Epic Donor Communications:
How to Inspire and Engage Your Donors

By Joe Garecht and Vanessa Chase

Class #1:

The Basics of Amazing Donor Communications

Introduction

Welcome to Epic Donor Communications: How to Inspire and Engage Your Donors. Thank you for joining me and Vanessa Chase for the next six weeks to learn all about how you can build better donor relationships – and ultimately raise more money – by effectively communicating with your donors. We're glad you're here!

Our goal for this class is to make sure that by the time you have completed it, you have a new set of strategies and tools you can immediately use at your non-profit to strengthen your donor communications program. Remember – you have lifetime access to this class, so you can go at your own pace.

During this class, we're here to help. Whether you are reading the class materials for the first time or reviewing them in a year or two, if you have any questions about how to build better donor communications at *your* organization, you can e-mail them to me at joe@thefundraisingauthority.com or to Vanessa at vanessa@thestorytellingnonprofit.com and we'll be glad to answer.

We have all heard the maxim that fundraising "is all about relationships." We know how important it is to build strong connections with major donors, board members, annual givers, and other prospects to keep them investing in our organizations year in and year out. Yet, so many times, we forget about the power of donor communications to build better relationships.

I have seen firsthand how important amazing and compelling communications can be to building fundraising relationships. During my time as the Executive Director of a major non-profit in Philadelphia, I inherited an organization that relied solely on in-person interactions for fundraising. This non-profit had *fantastic* relationships with its donors, because the small staff was *constantly* on the phone with them, or having lunch with them, or visiting them at their homes or offices.

But… and this is a very important "but"… that non-profit's donor relationships were *not* scalable. Because they were strapped for time, they focused only on big donors. They couldn't have handled lots of mid-level donors, because they would have had to hire more staff to handle them with the same care and concern. And they were spending far more time per donor than they really needed to in order to maintain and grow the relationship.

Don't get me wrong. I love it when non-profits focus on personal fundraising. I wish more organizations would pick up the phone and make calls, or get their staff out of the office doing meetings. But this type of personal interaction *can't be the entirety of your development program*, or you will never grow into a fully functional, rapidly growing, and thriving non-profit.

The way that non-profits systemize and scale their relationship-building efforts is through donor communications. Organizations can build and grow relationships with their donors through well designed communications, in addition to the occasional meeting or phone call. Donor communications are the lifeblood of mid-level and small donor relationship-building, and provide an enormous boost to major donor fundraising as well.

As for that non-profit in Philly, one of my goals during my first year there was to institute a true donor communications program, using many of the tools and tactics you'll be learning during this course. After just 12 months of focusing on communications (among some other initiatives), donor relationships were better than ever, we had built small-dollar and mid-level donor programs, and the organization experienced phenomenal growth in revenue.

That's the power of donor communications, and that's the impact a strong communications program can have for *your* non-profit. Let's get started!

What We Mean by "Donor Communications"

Let's talk for a minute about what we mean by "donor communications." For the purposes of this class, when we talk about donor communications, we mean all of those things your non-profit does to speak with its donors *except phone calls and in-person meetings or events*. Donor communications are all of the "mass" communications you carry out with your donors and prospects to draw them closer to you, update them on your progress, and keep your organization "top of mind."

It's also important to note that we're not talking about solicitations or asks (e.g. fundraising letters or e-mail solicitations, etc.) Those are important, and should be part of your overall communications mix. But for the purposes of this class, we are focusing on *cultivation* communications, not *ask* communications.

Some of the most common types of non-profit donor communications include:

- Newsletters
- Annual Reports and Stewardship Reports
- E-Mail Newsletters and Updates
- Brochures and Donor Folders / Packets
- Your Non-Profit's Website

We'll be looking at many of these communications channels over the next six weeks, but bear in mind that the strategies you learn will apply for most donor communications, whether they are included on this list or not. Also note that the tools and tips provided in this class will work for every non-profit, no matter how small or large.

Your "donor communications" include several different elements. They incorporate the words you write, the designs you use, and the pictures you include in your communications. Each of these elements impacts your message and can influence your donor's feelings about your organization.

The Ultimate Goal of Your Donor Communications

Have you ever thought about the ultimate goal for your donor communications? Did you ever stop to wonder why you send out those annual reports each year or the purpose of all of those donor newsletters?

Without understanding the ultimate goal of a donor communications program, it is easy to get caught up in the stress and hustle of mailings, e-mails, and annual reports. For many non-profits, these things are done simply because it has always been that way, or because that's what donors, the board, or the Executive Director expects. Yet… donor communications play a much more vital role for your non-profit.

The ultimate goal for your donor communications is to build a strong, lifelong relationship with your donors.

