

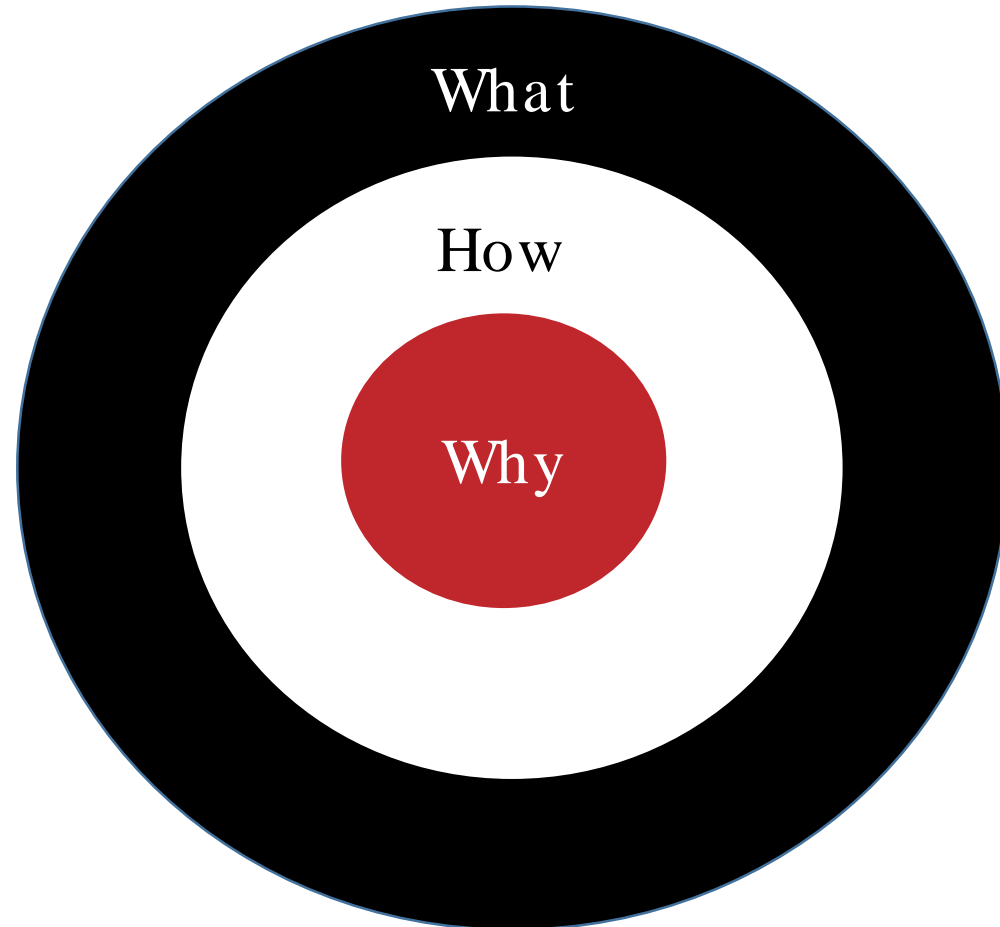


Slaying the Dragon

Debunking Common Fundraising Myths

AFP Toronto Fundraising Day
June 12, 2018

Start with Why



What FPI Can Do

	<u>From</u>	<u>To</u>	<u>% Change</u>
Amount Raised	\$10,000,000	\$45,000,000	350%
% from major gifts	0.20	0.87	335%
MG \geq \$1 Million	1	12	1100%
Donor Visits	1,848	4,312	133%

Source: Florida Hospital Foundation

The Problem
with
Conventional
Wisdom in
Fundraising

It's an
oxymoron

Impossible

Learning Objectives

- Why traditional fundraising theory and “best practice” can result in less money for your cause.
- What performance imperatives from the for-profit world will improve your fundraising
- How to keep your organization relevant in today’s changing philanthropic environment.



Slaying the Dragon

10 Ways FPI Questions Conventional Thinking

10. The Donor Pyramid?”



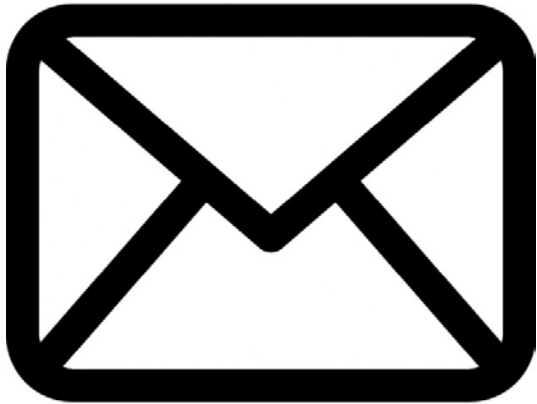
9. “Any dollar is a good dollar?”



