



Building Authentic Donor Relationships

# Building a Culture of Philanthropy...

...Articles from Veritus Group to help you succeed at major gift fundraising.

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## What you will learn

1. What a non-profit looks like that has a culture of philanthropy.
2. How to create a culture of philanthropy at your organization.
3. Why telling your story is crucial in developing a culture of philanthropy with leadership, staff, board and donors.

## Building A Culture of Philanthropy

Addressing the culture of philanthropy and why it's so important for your organization is a topic we at Veritus would like to focus on in this document and, as you'll soon find out, it's not going to be for the faint of heart. There will be something for everyone here, not just those in leadership, but even the first year development professionals who are trying to figure out what this fundraising thing is all about.

Let's begin with an exercise. Visualize with me what a non-profit would really look and feel like if it truly embraced a *healthy* culture of philanthropy.

- The mission of the organization would include donors. Donors would not be considered a means to an end, but just as vital as the work carried out that's meeting the world's greatest needs.
- The leadership of the organization and the entire staff would embrace the idea that fundraising is essential in fully carrying out the work and that it brings joy to donors to give. All members of the organization would gladly and without reservation ask donors and prospective donors to give.
- Board members would be your biggest cheerleaders and unceasingly ask their "sphere of influence" to join them in the cause that is so dear to their hearts.
- It would be difficult to tell who is working in "program" and who is in "development." Staff in both areas would have a mutual respect for each others' work and would willingly and enthusiastically help understand each others' needs.
- Donors of the organization would trust it. They would feel cared for, loved, challenged, thanked, educated and part of the solution. They would not feel talked down to, but rather constantly reminded of how important their involvement is to addressing the need.
- Everyone in the organization would know "the story." The story is about why the organization exists, both the pain and the joy. "The story" would be engrained in the hearts and minds of all who are connected to the organization. This "story" would be told over and over, again and again...and make them beam with pride and choke with tears.
- When anyone would walk through the doors of the organization, the feelings that would emanate would be love, empathy, righteous anger, grace, hard work, personal care, and...more love.

Who wouldn't want to be a part of an organization like this? What a breath of fresh air to start the day working here. If you're thinking this is just a dream, and it could never be like this in your organization, you're wrong.

If this is what you want for your non-profit (and who wouldn't?), then you can create it. And if your organization can get this right, staff will be happier, donors will be connected and your programs will be easier to fund.

So how do you make it happen? We'd like to begin with a personal story that demonstrates a young development officer who made every possible mistake with a donor, treating the donor as a means to an end, rather than an integral part of the mission. You'll get the picture.

"It was one of my worst days ever as a fundraiser. Being young and ambitious, I was going to show my boss that I could bring in the money. Besides, the board member I was about to ambush that day had it coming. He hadn't given in years and the guy was worth millions. Surely he could cough up a little for us.

I remember making small talk with this guy for about 30 minutes. He went on and on about his family, why he loved our organization, his golf game...but all I really heard was, 'blah, blah, blah...' You see all I wanted to do was find the right moment to ask him for \$20,000. Long story short, I did ask him, he said yes and by the time I got back to the office he had called my boss and resigned from the board because he was offended by my brash behavior. He said to my boss, 'All he cared about was asking for money.'

I was lucky I wasn't fired that day. But, like most painful things in life, that awful experience woke me up and forever changed how I viewed the relationship of a donor to an organization. You see, I believed at the time that donors were really just a means to an end. The role of a donor was to give you money so you could do the stuff that had real meaning. In a way, I believed the donor 'owed' us. Yep, that was my attitude. Boy, was I an idiot."

Now, today, in almost every fundraising conference or article you read, people are talking about being donor-centered or donor focused. Everyone is "donor-centered" these days. But, to be honest, it feels like window dressing. Non-profit leaders talk a good game about being "donor-centered." They try to thank donors promptly, figure out what donors are interested in and send out quarterly newsletters to show donors how their gifts have

made a difference. But it's still not often that we find that donors are actually part of the mission. To be blunt, donors are still being treated as a means to an end.

