Donor Relations 2.0: Building Lasting Bonds

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What is fundraising but a relational *exchange*? Industry professionals can avoid getting bogged down in metrics and simplified measurables by keeping their eyes firmly focused on this age-old fact. In reality, the process is not dependent on cost to raise each dollar or return on investment. Those are afterthoughts.

The more pressing issue that impacts the day-to-day operations of every foundation is the qualitative nature of donor intelligence. This issue impacts relationship building at each step in the cycle: identification, cultivation, solicitation, and recognition.

A more important question, then, is this: *What do donor relationships require to grow stronger and remain vital?* The answer starts with you.

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Given the nature of the fundraising process, one can observe an *expansive* exchange. This is a term borrowed from social psychology, meaning simply that within each of the partners' minds, a mental ledger of rewards exchanged exists over time. This is not to say that the relationship requires complete "tit for tat" reciprocity. Rather, that the rewards are *relevant* and of some type of value to the receiver. Expansive exchange is premised on *trust* that appropriate rewards will indeed result from corresponding inputs. The bonds of relationship are fortified with each reward, becoming ever stronger over the years.

Expansive relationships are the strongest and best suited for longevity, but they also require healthy doses of maintenance. In order to understand the nature of necessary upkeep, we should examine the less obvious organizational side. Of course, it is understood that the donor contributes monetary rewards, volunteer hours at times, and professional/personal affiliation. But what comes back? What is it that keeps supporters engaged over the long haul? There are the more ephemeral rewards associated with altruism and identity. But the question we seek to examine here is what endears the donor to *your* organization when they could derive satisfaction from supporting any cause?

Too often, organizations approach fundraising in a narrow and haphazard way. At a basic level, the process involves presenting the case, asking for support, getting the gift, and showing appreciation with a thank you note. And repeat. Sophisticated professionals work to find out more about donor interests and communicate a complementary case. But what happens after the gift? Too often, relationships with supporters suffer from lapsing communications and a lack of personalization. Sporadic and, at times, anonymous requests for funding compel donors to ask, "Do you really know me at all? Do you care? It seems you only call when you want money."

Using the expansive exchange paradigm, we must set about doing everything we can to move the relationship beyond the surface-oriented courting phase into a longer-term, meaningful relationship. Ultimately, the inputs should be personal and rewarding enough to solidify the bonds to weather any milestone that might be hurled our way.

What is the magic of maintaining donors' commitment from the time they cross the "threshold" (with an annual gift) to the time they make that major commitment as part of their legacy plan? True, some donors may just naturally be that dedicated to the cause because of past experiences or board/volunteer involvement. However, most professionals can tell you this is the exception, not the rule. The consistent exchange of valuable information at key points—delivered strategically, consistently, and personally—can

be the practical rewards behind the "magic."

Years of studying relationships and researching donors' needs has revealed a great deal about the dynamics of the expansive nature of the relationship. While there may be many approaches to relationship building that "fit" a specific culture and mission, there are many transcending constants. Below is a model that reflects the cyclical nature of relationship building through continual exposure and information sharing:

Ultimately, the process begins with identity shaping, or some might say, branding the organization. This requires communication and identity shaping that frames the organization (and, as an extension, the foundation) as a valuable community resource that is worthy of support. Important facts and stories must support this image of being impactful, visionary, and transparent (i.e., trustworthy).

In turn, the organization must endear itself to the donor. All relationship building efforts must make the triangular connections between organizational offerings, specific needs, and donor interests. They must also help donors see their own responsibility to provide support and at the same time, their ability to effect change in both the short- and longer-term. It's often too easy for donors to simply say, "These problems are insurmountable. What can I possibly do to make a difference?" Fundraisers must be there to answer that question by making the connections and showing donors the vast possibilities their support can offer.

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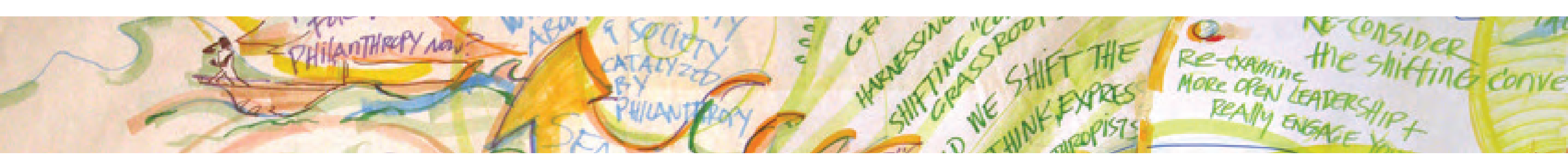
In a health care setting, opportunities for increased exposure could involve donor tours of research facilities, conversations/educational sessions with doctors/ researchers, and stories from patients whose lives have changed as a result of the organization's work. Present in each of these examples is personalization. The foundation can provide valuable insight for donors by opening the doors and providing them with access to individuals, facilities, and a vision of the future, all of which are critical in making a difference. At this point, genuine connections can be made in donors' minds.

But this isn't a once-and-done process. This cycle, which can shift over time, never ends. Remember,



relationship building means maintenance. It is ongoing and involves knowing more about your donors. This can be challenging work, especially for organizations with large donor bases. Fundraisers must work hard to continually gather data. This can be done formally in qualitative interviews, focus groups, quantitative surveys, fundraising efficiency and performance benchmarking, program evaluation, and marketplace giving analyses. It can also be done informally through conversations and convenience surveying and carefully recording donor interest and needs in donor/customer management software to understand and meet the needs of their constituents.