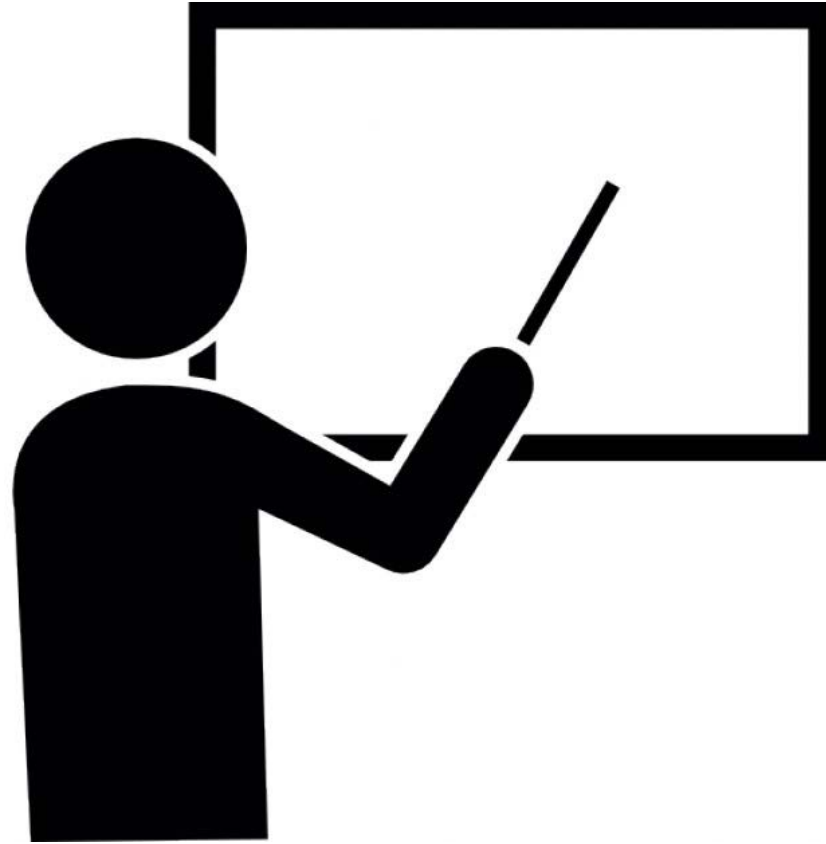
8. Culture of Philanthropy?



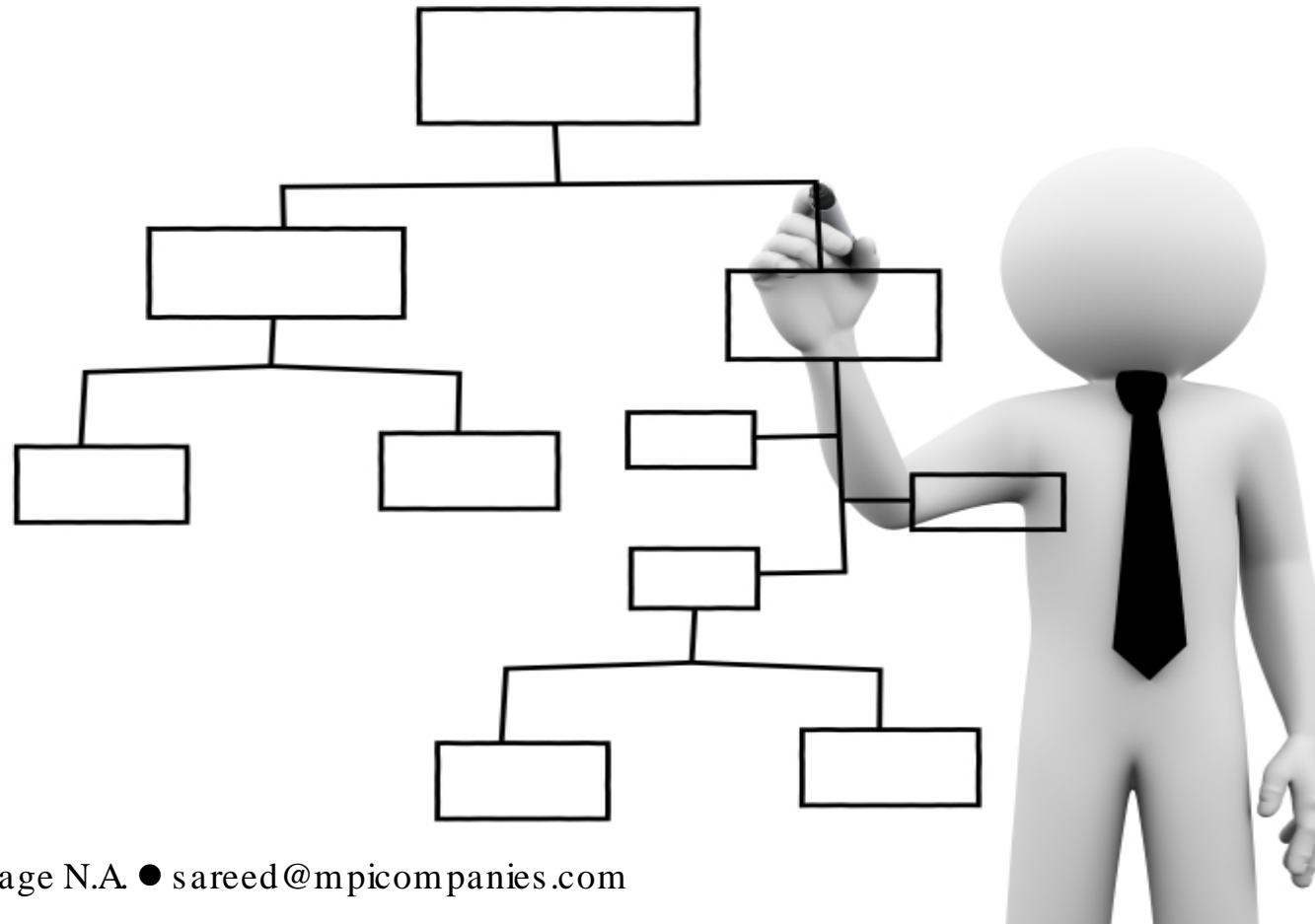
7. Moves Management?