At Veritus, we believe that if we are to create a true culture of philanthropy in our organizations, donors have to be part of our mission - not a way to get our mission accomplished, but PART of the mission. Take some time to reflect on this for just a bit. We believe this is a radical idea. So, what does this mean? It means this:

1. Your donors are actually included in your mission statement. Yes, you exist to also help transform your donors and to allow them to help transform the world.
2. You understand that the role of your organization is really to become a bridge between the world's greatest needs and your donor's passion to meet those needs. The donor and the need cross over that bridge to meet each other. Your role is to knock down any barriers that could get in the way.
3. Your organization isn't interested in ratios, but rather results and impact. This is because you know that donors are interested in making a difference and investing in programs that actually work. To have programs that work, you hire quality people and provide them with the tools they need.
4. Half of your time, energy and resources is devoted to your donors. Because you believe donors are part of your mission, your organization is devoted to helping transform a donor by allowing him to know and feel the impact of his philanthropy.
5. In all of your conversations with staff about programs, projects and need, these two questions are always asked: "Will our donors think this is a good idea?" and "Will our donors feel this is a good investment?"
6. Donors have a seat at your table. You value their input, opinions and ideas on how to make your organization more effective. You provide opportunities for your staff to hear their voice.
7. You ask. Your organization realizes that donors want to be asked to support you financially. They want to help you change the world and you are bold in your asking. You know that when donors give, they experience joy and, quite honestly, donors feel good when they give...and then you ask again.
8. Everyone in the organization has a relationship with donors. Your organization realizes that donors are not just cared for by "development professionals", but that the entire staff is called into relationship with donors. You have respect for each others' roles, yet you know that if your mission includes donors, everyone has a responsibility to the donor.

9. Donors are celebrated. We're not just talking about recognizing a donor at a banquet or a ribbon cutting, but in everyday, small ways in your meetings, the little note from a program person, or a picture sent from an MGO. This is not a strategy, but just "the way you do it."

This is what it looks like to have your donors as a part of your mission. If your organization can move in this direction, it will thrive and do great things.

If you feel resistant to anything you've read so far, we'd ask you why? Does it seem impossible? Building a culture of philanthropy is challenging. It sometimes means radical change, but we believe it's necessary if you are truly going to be that bridge of transformation the world needs.

Allow us to share another personal story to illustrate the importance of having leadership on board in a culture of philanthropy.

We were sitting in a conference room filled with MGOs and development folks. They were lamenting the fact that their president was extremely uncomfortable talking and meeting with donors. They knew how important it was for their leader to interact with their good donors and wondered if they could ever obtain a large gift without her presence. The donors, they said, wanted to hear from the president. They wanted to hear the vision of the organization from the president's lips and they wanted access to the leader.

Over the years, we at Veritus can truthfully say we've been part of this scenario dozens of times in the conference rooms of non-profits all over this country. It's sad. Here you have committed, passionate professionals, establishing relationships with donors every day, yet you have leaders and/or board members in organizations who don't want to have anything to do with donors.

Let us be absolutely clear. If donors are part of your mission, (which we say they have to be if you really want a culture of philanthropy in your organization) then the leadership of your organization has to have a desire to be in relationship with donors and they have to be passionate about asking them for their involvement. If they refuse to be, or simply cannot bring themselves (for whatever reason) to be in relationship with donors, they should be fired.

Think about it in the for-profit world. Would a CEO of a company last if he or she didn't care about customers or shareholders? Are you kidding? No way! Yet, in the non-profit world we put up with it. We guarantee you right now in non-profits all over this country folks are sitting around a table figuring out how to work around the fact that leadership is not on board with where the fundraising team is headed. It's so

dysfunctional. We hear from board members who say, “Well, he’s terrible at fundraising, but he’s so good at developing programs and being innovative in the field.” We say, so what? If you can’t inspire people to fund your innovations they will never get off the ground.