Let's take a moment to really think through that sentence. First, did you know that you need to build a relationship with your donor? Remember, relationships need to be two-way streets (i.e. your donor isn't just an ATM that responds to newsletters with small donation checks). There has to be some element of conversation involved, and both parties must benefit from the relationship itself.

Second, you want your relationships with your donors to be *strong*. Think about that – you can have donor relationships that are really weak. You can have donors out there that are still sending in checks because it's on their "to do" list each month or quarter, but once they really think about it, they will stop doing so. You can have lots of lukewarm relationships as well – donors who give to your organization because it seems nice, but who will give elsewhere when the next shiny new solicitation from another non-profit comes along.

Have you thought through the *strength* of your donor relationships? The goal of your communications program is to make these relationships as strong as possible.

Finally, you are trying to build *lifelong* donor relationships. Your goal is to find donors who will be with your organization for a lifetime… or at least for many, many years. You want to attract and engage donors who will support you for years or decades to come. Your donor communications program should be focused on building lifelong relationships with your donors.

Understanding the Donor Funnel & the Role of Donor Communications

To really appreciate the importance of a strong donor communications program, it is essential to understand the flow of the donor funnel. The fundraising funnel is the path that your non-profit should be taking with all new prospects, whether they are referrals from a board member, donors from a prospecting mailing, people who come to a non-ask event, or folks who walk in off the street to make a small donation.

Each and every prospect that comes into your orbit should be walked down a tried and true path to generate revenue for your organization. The specific tactics you will use for each prospect will differ (for example, you may never pick up the phone and call a $50 per year donor, but you may call a $100,000 capital campaign donor three times per year), yet the strategy remains the same no matter the donor/prospect.

The point of this funnel is to avoid "one and done" donors who are strong-armed into giving by their boss, friend, family member, or someone who is asking them to repay a favor. Instead, we're going to be creating *lifelong* donors who develop an honest-to-goodness relationship with your non-profit organization, slowly get more involved, and make gifts to you year after year.

The four steps of the Fundraising Funnel are:

<u>1. Prospect</u>

Find new individuals, foundations, businesses and organizations who might be interested in your non-profit if they knew more about you. Figure out what makes them tick, who you know that knows them, and what is the best way to begin a conversation with these new prospects that won't turn them off before you've even begun.

<u>2. Cultivate</u>

Once you've developed new prospects and had initial conversations to gauge interest, it's time to build relationships. What are the best ways to draw prospects closer to your organization, get them involved, and build a personalized yet scalable cultivation system? How can these prospects help you bring in new prospects as the cultivation process marches on?

<u>3. Ask</u>

Now that a relationship has been built and the prospect becomes a supporter (in terms of time, energy and advocacy), what is the best way to make an ask? How much should you ask for? What will appeal most to the donor? Who should make the ask and what should they say? Is this an in-person ask, a mail ask, a phone ask, or an event ask?

<u>4. Steward</u>

Great, the person / foundation / business made a gift. Now what? How do we continue to cultivate (steward) our donors, communicate with them, deepen our relationship with them, and encourage them to become regular givers to our organization? How can we get these donors to reach into their own networks to fundraise on our behalf?

<u>Donor communications</u> are key elements of both the cultivation and the stewardship phases… they help you build, sustain and grow your relationship with your donors before and after the ask.

Who Are You Writing To?

Do you know your donors? In order to create compelling donor communications, you will need to understand the people who will be receiving your letters. My suggestion is that you create several "donor profiles," or thumbnail sketches of key groups of donors to your organization.

For example, you may have a lot of young professionals that give to your organization. When researching this group, you could create a donor profile of a 32 year old woman that is married without children, is an associate at a large law firm, lives downtown, makes $150,000 per year and donates $1,000 to your organization each year.

Or, you may have a large number of retirees who donate to your non-profit. Perhaps your donor profile for this group is a 70 year old man who is married and has 2 grown children, is retired from a career as an insurance agent, volunteers 50 hours per year with your organization and donates an average of $250 per year, primarily through the mail.

The key here is that you don't create your donor profiles from thin air – instead, you carefully scour your donor database to figure out which groups of donors are most common for your non-profit, and what the "average" member of that group looks like. You then keep these donor profiles in mind as you are creating your communications so that you know *who* you are writing to and can create communications that are compelling to those groups.

The 7 Fundamental Rules of Epic Donor Communications

In creating hundreds, if not thousands, of donor pieces, I have found that there are 7 fundamental rules for *epic* donor communications:

<u>Rule #1 – Look at Donor Communications as a *System* and a *Process*</u>

Donor communications aren't "one-off" items. Don't think in terms of "this newsletter" or "that e-mail." Think in terms of your entire donor communications *system*. In order to have an effective communications system, you need to have a donor communications plan in place that incorporates your overall development strategy.