6. Board Training?



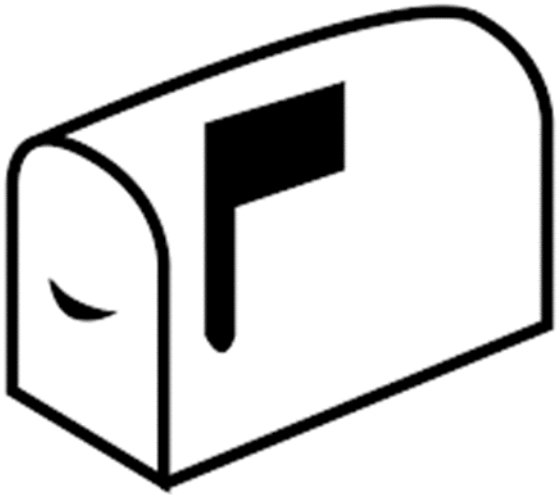
5. Your Org Chart?



4. Managers Make More?



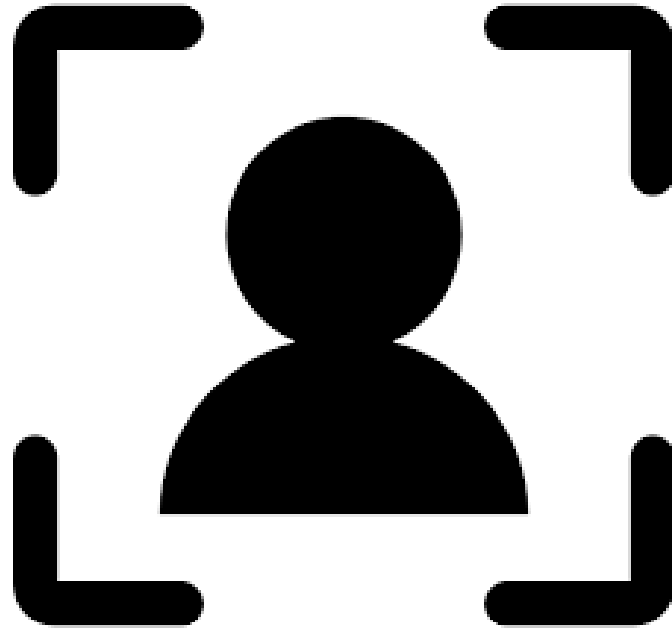
3. Annual Programs?