This all goes back to understanding who donors are in relationship to your organization. If donors are part of your mission and leadership embraces this concept, then leadership is actively and passionately establishing relationships with donors. They recognize that without donors, there is NO meeting of the need. They also know that donors NEED your organization to fulfill THEIR need of wanting to change the world. Without leadership understanding this, the organization falls into dysfunction and it becomes out of balance.

That’s when those meetings mentioned earlier start popping up on how to work around either a bad president or board. And, yes, let’s be clear about that too. This is also about the board - not just the president, or executive director. This needs to be stated as strongly as possible. If you are on the board of a non-profit, you have to give of your resources. Whether it’s \$10 or \$10million, you have to give.

Secondly, you have to embrace the concept, along with the non-profit’s leadership team, that donors are crucial to the mission of the organization and YOU, as a board member, have to be an ambassador for that non-profit. This means inviting your “sphere of influence” into a relationship with your organization. If you cannot do this, you should not be on a board. It doesn’t matter how great you are in accounting, law or program. If you cannot give and invite, then you don’t believe the organization is worthy of support.

So, let’s be clear. A true culture of philanthropy has a leadership team and board who are passionate about donors. This insures that no matter who goes in or out of the organization, this passion will never die. The board will never allow a president to come in without that passion and a president will never recruit a board member who doesn’t have it. This is critical. We know, because at Veritus, we hear from people all the time about how presidents “won’t go on donor visits”, or they “just had something come up” in their schedule so they don’t have to attend an event.

Non-profit leaders, are you listening? Please, you have to get this. Without your inspiration and passion for donors and the need, you make it so much harder for your team to be successful. You have to LEAD on this. Otherwise there is no culture of philanthropy in your organization.

Now let’s talk about story telling. Do you know your organization’s story? Do you know how it began and why it exists? Have you ever considered why people support your organization?

When we ask these questions of staff at non-profits, we're amazed at how many can't answer them. We're not blaming them for not knowing. This is endemic in non-profits everywhere. If your organization desires a true culture of philanthropy, your story must be known by everyone. It's your story that brings you together as a team around a common mission. It's why you exist. Telling that story on a regular basis is critical for your staff, board and donors. It keeps you focused on who you are and prevents you from straying off course.

So, what is "telling your story" all about? Quite simply, it's the collective acts that bring together all constituents: staff, board, donors, volunteers and community around a shared mission. You tell your story in many different ways; in written form in all of your communications, in presentations to donors, in the way your organization treats its staff and those you serve. The story is about who you are and what you are doing to make the world a better place. Gary M. Cole says it very well in his article "Rethinking a Culture of Philanthropy-Key Concepts to Assess an Organization's Culture. He writes,

"Purposeful and authentic storytelling is vital in any organization, but it is increasingly necessary in philanthropic organizations seeking to engage external support in order to advance the organizational mission. Consensus building, a shared vision, and inclusion in the process are required by both internal and external constituents. Unfortunately, stories are far too often more monologue than dialogue. Gaining ownership of and commitment to the organization's vision becomes much more difficult when leaders develop a vision for the organization without first soliciting feedback from all key stakeholders. Key stakeholders who are critical to the success of the vision are then relegated to the role of spectator rather than an engaged, respected, and active participant. This practice creates both a disincentive for staff to offer feedback and a diminished desire to engage in the success of the organization with any degree of passion or enthusiasm. As a result, staff simply waits for further instructions before proceeding with any tactical assignment. The result for the organization is a less creative, less autonomous, and less committed staff.

The same concept holds true outside of the walls of the organization. Storytelling must be about meaningful, authentic, two-way conversations when engaging volunteers, advocates, and those willing to make philanthropic investment in the mission. We must spend more time being interested instead of simply trying to be interesting. Our stories must have a goal. They must be memorable and they must be actionable."

The key here is the role leadership must play in creating a dialogue with staff, board, volunteers and donors. This is not just about talking to, but hearing from. Here are six practical ways to “tell your story.”

