DEVELOPING A FUNDRAISING STRATEGY

Developing a written fundraising strategy is essential in helping you to take a long-term view, to plan and prioritise your fundraising work and in the long run, it should help to increase your fundraising income. It may seem like a lot of hard work but developing a fundraising strategy can mean you are more successful in the long run.

The depth of your strategy document will depend on your groups fundraising ambitions. If you only require a small sum for a one off activity, you probably don’t need a full strategy.

Developing a fundraising strategy takes a lot of time and will involve a considerable amount of drafting and refinement. It will also need commitment from everyone in your organisation. Once the strategy is written, the work continues with regular and on going reviews. But all the effort is worthwhile because if you get it right, you will save a lot of wasted time and effort and increase your chances of success.

Why Develop A Fundraising Strategy?
It can help you:
- Increase your chances of success. Discussing the issues and planning the fundraising activities should increase the success rate of your fundraising
- Assess all the options. The process of compiling a strategy means that you think through all funding options and are less likely to miss funding opportunities
- Formalise your fundraising plans. It can be useful for the people who will undertake the fundraising activity to have the plans formalised
- Remember your goals later on. It is easy when fundraising to lose sight of the long-term goals. Having a formalised plan will remind everyone of the aims and objectives
- Spot potential links. By formalising the fundraising activity it will be easier to spot links and to group pieces of work together

Aims Of A Fundraising Strategy
There are normally five main aims, they are:
- To continue current work
- To expand your services into new areas of work
- To decrease dependency in order to increase independence, decrease donor power or reduce the risk of over reliance on a single source of income
- To build up reserves
- To raise more regular long term funding

Process Of Developing A Fundraising Strategy
The development of a strategy is likely to take place over a reasonably long period of time. It will begin with wide discussion within the group or organisation and should include all relevant internal and external partners, including management committee members and staff.
Usually a small group of people or one dedicated member of staff or volunteers, however, does the actual drafting of the strategy.

The process will undoubtedly involve a number of drafts, which should be circulated for comments followed by more redrafting. A final version should be agreed and adopted by the management committee and staff of the organisation or group.

**What Should A Fundraising Strategy Contain?**
The length and detail of a fundraising strategy will depend upon your ambitions and the amounts you are looking to raise. Normally, a fundraising strategy would contain information under the following headings:

- Current position
- Future plans
- Retaining existing income
- Options appraisal
- Actions
- Resources
- Targets

**Current Position**
It is important to start with a review of the organisation’s current position. This will be a useful opportunity to stand back from day to day fundraising and assess what has been successful in the past, what fundraising skills you can call on and how reliant you are on a particular source of funding.

It should include a statement on where the organisation is in its overall development and have sections on strengths and weaknesses. It is important to be honest in appraising the strengths and weaknesses of your organisation, as they will influence the choices you make in terms of future fundraising.

Strengths and weaknesses could include:

- Your relationship with funders
- Fundraising skills within your organisation
- Your organisation’s reputation
- Trends in income and expenditure
- Having a membership to call on
- Other organisations doing similar work or area – are they potential partners or threats?

This section should also include a list of current and recent income sources. This would normally show the amount received from each source over the past two years, in the current year and for the year ahead. This will allow you to see the trends in your organisation’s income and show you what percentage of the total each source makes up. This enables you to judge if you are over reliant on one or more sources. Alongside the table you should provide a brief summary of the security of each source.
To complete this section of the strategy you should summarise previous attempts at fundraising from alternative sources and why they were unsuccessful or why you decided to move away from those sources.

**Future Plans**
This section looks at your development plans for the organisation and the impact that they will have on the amounts of income you need to raise. New developments in your work might open up the possibility of funding from new sources.

For each new element of work, you will need to cost out the plans and calculate the expected shortfall in income. Clearly indicate where funding is in place as it will affect who you can approach for additional funding. If you are also planning to raise funding to boost your reserves or establish a more secure long-term income, this should also be included.

**Retaining And Existing Income**
An area that is often overlooked is the retention of existing funding sources. Remember it is far easier to keep existing funders than to find new sources. The strategy should include time. And resources to do all that is necessary to retain your existing sources of income.

**Review Of Similar Organisations**
It can be highly informative to look at similar organisations to find out about their fundraising strategies, especially the sources of funding they draw upon. This might help you to pick up new ideas for raising income or alternatively help you to avoid repeating their mistakes.

If other groups are not forthcoming or you feel unhappy about asking them for information, their accounts and annual reports can give you an insight into their funding sources.

**Options Appraisal**
List all the possible sources of income for your organisation and evaluate each option against a number of criteria. The easiest way to do this is using a table. Down one side of the table you can list all of the potential sources of income. These might include you local authority, the lottery, trusts, community foundations, central government, European funding, events, membership, collections, fees and charges and service level agreements.

Along the top of the table you can list a number of the criteria to judge each of the sources against. The criteria could include:
- Existing funders
- Experience or expertise in a particular form of fundraising
- The time it take to secure funding from a source
- Our changes of success
- Appropriateness
- Contacts you can exploit
The end result of this exercise is that you can identify new options for fundraising or possibilities for greater fundraising from existing sources.

**Action Plan**
The option appraisal will allow you to work out an action plan for the year ahead and beyond, detailing what you plan to do and when.

The resources that you allocate to each element of fundraising will depend on what skills and experience you have available. You may have existing volunteers or staff with expertise or you might decide that you need to recruit a fundraiser or buy in expertise from a fundraising professional.

You will also need to allocate funding to any new fundraising activity. Different activities will require different amounts of start up funding and this may influence the choices you make.

Once you have attempted to allocate resources, it will be important to review the options again. It might be that one of your preferred options is no longer possible or that the order of priority needs to be changed.

The action plan will list fundraising activities alongside the person or people who will carry them out, the budget set aside for the activity, where that money is going to come from and a target for the amount that the activity will raise.

During the drafting and consultation phase, it is vital that senior staff and the committee approve the action plan, staff time and financial allocation. Without this agreement, the action plan and strategy are worthless.

**Review And Monitoring**
Once you have a final fundraising strategy agreed by your committee, it is important to regularly review the strategy.

As things happen, the strategy will need updating. It is possible that you may find new volunteers with different skills or that a new fund is launched in your area. The strategy will need to be adapted to respond to changes. You will also gain experience as you see the outcomes of different fundraising activities and it is important to review why an activity was a success or not.

Experience will also enable you to assess how realistic your targets are. It may become clear that they are over or under ambitious.

The review process should also include recording the ratio of money spent on different fundraising activities and the amount that it raised. This will provide a ratio or percentage return of under spend against amount raised. Again, this will enable comparison between activities and inform any changes to the strategy.
FUNDING ACTION PLAN

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**Description**
- **Item**: list what it is you need funding for e.g. staff
- **Detail**: breakdown of what you want funding for
- **Cost**: total cost for this budget item
- **Funder**: Funder identified for this item
- **Who**: who will progress this application and when (identify person and date this must be done by)
- **Dates**: note any relevant dates – closing dates, announcement dates