2. Stewardship?



1. Donor-Centric?



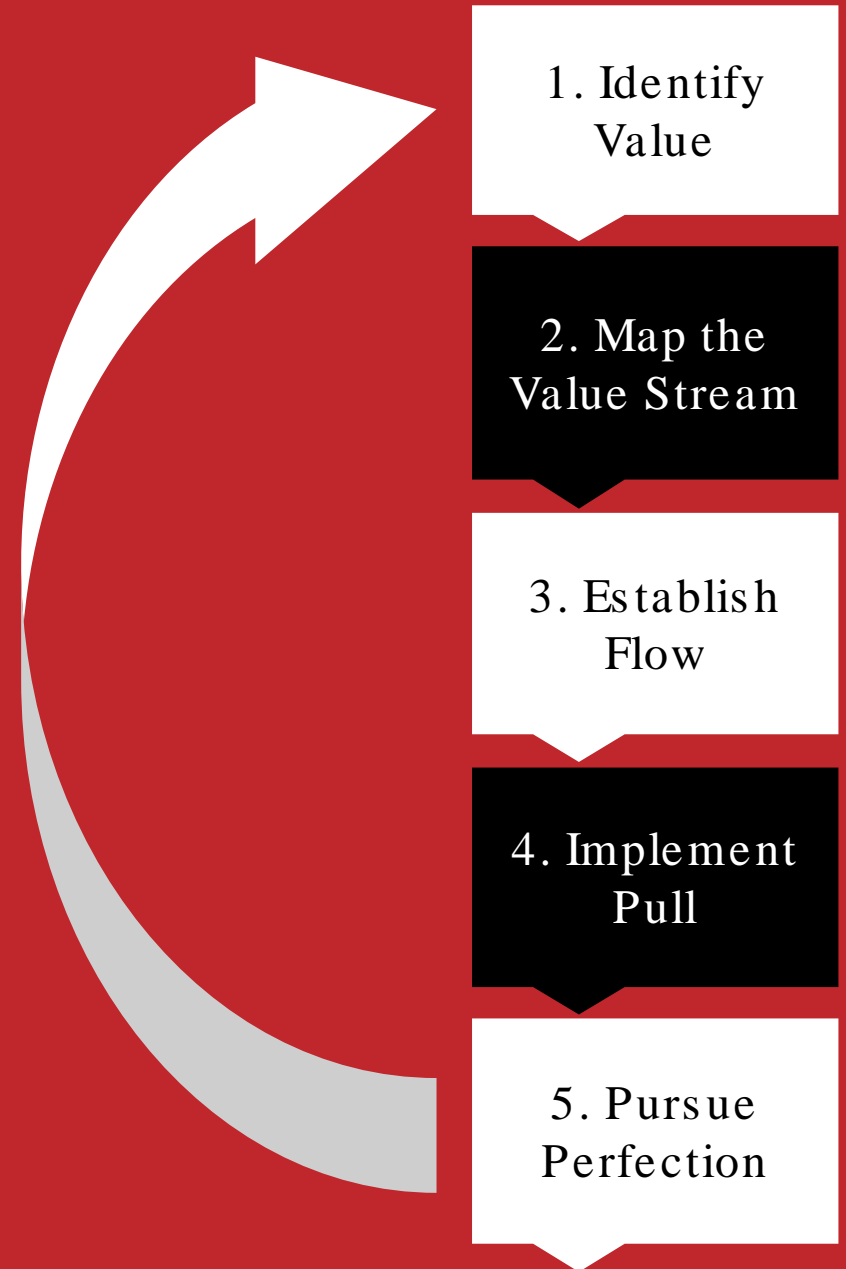


“... One Ring to Rule Them
All.”