1. Spend quality time getting your story right. Make sure it is well written, that it can be told by leaders with passion and conviction, and that it stirs the heart.
2. Place your mission, vision and values prominently in the foyer of your office space. That way anyone walking into your office knows what you are about.
3. Create an “our story” piece that goes into your employee handbook, your board orientation folder and a place on your website.
4. Every staff and board meeting should start with a “your story segment.” This reiterates over and over again your mission, vision and values as an organization and WHY you exist.
5. Create, “engagement” events and touchpoints for donors and volunteers to hear “your story” and invite involvement and dialogue.
6. Tell your story over and over, to everyone that will engage with you, lest anyone forget. Tell it in meetings, in the elevator, at galas, on face-to-face donor visits, to your significant others...this is important.

Building a culture of philanthropy is not easy. But it’s critical if you desire an organization that thrives and is effective for addressing the need and engaging your donors. Telling your story is one of the building blocks.

So, by way of reviewing, to build a culture of philanthropy, so far we discussed the role of donors, leadership and the importance of telling your story. Now it’s time to focus on your staff and all those connected to your organization.

In order to build a positive philanthropic culture you need to have everyone “on the bus” with you. This is not just about leaders. It means everyone, including:

- Development Staff
- Board and Committee Members
- Program Staff
- Support Staff
- and Donors. Don’t forget them!

At Veritus we inevitably run into this conversation when we meet with clients: “Those people in program want nothing to do with fundraising. They think all we care about is money. They are constantly complaining about how we talk about “their” work.”

Then we speak with program folks and this is what we hear: “Those people in development have no clue what we do. They never come around unless they want to show us off to a donor. It really bugs us.”

Does any of that sound familiar? This kind of thing has to stop. If your organization has a true culture of philanthropy, all will need to sit together at the development table. Everyone must have a clear understanding of the importance our donors play in the mission. Conversely, everyone in development needs to understand program...feel it, taste it and live it to appreciate it on a regular basis. You have to know what you’re asking donors to support.

Let’s also talk about support staff. Many times these folks are forgotten. Yet the impression they make on donors is incredibly important. Do your front desk people know how to speak with a donor who walks through the door? Do they really understand why they need to help hand-address envelopes to donors? That may sound trivial, but it’s not. We’ve seen situations where support staff get upset when they are asked to help with certain tasks that involve donors. That tells us that the organization has actually done these people a disservice by not communicating the importance of fundraising and the role of the donor. The attitude you want from all staff is one of service to donors and those you serve on the front lines. Here are some concrete ideas to build a culture of philanthropy with your staff:

1. When hiring a new staff person you need to have an extensive discussion on the role donors and philanthropy play in your organization. Actually, in most cases, that discussion needs to happen in the interview process. You do not want to hire someone who is uncomfortable with donors.
2. Codify, in your employee handbook, how you work with donors and what the role of fundraising is in your organization. Things like...
  1. Thanking donors properly—why this is important
  2. Taking all staff to see and experience the need you are addressing
  3. Understanding the role of staff at events
  4. What the board does - how it’s crucial to the health of the organization

3. Invite donors to some of your staff meetings to hear a new perspective.
4. Invite donors to a planning meeting. They will have a lot to add.
5. Take program staff on donor visits and solicitations. Use the great expertise of your program folks to “sell” the donors on a project. To be done effectively it takes two things: 1) It sells the project and 2) It creates trust between development and program.
6. At staff meetings tell donor stories. We do a great job with telling stories about our programs, but we often overlook the stories of our donors. Tell them.
7. Invite donors to your organization’s celebrations. The more opportunities you provide for staff, board and donors to share, the more appreciation there is for each other.

So in conclusion, we hope we’ve been able to not only share with you the importance of creating a thriving culture of philanthropy at your organization, but also some very concrete methods of putting it into practice with your donors, leadership, board and staff.

We believe that you literally have no choice but to create this type of atmosphere or YOU WILL NOT be around in ten years. We know some of these practices will be challenging, but you can make them happen, if you have the will and courage. And we know you do.