Daily Lesson Plan

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Photo courtesy: http://ngomanager.org/ngoms/in-house-course-programme/essentials-of-ngo-management-5-days/

UNIT II

Classification of donors, Information needed about donors and Creating donor profile.

- **Classification of donors**

Two main sections: institutional donors and private donors. In the first section you will list governmental agencies supporting civil society and also the main development agencies such as those part of the UN family or directly funded by the EU or the United States. The second section will collect information in regards to private foundations, research institutes, and other private ventures interested in financially supporting initiatives.

- **Information needed about donors**

The development of a successful strategy to make contact with potential donors is vital in the process of securing funding for your NGO. First of all, you will have to compile lists of funding bodies that are most likely to become interested in your NGO's activities; its aims, goals, and strategies. In order to do so, you will have to browse the Internet. Start from researching websites of the main agencies such as the UN and look up the various networks they sponsor or maintain to find potential interested parties.

Another strategy to find potential donors is to constantly monitor calls for proposals or concept papers. In fact, even if you are not intending to apply for a specific call, it is important that you file relevant information from the donors in case you want to contact them in the future and when needed.

It is helpful to prepare a filing system in which you will index and archive all this information about relevant funding bodies. This filing system will be shared among those working in the NGO and it will represent the first document to be consulted throughout the year or whenever needed. This archive of donors should be consistently updated, so it will be useful to assign the task to one person. This person will constantly monitor call for proposals and the activities of agencies working in your field and in your region to enlarge the archive as well as to inform the group at large of any relevant change in the donors' strategies. The filing system will be arranged in two main sections: institutional donors and private donors. For each potential donor you will list the following information: name, mailing address, e-mail address, telephone and fax numbers, main fields of action (for instance, whether they fund projects to train young people, agrarian development, post-conflict reconstruction or projects targeting gender equality). It is also important to add information in regards of the most recent projects funded by this organisation and summarise the goals, methodology, and outputs of said projects. Add a list of the NGOs they have already worked with. This last part will come in handy if you decide to approach them. In fact, by assessing the capacity and performance of the organisations they have funded, you will be able to understand whether your organisation is likely to interest them or not.

In order to find all the relevant details you will need to browse donors' websites or to research the material made available on the Internet by organisations such as the UN or the governmental agencies of your country, which might have already gathered such information to support civil society actors working regionally.

- **Creating donor profile**

Understanding your donors and what drives them to give is critical to crafting effective fundraising, communication and engagement strategies. An excellent way to learn about your organization's audience is to develop donor personas. Donor personas are hypothetical representations of your ideal donors. They are based on real data you collect about your current and potential donor base, including demographics, behavior patterns, interests, concerns and personal histories with your organization. Simply put, donor personas help you understand your donors and fundraisers so you can engage them more effectively. Step 1: Segment your existing database by two key characteristics, for example: Donor type: One-time, recurring donor, large donor, volunteer or newsletter subscriber. Key interest: Education, arts and entertainment or health and wellness. Step 2: Start learning about differentiating characteristics of each segment by conducting 3-5 interviews with each supporter type. The interview questions should be aimed at collecting data such as demographics (age, gender, occupation, marital status, annual income, family size); psychographics (daily activities, types of events you attend, do you volunteer, where do you find your information, what social media platforms do you use, what is your preferred communication platform, etc.); giving history (fundraising experience, donation frequency, average gift size, giving preference online or offline, etc.) Step 3: Analyze your data to identify patterns that will help you develop 4 to 7 personas. You want enough personas to reach across demographics and interest levels, but not so many that it's hard to manage the program. Each persona should represent a segment of donors, but still remain specific enough that you can create hyper relevant and meaningful messages. Step 4: Format your donor personas into straightforward, easy-to-read templates and share them across your entire organization, so everyone can understand who they’re speaking to and craft their messages accordingly. Step 5: Start segmenting all your communications by profile, focusing on content specific to their interest, demonstrating impact and tying in a relevant call to action. Reevaluate how supporters are tagged and what communication they are responding to, adjusting when needed. Here is an example of what a donor persona could look like: Donor Anne (Naming your persona helps staff easily identify and refer to it.) Demographics • Age: 40-50 • Gender: Female • Occupation: Electrical Engineer • Household income: $150,000 - $175,000 • Location: Austin, TX Identifiers/Traits (These should help you relate to the three key areas of focus.) • Works full-time • Married with two kids • College graduate • Gets information from blogs and newsletters • Learns about nonprofit organizations through family, friends and colleagues • Cares deeply about early childhood development, the environment and eating organically • Likes to volunteer with her kids' activities Giving History • Average donation size: $200 • Donation frequency: 2x/year • Donation type: Online Challenges (Are there any challenges that hold this person back from donating?) How Your Organization Can Help (What can your organization do to solve this person's concerns about the issues?) Quotes (Include one or two real quotes from phone interviews with this target group.) Objections (Identify the most common objections so your team will be able to meet the donor where they are.) Support Assets (What can your organization provide the donor with to help move them through the giving cycle?)

What Makes Up a Non-Profit Donor Profile?