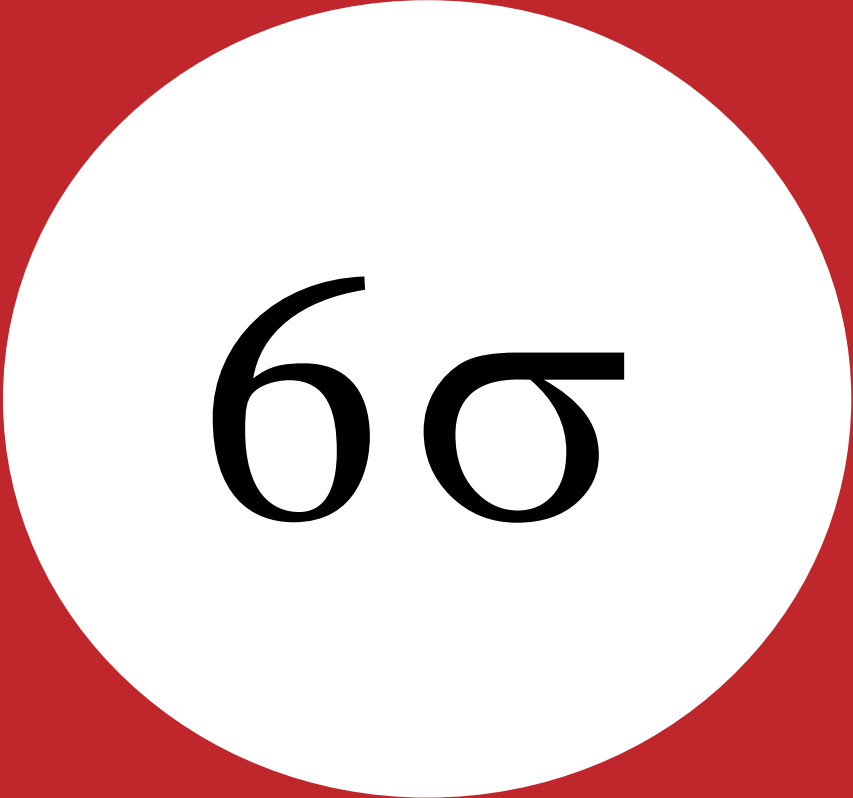
- *J.R.R. Tolkien*

Lean Six Sigma Thinking

Process - Based, Metric - Measured Operations



**Allow Only
Intentional
Variance**



6σ

FPI

Fundraising Performance Improvement

FPI Fundraising Performance Imperatives



Big Ideas

Applying Lean Six Sigma Thinking to Fundraising



1. Use high-cost, scarce resources to do only high-value work.



Big Ideas

Applying Lean Six Sigma Thinking to Fundraising



2. Create abundant flow into the “pipeline.”



Big Ideas

Applying Lean Six Sigma Thinking to Fundraising



3. Set key CTQ process measures, with emphasis on cycle time.



Big Ideas

Applying Lean Six Sigma Thinking to Fundraising



4. Measure early, measure often and ensure your metrics lead to success.



Big Ideas

Applying Lean Six Sigma Thinking to Fundraising



5. Eliminate out-of-bounds process variance.



Big Ideas

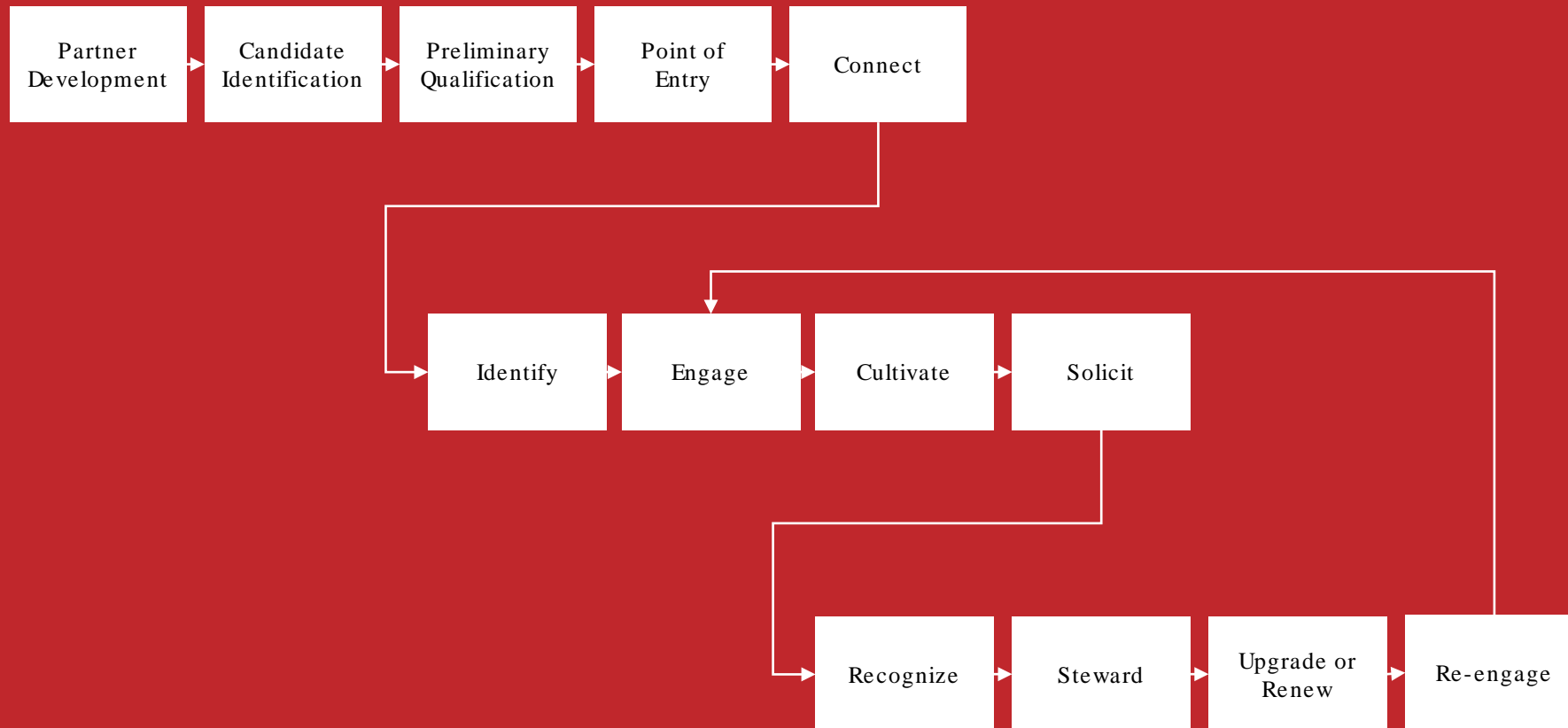
Applying Lean Six Sigma Thinking to Fundraising



