

Putting Technology to Work: Streamline Your Fundraising with Internet Tools

Written by Kimo Lee

Thursday, November 18, 2010 18:33

LEXINGTON, MA — A crowd of about 60 people packed into the large meeting room downstairs at the *Cary Memorial Library* in Lexington, Massachusetts yesterday to hear *Heron Grace*

principals Linda Mack and Kimo Lee share some of their expertise about fundraising using Internet technologies.

The presentation was organized by [NonProfit Net, Inc.](#) a membership group of nonprofit organizations who hold regular seminars on a variety of topics of interest to nonprofit organizations.



Linda Mack, the Chief Executive Officer of *HeronGrace* was delighted with the high turnout, remarking that she'd been noticing a lot of interest in this particular topic, especially during the current economy.

She led off the presentation by asking a series of questions of the various attendees. Most have budgets under \$500,000. Surprisingly few had dedicated development directors guiding their fundraising efforts. Only four thought that their current web sites afforded easy access for updating. About one-third were currently using social network services such as *LinkedIn*, *Facebook*

or

Twitter

. And roughly ten organizations were currently using constituent relationship management software. Quite an eye-opening display of the need for these services, at least among this group.

{youtube}0myNj8BHt_4{/youtube}

The presentation opened with a very inspiring video created by [Philanthropy Reports](#) called *Know Your Sector*,

which highlighted the the major contributions of nonprofits to the world. The video is a series of animated slides set to upbeat music that mention rather astonishing statistics. Each year in the U.S., \$300 billion is donated to charities — 83% from individuals. There are almost 2 million

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nonprofit organizations in the U.S. Nearly half of all donations goes to support religion and education. Surprisingly, only 4% goes toward the arts, and only 2% goes toward the environment and animals. The world's largest charity,

The United Way

brought in over \$4 billion last year, which equates to \$11 million each day and \$450,000 every hour. And the Gates Foundation — worth \$30 billion — must give away \$5.8 million each day. Amazing stuff!

The presentation covered three core sections:

- 1. Fundraising in the 21st Century**
- 2. What Web-Tools Are Available?**
- 3. Why Streamlining Operations Makes Sense**

During Part 1, *Fundraising in the 21st Century*, Ms. Mack covered traditional donor relationship processes and tools which were prevalent prior to the advent of the Internet and digital technologies. She quickly walked the audience through a Cultivation Circle diagram which starts with identifying the donor, moves to cultivation of that donor, soliciting the donor, acknowledging the donor, engaging them and then completing the circular process by stewarding them, until repeating the process anew. Familiar old-school fundraising tools such as snail mail newsletters, fundraising events, and face-to-face meetings, among other tools, were discussed.

Then she introduced the audience to a model using 21st century donor relationship tools such as email solicitations, online event registration, accepting contributions online and social media connections. These are intended to be used in conjunction with the older tools when appropriate.



Chief Technology Officer Kimo Lee led the next section, Part II, *What Web-Based Tools Are Available?*, and gave an info-packed overview of a number of technology types, starting with website content management systems (CMS), from desktop software and proprietary (hosted) web-based options, to popular open-source software solutions that are all the rage among nonprofits these days. And for good reason, with high licensing fees (average \$30k for Blackbaud including installation, set up and module customization) as well as high monthly fees per seat for the non-open-source options, it's no wonder more and more cost conscious small nonprofits are

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looking at open-source solutions, in particular, the feature-filled

Joomla

and

Drupal

CMS as well as blogging and site software like

Wordpress

. Lee noted that it's important to make sure the open-source system you choose is well supported by a large community of users and has a large selection of components, modules and plugins for adding custom features to your site. In this case, popularity among software developers is a sign of stability and longevity, which equates to timely updates, proper maintenance and growth of the software.

It was interesting to learn that *Constituent Relationship Management (CRM)* is first, a strategy for managing your interactions with constituents and second, a technology system for executing that strategy. Realizing that puts the focus on the strategic relationship building and donor cultivation aspect of fundraising.

Mr Lee also segmented CRM systems into similar categories, desktop/local network; proprietary hosted; and open-source, mentioning some of the more well-known CRM options — at least among nonprofit organizations, i.e., *Sage*, *Exeed Premier*, *Raiser's Edge* for desktop/local network systems; *Sal*

esforce.com

, and the new arrival

Microsoft Dynamics CRM

for proprietary hosted options; and the nonprofit-focused open-source option

civiCRM

. as well as top open-source option SugarCRM in the for-profit sector.

Smartly providing a list of desired tools to look for in a CRM system provided easy to understand value for those in the audience new to the CRM concept. He covered the benefits that an NPO would realize such as increased donor participation, lower administrative costs, shorter cycles to convert donations — the cultivation circle speeds up — as well as increased accuracy and more effective forecasting.

There was much interest in the Social Networking portion of Part II. Covering the most popular social media platforms, *LinkedIn* (for professional business connections), *Facebook* (mostly personal but has

Fan Pages

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for organizations),

Twitter

(use to drive traffic to your site, or interact with constituents) and

YouTube

, for streaming the videos of your organization, there were a lot of questions from the audience about these social networking tools.

It was enlightening to hear the various experiences of audience members who are currently participating in social media. Issues such as dealing with negative comments were brought up, to which Mr. Lee replied that those are opportunities to demonstrate your customer service skills. "It's a chance to turn a negative situation into a positive one by resolving the problem or correcting a misperception", said Lee.

He also stressed the importance of entering social media with a good attitude by providing five tips, which in a nutshell, centered on having the patience to take the time to develop your social media relationships. He stressed developing visibility by connecting with a broad group of other people whose interests align with yours. Developing credibility by providing accurate, valuable information, and by trying to help others, and only after building these first two, then trying to effect some aspect of profitability — soliciting your donor connections. When asked how to use *Twitter*

for fundraising, Mr. Lee gave the example of tweeting to your Twitter followers about your fundraising events as a means of not only notifying people about it, but of also driving traffic ("eyeballs") to your site.

As for reasons, during Part III, *Why Streamlining Makes Sense*, Mr. Lee showed showed a diagram depicting a website that integrated both a CMS system for website content administration and a CRM system for fundraising and donor relationship building which listed several benefits of such integration, including better engagement of donors in your activities, accuracy, sharing, and easier access to information by staff, and direct recording of contributions from web to CRM.

An audience member commented that their experience is that because online contributions are batch processed as a single deposit at the end of the day instead of individual records when deposited as checks, the bookkeeping process was simplified. David Orlinoff, founder of Concord Financial Organization confirmed that a nonprofit's auditors would love that simplification of tasks.

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Since the central underlying message of this presentation was about how streamlining your organization processes saves time that you can then devote to building better relationships with your constituents, Mr Lee then showed some humorous cartoons to make his point. The first was about a mailman delivering a barrel load of mailed conference registration forms to illustrate the point that old processes waste time. Then he showed a cartoon about an overzealous construction worker at the top of a very tall ladder without a building to support it to underscore that relationship building takes time and to practice patience. To sum up he showed a cartoon depicting two fishermen at opposite ends of a small rowboat, one who was using a fish finder radar was catching all the fish, while the other had no fish at his end of the boat — emphasizing the point that using technology will enhance your success as a fundraiser.