A donor profile will look and sound a lot like a personality profile. In fact, we recommend naming your ideal donors, in order to better humanize their profiles. "Volunteering Valerie" might not be a huge cash donor, but she can always be counted on for working the gala dinner. "In-A-Pinch Patrick" might not give regularly, but he will certainly come through in a cash crisis.

Where should you start? Identify your most critical areas of need, and simply match up the donor persona who will be most helpful in providing for it.

Ultimately, assembling a donor profile depends on getting good data from your donor database — or building a database from your existing donor list.

IDENTIFY THE BASICS: DEMOGRAPHICS

Creating your donor profile requires you to dig down to the basics. Be sure to include:

- Gender
- Age
- Education
- Are they married?
- Do they have children?
- What is their household income?
- Are they investors?
- What kind of vehicle do they drive?

Being specific help you narrow the focus on how to best reach your target. For example, let's say your local animal shelter is near a college campus. Building a student donor persona can lead to a fantastic volunteer pool, numerous monthly recurring donations through Automated

Clearing House (ACH), and an active social media audience. It just comes down to how you reach them.

WHAT IS THE PERSONAL HISTORY OF THE DONOR PROFILE?

How many of your donors have incredible stories about what inspired them to contribute? Are there common threads to their backstories? Knowing the personal history of your donors can allow you to identify with them and connect with them sooner.

Now, back to the animal shelter — if you were the executive director, you may want to consider: have any of your donor personas adopted from you? Do they donate in memory of a family companion? Do they simply see you as “a worthy cause?” Identifying their motivation for giving can open opportunities to others who are motivated similarly.

HOW DO YOUR DIFFERENT DONORS GIVE?

You’ll quickly discover that as your different donor personas come together, the method they use to donate will become clear, as well. Do they donate online, by SMS or text, or by writing a check…but only at events?

Do they prefer to sponsor something? What about the small army of automated $10 per month contributors? Understanding how and when your donors give provides your organization with valuable insight to help create more and improve donation opportunities.

HOW MUCH CAN THEY GIVE?

This is a very delicate topic. Many individuals outside of the donor or fundraising management community imagine the stereotype of “Daddy Warbucks,” assuming there are vast groups in our society who can endlessly give. That, however, is simply not the case. Understanding you donors’ giving limits can also be an invitation to explore volunteering as a form of contribution. For example, “Newlywed Nate and Nancy” are in their mid-twenties. Both are working, but just getting started. Unable to contribute financially, perhaps they can volunteer at the charity 5K run? How can you reach them and keep them informed about those opportunities?

HOW DO YOUR DONOR PERSONAS LIKE TO COMMUNICATE?

Does “College Student Colleen” like your Instagram photos five minutes after you post them? Let’s say she shares about half of your images on Facebook, and you also discover on Facebook that she texted a donation to support a recent disaster relief with the Red Cross.

However, analytics tells you that Colleen has never opened your email blasts about a recurring monthly giving option. It seems she didn't respond to your direct mail piece, either. Don't get caught thinking that communication differences are just the result of a generation gap! Instead, consider the different avenues you have available to potentially engage your contributors. Common successful communication methods include:

- Face-to-face – never underestimate the power of communicating in person
- Phone call
- Text / SMS – a quick reminder about an event or an urgent plea for supplies
- Direct mail or letter
- Social media
- Email

When it comes to communicating with your contributors, don't guess…*ask*. Find out how they prefer to communicate, and stick to it. Do your best to support multiple communication mediums in order to cater to your community.

HOW TO SAY "THANK YOU" TO DONORS

From individualized notes to listing names in a printed newsletter, saying "thank you" to your donors is crucial. Humbly expressing your thanks is also crucial for ensuring each contribution has the potential to be more than a one-time event.

Investigate how your donor personas would like to be thanked. End of year tax summaries are nice, but that isn't what motivates most of your donors (we hope). Understand how each persona feels appreciated for the good that they do. Sometimes, a single thank you isn't enough.

Donor Strategy Tips: What to do with a Donor Profile?

Now that you've gathered the data, organized the characteristics, and developed a handful of personas that fit your organization, it's officially time to build your donations strategy. For each of your personas, you can ask questions, create scenarios, and tap into new communities. Here are some "what's next" ideas for your donor personas:

- Create single page summaries for each persona including all of the information you've gathered – even use a "profile" picture. List out the details of the persona from name and occupation to giving habits.
- Which of your fundraisers or events would each persona attend? Why?

- Do you have a strategy to engage each of your personas? What about a donation vehicle and thank you program in place for each?
- Does your marketing reach others like them?
- Imagine taking each persona to lunch. How would you chat? What news about the organization would they be interested in?

As your nonprofit organization develops, you'll find you don't have just one type of donor. Here are the five primary types:

1. Prospects. Prospects are people who haven't yet donated but are prime candidates for supporting your organization in some way, large or small. They're people you want to make sure receive your mailings, from your quarterly newsletter to your annual appeal. Some day, when the right pieces come together--extra money in their pocket or a personal connection to your mission-- prospects have a high likelihood of sending you a donation.