6. Focus on high-return activities.

The Core Process

Applying Lean Six Sigma Thinking to Fundraising



Pipeline



Core

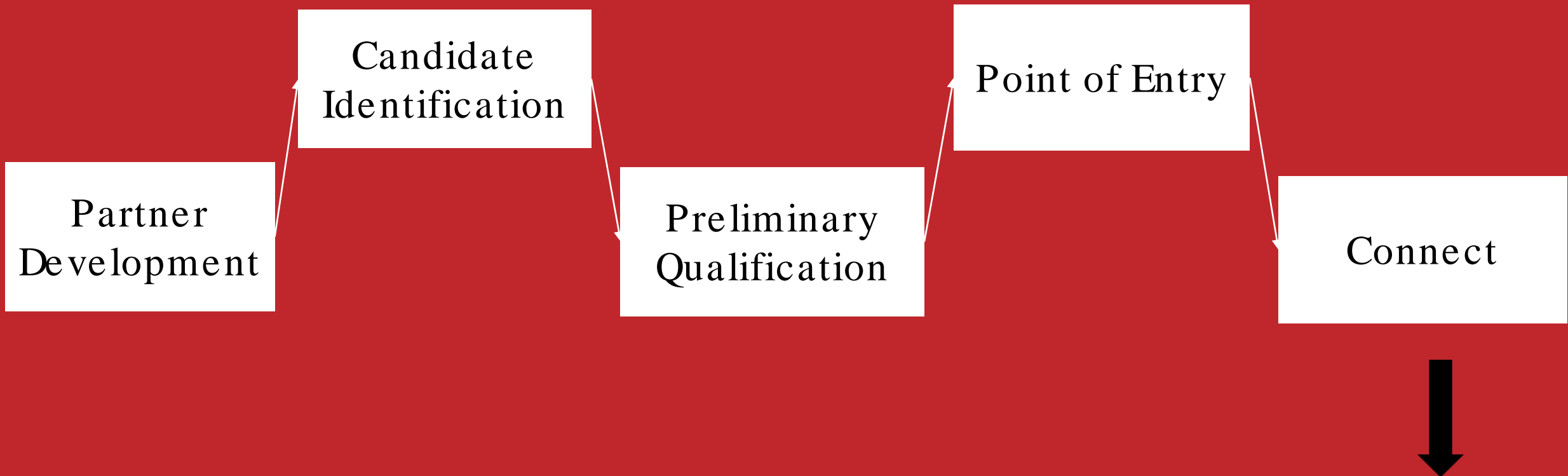


Stewardship

The Core Process

Applying Lean Six Sigma Thinking to Fundraising

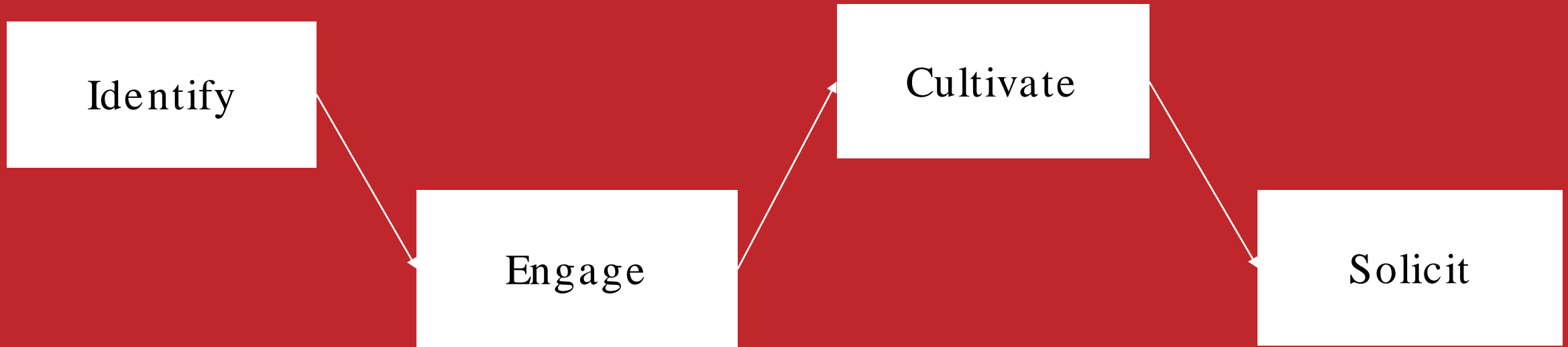
Pipeline



The Core Process

Applying Lean Six Sigma Thinking to Fundraising

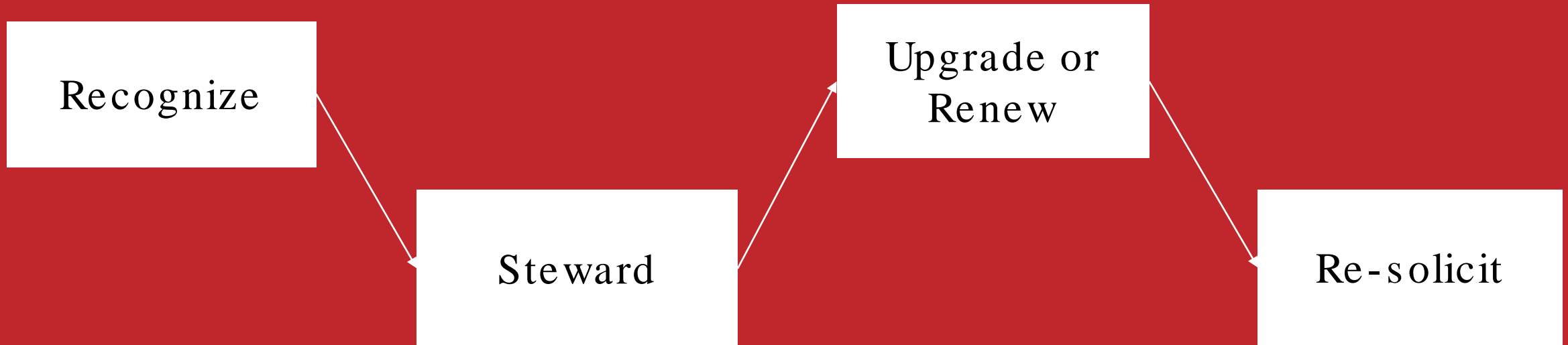
Core



The Core Process

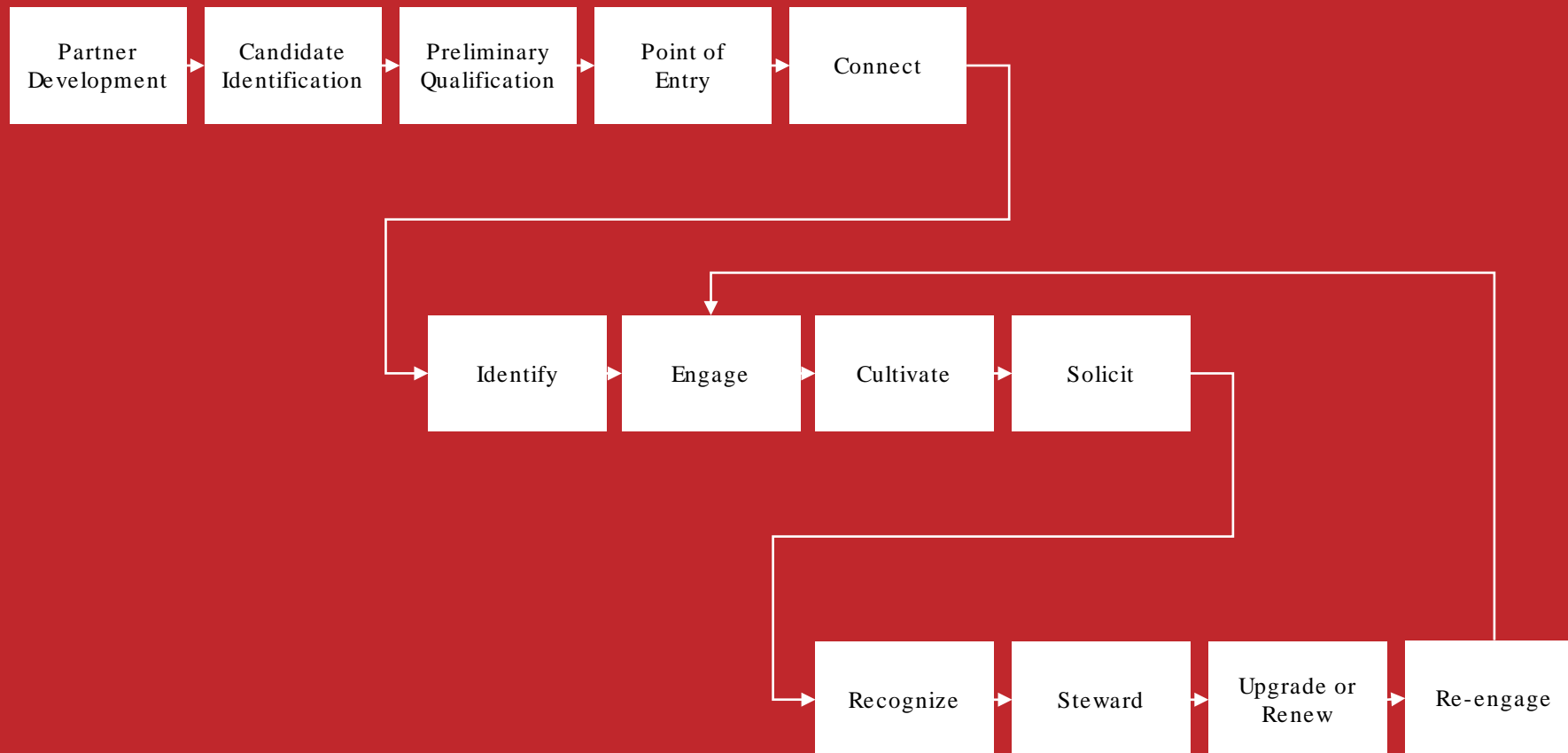
Applying Lean Six Sigma Thinking to Fundraising

Stewardship



The Core Process

Applying Lean Six Sigma Thinking to Fundraising



Pipeline



Core



Stewardship

Measuring Success

Applying Lean Six Sigma Thinking to Fundraising

Production
CPDR/ROI
Response
Retention

Production/FTE
Production/FLFR
Production/DFTE
Production/Donors

Measuring Success

Applying Lean Six Sigma Thinking to Fundraising

Q P S Reports



Measuring Success

Applying Lean Six Sigma Thinking to Fundraising

Q_x Q_a Reports



Measuring Success

Applying Lean Six Sigma Thinking to Fundraising

P_{100} P_x Reports



Measuring Success

Applying Lean Six Sigma Thinking to Fundraising

S_x S_r (FFT) Reports



The FPI Numbers



The Decreases

Applying Lean Six Sigma Thinking to Fundraising



Number of gifts
≤\$2,500
(Production)