Similarly, you should remember that donor communications is a *process*. Communicating with your donors takes time. One e-mail won't make or break your communications program. Instead, think of the program holistically, every time you communicate with your donors you are telling one small part of the bigger story of your non-profit.

Just as with any relationship, donor relationships build and strengthen over time. Realize this, and give your donor relationships the time they need to mature. As you communicate with your donors on a regular basis, the relationship between the prospect and your organization will slowly but surely strengthen.

<u>Rule #2 – People Like to Feel Like Part of a Team</u>

Remember that people – all people - like to feel like part of a team. Everyone on Earth wants to feel like they are joined in a relationship with other people who are all marching towards a common goal.

Thus, one of the key strategies for your communications efforts should be to make people feel like part of *your* team. Talk to them as peers. Ask them for their suggestions. Keep them constantly in the loop. Make them feel like you're all one big team working towards a common vision (you are, aren't you?!)

<u>Rule #3 – Donors Like to Invest in Causes Bigger that Themselves. Cast a Big Vision!</u>

It is important to understand that people like to be caught up in a larger vision. Most people, even the rich and famous, get "stuck" in their daily routines. They get up, go to work, eat meals, play with the kids on the weekends, retire and do some traveling or relaxing, and grow old watching the grandkids play.

Because most people don't like the fact that they get stuck in a "standard" routine, they like to break free by getting caught up in bigger stories and visions. Epic movies, great novels, and a night at the symphony are all ways to escape the humdrum and get caught up in a larger story.

You might not realize it yet, but your non-profit is another great way for people to escape the routine and get caught up in a larger story and vision for the future. What work are you doing? Are you curing cancer? Feeding the hungry? Educating future generations? People *want* to get caught up in your vision… so let them! Cast a big vision, and paint a big picture.

Your communications process has to be focused on engaging people in your vision and allowing them to escape the routine by working with you to meet your common challenges and accomplish your common mission.

Rule #4 – Write for Your Readers, Not Your High School English Teacher

Great donor communications needn't be perfect, they just need to "work." And communications pieces that work are written in a conversational tone that is easily understood by the vast majority of people who are reading them.

This means no high-brow language! No acronyms that people don't understand. No sentences that start, "Our multi-disciplinary team-based approach to forensic interviewing…"

Donor communications studies have shown that the best non-profit newsletters, e-mails and updates are written on about a sixth-grade level. Great donor communications feel conversational… they sound like someone is talking to you. Pieces like this are easier to read. If people feel like your newsletter or annual report is difficult to read or understand, guess what? They'll stop reading it! It's ok to use sentence fragments or extra punctuation, and to start sentences with prepositions if doing these things makes your communications easier to read.

Of course, your item still needs to look like it was written by a professional, so typos are out, as is sloppy writing. You want your donor communications to be conversational, but not sloppy.

Rule #5 – Appeal to Your Readers' Emotions

Non-profit communications should be emotional… after all, you are doing life-saving, world-changing work! The best of them appeal to readers' deepest feelings and desires, things like their faith, their worldview and beliefs about humanity, their hope for a better world for their children, their sense of justice and fairness, etc.

People want to get involved (and donate) when you touch their soul. Sound over the top? It's not. It's what works. The best newsletters, e-mails and annual reports appeal to emotion without feeling sappy or contrived. *Use stories*. Use pictures, if appropriate. Show the concrete difference your organization is making in the world. Connect people with your mission and your results. Make them *feel* what you are saying, instead of just reading what you are saying.

Does this mean you shouldn't clearly explain the need or use facts, figures and statistics? No, not at all – use them to make your case. What it does mean, though, is that your donor communications should lean more towards the emotional side and less towards the clinical side.

Rule #6 – Talk About YOU and WE , Not I and ME

Your donor communications should be written from a first person perspective, meaning you talk about "I" and "we" instead of "the organization," or "the charity." But – and this is super important for writing successful letters – mostly what you should be saying is "you," meaning "you, the donor." Your letters should focus on your work, yes, but really should focus on the donor you are writing to.

This means talking about "your past support," "your concern for the poor," "your assistance with this project," "the difference *you* can make."

"You" is one of the most important words in a non-profit fundraiser's lexicon.

Rule #7 – Make Your Communications a Two-Way Street

People like having conversations, but hate being "talked at." In order to be really effective with your donor communications, you need to view the process as a conversation, not a lecture. Donor communications are a two-way street.

