

Developing a fundraising strategy

What is a fundraising strategy?

A good fundraising strategy is the key to successful, diverse and timely fundraising.

It is a document you can develop to help you plan how you will generate income to fund your activities in the short, medium and/or long term. It will help you to explore where you are now as an organisation, where you want to be and how you will get there.

A fundraising strategy doesn't need to be a long or complicated document but should be a planning tool that gives you the information you need to strategically plan your fundraising activities in line with your organisational outcomes. An organisation's fundraising strategy is an integral part of its wider business/strategic plan and it should be amended regularly to ensure it is still relevant.

Why develop a fundraising strategy?

A fundraising strategy can help to:

- Provide clarity about short, medium and long term actions that need to be taken to successfully raise the funds needed to achieve your outcomes
- Divide responsibilities between the board of trustees, staff and volunteers
- Ensure the organisation doesn't run out of money or that there are steps in place to ensure decisions are taken in a timely manner
- Provide a clearer and realistic direction for the organisation that can be communicated to stakeholders
- Useful in supporting funding applications and SORP requirements.



Basic information to include

There is no one way to develop a fundraising strategy and it will very much depend on your organisation and what works for you best. The following list, however, provides an outline of the key elements to include in a fundraising strategy to ensure that it fulfils its purpose:

- Review of current position:
 - Current strengths and weaknesses
 - Any past fundraising experience
- Existing fundraising strengths and resources
- Projection of fundraising needs (this information will come from your business plan)
- Overall fundraising strategy
- Proposed new sources of income
- Suggested methods to meet fundraising targets
- Resources needed to do this
- How the fundraising should be monitored and measured
- Timeline for implementation

Starting points

All organisational planning should be done with your organisations vision and mission at heart and the same is true for a fundraising strategy.

The fundraising strategy stems from the Business plan of your organisation. Through the business planning process you would have identified the impact that you want to have on your beneficiaries, the resources you have as an organisation, your current activities and the activities you would like to develop over the next year or two to meet the needs of your beneficiaries.

Through the business planning process you will have an idea of the funds you will need as an organisation to achieve what you would like to for your beneficiaries.

Situational analysis

Situational analysis allows the organisation to reflect on its strengths weaknesses, the resources it has and the environment it is operating in. When creating your business plan, it is likely that you looked at some of the tools used for situational analysis. It is important to consider the information gained about your organisation and external influences when developing a fundraising strategy. Below are a few tools you can use to do this.

- **SWOT Analysis** – SWOT stands for Strengths, Weaknesses, Opportunities and Threats. Think about each of those headings in relation to your organisation and your current fundraising techniques.
- **PESTLE Analysis** - Political, Economic, Sociological, Technological, Legal, Environmental (Also known as STEEPLE, PEST and STEP). Think about how each of these headings will affect your organisation as a whole and thus impact on your fundraising efforts.
- **Competitor Analysis** – who else does what your organisation does? Is it exactly the same? Could you work together? Will you compete for the same pots of funding? What funding techniques have worked for them?

Looking at income diversity

As a fundraiser you will need to have a good understanding of your organisation's current income streams and make judgments about what types of income will suit the activities you want to deliver. There are a number of different elements to this

- **Audit existing fundraising** – how do you currently raise funds? What are your current sources of funding? What else have you tried? What is your success rate? Etc.
- **Assess possible opportunities and clarify constraints** – what about your organisation could be used to bring in more funding i.e. is the cause attractive, do you have creative staff whose skills you could utilise? How appropriate is certain funding? Can you only work in one geographic area? Etc.
- **Understanding risks and benefits of different types of funding** – take a look at the income generation spectrum, and think about the benefits and risks of each type. Not everything will work for your organisation and much will rely on the type and personality of your organisation, resources and capacity.

- **Think about what types of income are suitable for different activities:** Look at the objectives identified in your business plan that your organisation wants to achieve over the next 1-3 years. What would be suitable for grant funding, what might link in with local priorities in contract delivery and what opportunities will there be for generating unrestricted income, or attracting corporate support?