From

15,799

To

6,002

Change

-62%



The Decreases

Applying Lean Six Sigma Thinking to Fundraising



**Total Number of
gifts (Production)**

From

23,852

To

16,341

Change

-31%



The Decreases

Applying Lean Six Sigma Thinking to Fundraising



**Cost Per Dollar
Raised (Production)**

From

58¢

To

38¢

Change

-35%



The Decreases

Applying Lean Six Sigma Thinking to Fundraising



**Cost Per Dollar
Raised (Production)**

From

35¢

To

17¢

Change

-51%



The Decreases

Applying Lean Six Sigma Thinking to Fundraising



**% Revenue from
Events (Production)**

From

40¢

To

16¢

Change

-60%



The Decreases

Applying Lean Six Sigma Thinking to Fundraising



**% Revenue from
Direct Mail
(Production)**

From

13%

To

8%

Change

-40%



The Decreases

Applying Lean Six Sigma Thinking to Fundraising



Number of GO
Processes

From

14

To

1

Change

-93%



The Decreases

Applying Lean Six Sigma Thinking to Fundraising



**Gift Processing
Steps**

From

93

To

18

Change

-81%



The Decreases

Applying Lean Six Sigma Thinking to Fundraising



**Gift Processing
Cycle Time**

From

21 days

To

2 days

Change

-71%



The Decreases

Applying Lean Six Sigma Thinking to Fundraising



Staff Hours in
internal meetings

From

2772

To

693

Change

-75%



The Increases

Applying Lean Six Sigma Thinking to Fundraising



**Total Amount
Raised**

From

\$10m

To

\$45m

Change

+350%



The Increases

Applying Lean Six Sigma Thinking to Fundraising



**Total Amount
Raised**

From

\$6.1m

To

\$9.8m

Change

+59%



The Increases

Applying Lean Six Sigma Thinking to Fundraising



**Total Amount
Raised**

From

\$5.32m

To

\$10.8m

Change

+203%



The Increases

Applying Lean Six Sigma Thinking to Fundraising



**% Raised from
Major Gifts**

From

20%

To

80%

Change

+335%



The Increases

Applying Lean Six Sigma Thinking to Fundraising



**% Raised from
Major Gifts**

From

40%

To

80%

Change

100%



The Increases

Applying Lean Six Sigma Thinking to Fundraising



Major Gifts over
\$1m

From

1

To

>12

Change

+1100%



The Increases

Applying Lean Six Sigma Thinking to Fundraising



Donor Visits

From

1848

To

4312

Change

+133%



The Increases

Applying Lean Six Sigma Thinking to Fundraising



Donor Visits

From

436

To

1112

Change

+255%



The Increases

Applying Lean Six Sigma Thinking to Fundraising



Donor Calls per
week

From

1.5

To

8

Change

+533%

Performance Advantage N.A.

Hope is Not a Strategy.



Learn More

- Why fundraising fails to achieve potential
- What's bad about "best practices"
- Characteristics of high performers
- A Lean Six Sigma primer and process basics
- Cleveland Clinic (metrics and measures)
- Virginia Mason (pure Lean)
- Florida Hospital (the early model)
- The Core Process
- The Tipping Point (board and staff teamwork)
- Fundraising vs. Philanthropy
- Fundraising (pull vs. push strategies)
- Creating a donor-centric approach
- Overview of the end-to-end RDMS
- Organic process vs. intentional process
- Types of measurement (leading vs. lagging metrics)
- Process improvement requires process
- The language of process
- Introduction to process design
- Introduction to process improvement
- The three levels of process (as applied to the RDMS; definition and purpose of each)
- The role of Development Services

- Gift officer time management skills
- ROI Examples (based on established levels of giving)
- Candidate-to-Donor ratios
- Propensity, capacity, affinity and passion
- The high-performing gift officer
- Attitude, Attributes and Skills
- Working with your Development Services Assistant/Officer
- The partnership role of the DSO/DSA
- The daily huddle
- Pipeline definitions
- Partner Development Process
- Candidate Identification Process
- Preliminary Qualification Process
- Point-of-Entry Process
- The Connect Process
- Strategically Aligned Events
- The fundraising event as a POE
- How gift officers should work an event
- Networking and OPEs (Other People's Events)
- Warm Calls and Cold Calls
- The Rolling 100 Candidate Call List

- The role of Development Services
- Gift officer time management skills
- ROI Examples (based on established levels of giving)
- The stage gate concept (and why it is a key to success)
- The numbers: 10-5-3-2
- How the Tipping Point integrates with the Core Process
- How the Core Process facilitates donor - centricity
- How the Lean principle of cycle time applies to the Core Process
- Making the "ask" a process rather than an event
- Setting the ID stage first meeting
- The Stage Gate objectives
- Stage Gate requirement: Three Favorite Charities
- The structure and sequence of a First ID meeting
- What you should never do during the Identify stage
- The criteria for moving ahead with a prospect
- The Graceful Disengagement

Learn More ...

Free Webinar Information

Introductory

Fri., June 15

10:30 am EDT

Mon., June 18

03:30 pm EDT

Tue., June 19

10:30 am EDT

Fri., July 6

03:30 pm EDT

Wed., July 11

10:30 am EDT

Learn More

Fri., June 15

03:30 pm EDT

Mon., June 18

10:30 am EDT

Tue., June 19

03:30 pm EDT

Fri., July 6

10:30 am EDT

Wed., July 11

03:30 pm EDT

Contact Information

Performance Advantage N.A.

A Marketing Partners, Inc. company

www.mpicompanies.ca

sareed@mpicompanies.com

scott@mpicompanies.ca

To register: www.mpicompanies.ca