This is easy to say, but harder to actually do. I have found that some of the most effective ways to make your donors feel like they are having a conversation with you through your communications are to send out surveys on a regular basis, take online polls, solicit feedback from your donors / readers, hold online "office hours" or "roundtable discussions" for your donors on your website. You should also include contact information, including a phone number, in all of your donor communications items.

How Not to Bore Your Donors

There comes a time in every fundraiser's career when he or she needs to ask: am I boring my donors? Do I even know if I *could* be boring my donors?

Think about your own reading habits – what makes you bored? For most of us, the answer is two-fold: first, we get bored if we keep reading the same things over and over again. Second, we get bored if we're reading something that is overly technical, full of jargon, or just plain hard to read.

The same is true of our donors. They get bored if they get the same communications (or type of communications) over and over again. And they get bored if the stuff you are sending them (online or offline) is hard to read (or *looks* hard to read).

Your job as a fundraiser is to make sure that your donors don't get bored of what you are sending them. So, you need to mix things up. Don't just send newsletters every month and consider your job done. People will get tired of them. Instead, send a newsletter every quarter, and in the other months, send special updates, surveys, event calendars, and links to photo collages from your most recent volunteer events. Keep things interesting for your donors!

Likewise, it is imperative that you make sure that your donor communications are easy to read, and that the *look* easy to read. Cut out the jargon and technical language. Write in a personal, conversational tone. Include lots of whitespace, pictures and headlines. When you make your communications look easy and fun to read, people will actually read them!

Advanced Topic: Scale vs. Substance in Donor Communications

As a non-profit, your organization has a tight line to walk in building strong relationships with donors. On the one hand, your donor interactions and communications need to be **substantive and personal**, meaning fitting in as many in-person meetings, conversations on the phone, and personal e-mails and notes as possible, particularly with your larger donors.

On the other hand, your donor communications need to be **scalable**, meaning that your organization needs to do enough mass-communication and semi-personalized communication so that your donors feel constantly connected, without requiring one-on-one attention at all times.

Establishing the proper mix of donor interactions can be tricky, and many organizations fail to find the right middle ground. Put too many mass-communications (like direct mail, mass-emails, and newsletters) in place, and your donors won't feel like they have a real and personal bond with your non-profit. Spend too much time with one-on-one and small group interactions, and your development team won't have the time and resources to build a large and growing donor base.

Here are the three steps I use when determining the proper mix of substance and scalability in donor communication plans:

1. Segment Your Donors

In general, the larger the donor, the more personalized interactions they will expect with your organization. While this isn't always true, it is true often enough that you can segment your donor population by donation capacity. Larger donors and prospects should tend to receive more personalized communication; smaller donors should tend to receive less.

2. Establish a Written Donor Communication Plan for Each Segment

The best way to make sure you are staying on target is to develop a written communication plan for each donor segment. Establish several categories of donor communications, including e-mails, newsletters, non-ask events, personal phone calls, in-person meetings, etc. Then decide what mix each segment will receive and on what schedule. Use a calendar to mark out your donor communications periods for each group.

Make sure that each donor segment receives a true *mix* of communication styles. I always advise that even the smallest of donors should receive at least one personalized donor interaction each year, even if it is simply an invitation to a meet and greet with the organization's staff and board.

3. Poll Your Donors

Once you have implemented your donor communication plan for a full year, sit down with a few of your donors (or take a larger poll/survey) to ask what they think of the interaction they have had with your non-profit the previous year. Did they receive enough information? Too much information? Do they wish they had been invited to more events? Do they feel like they have a strong relationship with your charity?

Take the answers you are given and use them to re-configure your donor communications strategy for the coming year. After all, no one knows the right mix for your donor interactions like your donors themselves.

Reviewing Your Current Donor Communications & Calendar

After reading through this introductory guide, I want to encourage you to review your recent donor communications. Take out everything you have sent donors over the past few years, including annual reports, newsletters, e-mails, etc. Go through them, and see how they stack up to the 7 fundamental rules we mentioned above. Keep these items out so you can refer to them as we delve into more specific strategies in the weeks to come.

Likewise, take a look at your donor communications calendar, if you have one, to see how well you have been mixing up your pieces to keep your donors' attention. If you don't have a donor communications calendar, don't worry. Vanessa will be teaching you how to create one later in this class.

Questions?

Remember, we are here to help. If at any time you have questions about what you are learning, you can e-mail them to me at joe@thefundraisingauthority.com or to Vanessa at vanessa@thestorytellingnonprofit.com and we'll be glad to answer. Stay tuned for next week, when we'll be talking about how you can create amazing non-profit newsletters (both e-mail and snail mail) for your organization.