November 30, 2004.

"The Keenan's have demonstrated their leadership time and time again, being one of the first donors to contribute and setting an example which others have followed," says Jeffrey Lozon, President and CEO of St. Michael's Hospital, one of four organizations that jointly nominated the Keenans for this prestigious award. Other nominating organizations include: Young Street Mission, The Kidney Foundation of Canada and the University of St. Michael's College.

Mr. Miles Nadal, 2004 Outstanding Volunteer, is a successful businessman who devotes time, energy and financial resources to benefit a wide range of charitable organizations. His commitment to supporting the most vulnerable in our society sets an example for others and he has distinguished himself as an outstanding leader in the community, both as a donor and a fundraiser. Because of his diverse interests in health, welfare, education and social programs, Mr. Nadal has undertaken leadership roles at UJA Federation of Greater Toronto and Mount Sinai Hospital along with many other community organizations.

More information about the award presentation ceremony will be provided in future issues of this newsletter.

Nine in Ten Canadian Millionaires will donate to charity in 2004:

Nearly 90 percent of Canadian millionaires intend to make a financial contribution to a charity this year, according to the Ipsos-Reid Affluent Canadians Report. Read more at:

http://www.afpnet.org/tier3_cd.cfm?folder_id=2345&content_item_id=16627

Heritage Canada: Most Canadians Don't Understand the Word "Philanthropy":

A recent request under the Access to Information Act has revealed that Heritage Canada was going to reject the AFP proposal for a government-recognized National Philanthropy Day in Canada. Read more at:

http://www.afpnet.org/tier3_cd.cfm?folder_id=2486&content_item_id=16207