How to Measure Fundraising Success Here are seven steps to evaluating your fundraising efforts.

By Bill Harrison

It would be easy to measure fundraising success according to one criterion — new philanthropic income generated after expenses. Unfortunately, many CEOs use that one measurement alone. When they do, they're selling themselves short.

Before you review your development efforts, take time to understand fundraising so you can better evaluate the personnel and programs. Here are seven steps to fundraising evaluation:

1. Compare your results with your plan.

The first step is to compare your accomplishments with written fundraising plans. You should have an annual fundraising plan that details your goals and objectives.

Such a plan is vital to your evaluation process, but don't consider it carved in stone. For example, if the fundraising plan projects $500,000 in new cash revenues in the next fiscal year and only half that amount appears on the balance sheet, was the development effort a failure?

Not necessarily. Why? Fundraising is based on the principle that if you ask people to give, they eventually will. However, a donor's best intentions may be thwarted by a family illness or financial set-back, requiring the fundraiser to accept the gift later than planned. This is the reality of fundraising.

Also remember that pledges and in-kind gifts are valuable assets. Include them on your financial statements as well.

2. Use benchmarks for success.

For each type of fundraising program, ask questions to pinpoint effectiveness. Here are questions to help you evaluate three of the most common types of fundraising programs:

Special Events:

- **Did the event raise** the money planned?
- **Was visibility** for the organization increased?
- **Were new donors and funding sources** identified?
- **Did the event encourage involvement** by staff and volunteers?
- **Was the event** fun?

Mailing Programs:

- **Did the mailing raise the money** planned?
- **How many new donors** were generated by the mailing?
- **Was the mailing** cost-effective?

Planned-Giving Programs:

- **Have you impressed the board** with the importance of planned giving? (Has the board bought in to the program?)
- **Has a volunteer planned-giving committee been formed** to provide professional advice and assistance?
- **How are prospects identified** and solicited? (Do you use planned-giving seminars? Brochures on various giving methods? Wills clinics?)
- **What methods are used to follow up** with prospects?

3. Give high marks for initiative.

How enterprising are your fundraising personnel? Are they always looking for opportunities that could benefit the organization? For example:

- **Do they encourage the board** to raise money?
- **Do they attend classes** and seminars to acquire new skills?
- **Do they work with national fundraising organizations** and strive for professional certification?
- **Do they recruit volunteers** to help with projects?
- **Do they show enthusiasm** when confronted with difficult concepts or new programs?

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4. Recognize organizational skills.

Organizational skills are often overlooked in the evaluation process. But they shouldn't be. Development personnel must create formalized procedures to receive donations and recognize gifts. They must develop a program that will serve the organization for years to come. Such activities require orderly methods, a talent for organizing, and the ability to view the big picture without neglecting the details.

5. Appraise communication skills.

A communications program includes more than brochures and marketing pieces. Development personnel need to reach out, educating board and staff about fundraising and how it will benefit the organization now and in the future.

This education might include informational programs for board meetings, presentations to the staff, and perhaps a fundraising newsletter. It requires development personnel to be proficient in oral and written skills.

In the evaluation process, take a close look at the level of communications skills. Is it what your organization expected from your fundraisers? If not, how can it be improved?

6. Rate fundraisers' L.Q. (Laughter Quotient).

A sense of humor is not only valuable — it's essential. It can diffuse most problems and overcome frustrations.

Fundraisers must set an example, because they're on the front line with your donors and constituents. They don't have to be joke-tellers or back-slappers, but they should present an optimistic, convivial image and understand the importance of humor in a stressful world.

7. Pinpoint reasons for poor performance.

Here are some causes of poor fundraising performance:

The wrong person is in the job. It happens. The person who sounded great in the job interview may not have the professional or technical skills to do the job.

Generally, a detailed job description for the development professional will help match the right person to the position. Developing a comprehensive job description is the responsibility of the CEO and board. If you need help, call other charitable organizations that have a development office and ask to see their job descriptions.

The plan is poorly written and conceived. If the fundraising plan wasn't well-conceived or was written by someone without sufficient fundraising experience, one of two things will happen. Either people will ignore it, or they'll go astray when they try to follow it because it isn't viable.

The budget isn't adequate. A budget is the translation of future plans into financial terms. Once fundraising goals have been established, fundraisers must develop operating objectives for the year, spelling out what tasks to complete and what costs to expect. This planning forms the foundation for the operating budget.

In addition to salaries and benefits, development personnel need supplies, computers, printed materials, and recognition items for donors. The old adage that "it takes money to make money" is certainly true when it comes to raising money.

Board members aren't part of the process. You must have the board's support — not lip service but hands-on involvement in identifying donors, opening doors, and soliciting prospects. There also must be financial support from the board.

If a board member refuses to make a monetary contribution, that board member should be replaced. The most successful fundraising programs are those with informed, excited, motivated, and generous board members.

The CEO isn't involved. "If you're not willing to raise money, you shouldn't be in the CEO position," says James Powell in *Pathways to Leadership.* Often the CEO is the best person to make a solicitation, meet with a major donor, or thank someone for a gift. The CEO can also motivate other senior staff members to become involved with the process. Without the CEO's support, your organization will never attain its fundraising goals.

Bill J. Harrison, CFRE (d83b@cox.net, iteachfundraising.com), is a fundraising consultant with over 35 years of fundraising experience. He has published more than 200 articles on fundraising and is the author of the award-winning book Fundraising: The Good, The Bad, and The Ugly (and How to Tell the Difference).

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