Sometimes budget and time do not allow for sophisticated data gathering. Even so, foundations can still get a head-start on donor listening by asking major gifts officers to start the conversation in the field. They can do so by posing key questions to individual supporters. The inquiry can be as simple, pointed, and open-ended as the following:

- *Why do you support the organization?*
- *What would like to achieve with your support?*
- *How can we do a better job of communicating our needs and the value of the things we do?*

Clearly, the more avenues for listening and tracking, the better. The following chart offers a sample of a segmented health care donor intelligence grid, resulting from strategic tracking and a blended variety of research methodologies.

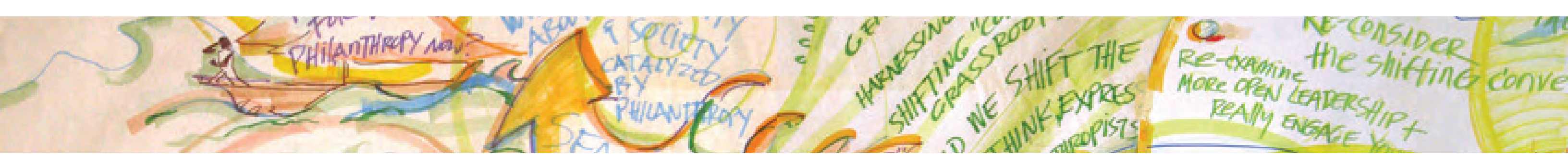
Constituency	Interests	Desired Rewards
Individual Supporters	• Motivated by personal experiences with specific programs • Life-or-death programming, such as heart, cancer, and trauma • Pediatrics • Capital improvements that link to critical programs and help meet pressing community needs	• Transparency on fundraising efficiency (e.g., ROI, CTRD and net returns) • Outcomes data relative to the use of funding • Organizational offerings and impact • Community needs • Personal stories from patients served • Ways to get personally involved • Networking with other supporters • Recognition and naming opportunities for major gifts
Private Foundations	• Community benefit • Programs that emphasize social well-being (e.g., education, prevention, insurance coverage, charity care, abuse/neglect, alcohol and drug treatment, behavioral care)	• Community needs and gap analysis • Impact and outcomes data • Program evaluation • Partnership in program creation and service area • Model programming for replication
Business and Corporate Foundations	• Community benefit, with focus on employees • Corporate sponsorship opportunities • Self-branding as a community partner	• Recognition • Exposure • Community partnership and investment • Impact and outcomes data • Fundraising efficiency measures (e.g., ROI, CTRD, and net returns

Constituency	Interests	Desired Rewards
Physicians	• Specialty program areas (e.g., heart, cancer, and children's) • Expert capabilities and research • Medical education and scholarships • Hospitality and patient services • Gaps in service/un-served populations	• Education around individual/ departmental benefit • Recognition as a leader • Decision-making partner • Culture of philanthropy messaging • Impact and outcomes data • Ability to tell personal success stories
Staff	• Employee assistance programs (e.g., loans, scholarships, and health care) • Workplace improvement (e.g., capital expansion) • Resourcing for high-impact programs (e.g., heart, cancer, pediatrics, and hospice) • Gaps in service/un-served populations	• Recognition as valued supporters • Education on organizational needs and the of funding (e.g., use of restricted funding vs. system allocation) • Culture of philanthropy messaging
Board Members	• Motivated to support programs based on personal experiences and interests • Health care system's capital needs • Personal/professional networking opportunities	• Recognition and naming opportunities • Decision-making partner • Legacy interests • Community investment • Community exposure and access to business community • Fundraising efficiency measures (e.g., ROI, CTRD, and net returns)
Auxiliaries	• Greatest needs of the organization • Campaign	• Feeling of "making a difference" in volunteer roles • Involvement in supporting the organization and the communities it serves • Impact and outcomes data • Community needs

The information above offers a tangible sense of the specific "rewards," in the form of information, exposure, and involvement that various constituents might seek in the expansive exchange with the organizations. Reading through them, we begin to understand why it might be important to keep major donors (particularly information-hungry types) in the loop about the outcomes of their gifts as well as gaps in the community that could be filled, with additional funding.

"But," fund managers may ask, "who has time to meet all of these specific needs?" While face-to-face meetings remain the gold standard, we realize that this information sharing can be taken a step beyond. Instead of pure quantity, in a barrage of printed materials, increasingly younger and savvy donors look for statistically valid information and targeted opportunities for exposure that intersect with their specific interests.

Imagine, then, the power of this knowledge in tailoring communication and exposure opportunities to individual audience segments. Reinforcing the identity of the organization as a worthy charity and communicating outcomes becomes far easier when it can be done in a strategic, yet blanketed, way. Print materials can be enriched with personal stories and statistics and constructed for individual programs. At the same time, personal exposure can be made more meaningful. Consider, for example, the power of group facility tours that include both physician speeches and patient stories geared specifically toward like-minded donors interested in cancer research and innovations that can result from external support.



In all we do, we must remember that capitalizing on what we know about our supporters can help us fuel the expansive exchange. Communicating not only a “thank you” but also the outcomes of a major gift or a campaign can help donors get a tangible sense of the difference they made. This type of personalized reward will keep them involved for many years to come.

About this extract

In Spring 2009, Gary Hubbell Consulting convened a think tank of North American nonprofit organization and development leaders. Four topics were selected for discussion, each of which became the focus of an insightful essay by each of the hand-picked attendees. The four topics are: New Perspectives on Leadership, Reimagining the Future of Philanthropy, Development in a Systems Context, and Demonstrating and Communicating Philanthropy's Impact. The resulting e-book, *In Search of New Meaning: Philanthropy, Community and Society,* is available for free download at www.OnTheCuspPublishing.com. This essay is an extract from that publication.

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