Planning fundraising targets

- **Financial and non-financial targets** – No fundraising technique will bring immediate money and no investment. Therefore, your fundraising strategy needs to contain timelines for when funds are needed and set targets for how much is needed by when. You can make a judgment about how much income you will aim to generate from different sources in a given time period. But some targets in your fundraising strategy may not be financial. ‘Non-financial targets’ might be for example, identifying new grant funders to approach, building relationships with corporates, getting systems in place to manage on-line giving or using more online platforms to raise the profile of your organisation and work towards encouraging donations.
- **Things to consider** – Your business plan and the activities you seek to deliver should be based on the evidenced needs of your beneficiaries. What resources are needed to implement the fundraising strategy? Are you signed up for Gift Aid? Do you need to incorporate?
- **Monitoring** – You will need to keep an eye on the overall returns of your fundraising activities and be able to compare the effectiveness of different activities and/or different ways of doing things. Finding appropriate measures for your fundraising activities will help you to assess and control the costs involved, how you generate supporters, how you maintain support and how you can cascade support as well as understanding what does and doesn’t work, testing new ideas and keeping an awareness of the external and internal factors affecting your fundraising.

What else will you need?

- **Evidence** – Have you done your research? Do you know that beneficiaries and other stakeholders actually want the projects/services? Do you know what the public opinion is about the issues and your organisation? You may want to think about carrying out survey’s, interviews, and/or focus groups, as well as gathering statistics and information from a range of national and local sources.
- **All necessary information:** As a fundraiser do you have all of the information necessary to convince someone of the need for them to support your work? Keep information well organised in a fundraising file on your computer with governing document, business plan, case studies, insurance, necessary policies, previous funding history, successful and unsuccessful funding bids and anything else you might need for a funding application.
- **Case for support** – No fundraising strategy will matter unless you can form a clear case for support: can you articulate what you do and why? Do you know what information different stakeholders will want? A case for support is a document that lays out a convincing and persuasive argument for why what you do is important and why funders, and donors should invest in the work of your organisation. The document itself is not something that would be sent to funders, but the information is useful for the fundraiser to use in lots of different ways. The key thing is that it contains evidence of the needs of

your beneficiaries and the impact of the work that you do as an organisation. You will need to identify the information and resources necessary to build the case, use the case in writing (in bids, on your website etc.) and face-to-face (networking, building initial relationships with funders, interviews etc.) and keep your case for support statement up to date and interesting.

- **Full Cost Recovery** - ensure that all costs involved in running a project are recovered, through securing funding or charging, at a level which includes a relevant proportion of organisational costs.

Resources

- [Develop a fundraising strategy, 5 minutes fundraiser video from the institute of fundraising](#). This video is a great introduction to what is a fundraising strategy. It gives a good overview of what you need to think about when you start thinking about fundraising strategy.
- [Codes of fundraising practice, Institute of fundraising](#). Considered as a reference when it comes to fundraising, the codes of fundraising practice will support you assess the suitability for your organisation to each current or potential funding stream.
- [Funders need analysis tool, NCVO/funding central](#). Use this tool to better understand the expectations and requirements that different income streams will have on your organisation. As you develop a sustainable income strategy for your organisation, you will need to work with different income providers. Take some time to think about the approach you will take with different funders, clients and customers, depending on where they fit in the income spectrum.
- [A Guide to Writing a Fundraising Strategy](#) *Article submitted by Klair Price, GRANTfinder Senior Information Researcher*. A basic guidance document covering the basics of writing a fundraising strategy.
- [The Basis Project online toolkit - Developing a fundraising strategy](#) A toolkit on fundraising strategy produced through the BASIS Project by Refugee Council and Refugee Action
- [What should feature in a fundraising strategy?](#) By the Institute of Fundraising Further fundraising strategy information.
- [NCVO Income Spectrum online Tool](#) a useful tool for exploring different types of income and assessing the current income mix of your organisation

Support

If you would like any support with developing a fundraising strategy or any other issues facing your organisation, please contact the Development Team at Community Southwark: development@communitysouthwark.org.uk or 020 7358 7020.