2. Individual donors. Individual donors come to donate to your organization for myriad reasons. Perhaps they came to an open house or other event you held, were impressed with the event and your organization, and donated beyond just the admission fee. They may have become a member or donated to a specific cause being showcased by the event.

Perhaps your individual donor responded to a direct-mail piece. Your appeal spoke to an interest of theirs, they were impressed with your statistics, or they remembered a friend of theirs saying they were a member of your organization and really appreciated what you do, and the person donated a small amount for that reason alone.

Individual donors will collectively be the lifeblood of your donor base. No one individual donation brought in this way is going to make or break you, but together they form a large percentage of your annual operating income.

These donors will likely donate, perhaps in just small amounts, again and again. They'll respond to your membership appeal, come to other events, and donate to a special appeal for something specific.

3. Major donors. Major donors rarely happen overnight. They might take years of cultivation, but once they decide to give, they give in large sums. Some may have the capacity to give a large sum annually; some may give only strategically when you are doing a special campaign.

Cultivation and stewardship are important to major donors. They don’t want to be “sold to,” but they also want to be kept apprised of what your organization is doing--i.e., how you're using their donation.

One of the best ways to steward major donors is to assign each one to the most suitable board member. It's likely many of the major donors came through board member connections to begin with. Help your board members learn how to best steward donors if they don’t already know. A plan should be in place for each major donor to receive a certain amount of correspondence each year--not asking for a donation but simply updating them on key initiatives or the overall status of the organization.

When the time comes to ask for a key donation, the board member should plan to bring along the executive director or development director for a face-to-face meeting.

4. Corporate donors. Corporate donors require a completely different approach than individual and major donors. Although they certainly do exist, few corporations give large donations simply to be philanthropic. They expect certain marketing opportunities from their donation--a press release announcing a significant gift, a check presentation photo sent to the papers, naming of a key area in the building to which they're giving, publicity for sponsorship donations before, during and after an event.

Corporations should be key donors and donor prospects in any organization’s development plan. The board should be enlisted to help identify corporations for whom your mission would appeal. Corporations don’t just donate for their own or their owner’s sake; help them understand that your organization’s mission is near and dear to the hearts of their employees.

You'll want to figure out the fiscal year for the corporations you plan to approach as much as possible. As you try to gather this information, you might consider creating a corporate mailing piece that can be sent a few times a year to a certain number of corporations. Once you start to collect specifics about their fiscal year, you can group those twice-a-year mailings by the most logical mailing period for a company’s fiscal year.

5. Foundations. Private foundations are pots of money set aside by a person, family or other entity for donation purposes. They often target types of charities they're interested in and open a grant proposal round once or twice a year during which organizations can appeal to them for funding.

Foundations often prefer to fund programs that actually result in accomplishing the mission of the organization. Few foundations offer funding to capital campaigns, and fewer tend to offer funding of general operating funds for the day-to-day business of the organization. Most require a post-grant report to give them the measurables that show how their funding helped you accomplish your mission.

There are many ways of finding out who offers grant funding in your category of charity. Do a basic search under "grants for" whatever your category is, and you'll come up with some places to start.

Suggested Reading Materials:

Blackman, Rachel. (2003). Project Cycle Management. UK: Tearfund. (Downloaded from www.tearfund.org/tilz

Capezio, Peter. (n.d.) Powerful Planning Skills. Mumbai: Jaico Publishing House.

Chandra Prasanna.. (2003). Projects: Planning, Analysis, Selection, Financing Implementation and Review. 5th Edition, New Delhi. Tata McGraw Hill Pub.Co.Ltd.

Dale, Reidar.(2001). Evaluation Frameworks for Development Programmes and Projects. New Delhi: Sage Publications.

Ghosh.K..Asit and Prem Kumar. (1997) Project Management. New Delhi. Anmol Publishing Ltd. .

James P. Lewis: (2007). The Project Manager's Desk Reference, 3E. Mc GrawHill Pub.Co.

Lock Dennis. (1997).Handbook on Project Management. Delhi. Jaico Publishing House.

Moshin, M,. (1997). Project Planning and Control. Delhi. Vikas Publishing House.

Nagarajan. K. (2010). Project Management, 3rd Edition, New Age International Pvt. Ltd., New Delhi.

Sarda. D.P. (2007). Project Finance- Appraisal & Follow Up., Jaipur. ABD Publisher.

Vasant Desai. (1997.Project Management: Preparations, Appraisal, Finance and Policy. Delhi. Himalaya Publishing House.

https://www.fundsforngos.org/featured-articles/contact-information-donor-agencies/

http://www.idealistconsulting.com/sites/default/files/how_to_create_donor_profiles.pdf

Collins, C. & The Staff Of Entrepreneur media. (2017). Start Your Own Nonprofit

Organization: Your Step-By-Step Guide To Success.

Teaching Materials: Chalk-Board and Class participation

Discussion: Yes as per plan.

Objective: To understand selecting and analyzing alternatives Time Management: 10 minutes for attendance and getting to know the students

30 minutes for presentation and

20 minutes for group activity and discussion

Future Plan: To understand selecting and analyzing alternatives