

Turning the Pyramid on Its Point

Creating Transformational Moments for Our Smaller Nonprofits

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For generations of fundraising professionals, we've been taught and then preached ourselves that the most effective and efficient development shops walked their way up the fundraising pyramid. You learned early on that there were rules, and that they were to be followed methodically and religiously. It was important to build a strong base, to formulate judiciously crafted strategic plans, to identify and engage passionate leadership, to invest in and faithfully develop databases and information technology systems, to recruit and train a team of professionals, and as readiness was achieved walk up the levels of the pyramid. Special events, annual funds, major gifts, planned gifts, and, ultimately, a comprehensive campaign.

We likely all start from the base, building strong foundations around special event programs that allow us to initiate and grow relationships with our constituencies while raising relatively modest sums of money to support our nonprofit organizations. As success is realized at this level, and we begin to see value and opportunity in now exploring initial relationship based solicitations, we turn our attentions to annual fund programs. After all, we need to diversify our revenue streams, find more efficient and ROI driven fundraising avenues, and logically want to more fully include all those folks we've been meeting and getting to know at the events. Not surprisingly, a good many of the individuals (and by extension, their corporate and community affiliations) who come to support the annual fund each year and become more involved with the organization, will present the next opportunity ... making larger and more impacting gifts through a major gift program. As the years pass, and they've continued to make their annual fund gifts and the occasional major gifts, these donors may then become part of a planned giving program that invites them to make capstone gifts through their estate plans.

A wonderful trip down memory lane for those of us who cut our teeth in institutional advancement shops at higher levels. No doubt incredible success was realized over many years meandering down this established pathway, which soon led to that first campaign endeavor that brought all of these advancement programs together under the banner of a sophisticated, thematic, comprehensive endeavor. Hey, follow the rules, nose to the grindstone, and good things come your way.

Except for the little guys who often get stuck on a level of the pyramid due to a myriad of reasons, including costs, personnel, leadership, etc. As we all know too well, the cost to

raise a dollar diminishes significantly as we move up the pyramid. Special events average about 50 cents on the dollar, annual funds range from 25-50 cents, fledgling major gifts programs can cost upwards of 10-15 cents on the dollar, with planned giving programs and comprehensive campaigns costing even less. Getting stuck on a level is not only possible, it's often predictable and unavoidable.

For these smaller to midsize nonprofits, who seek their own transformational moments to grow profile and capacity to expand and enhance their missions, turning the pyramid on its point is an option warranting consideration. Moving into a campaign mindset, embracing a three-goal perspective that raises money, raises awareness and profile, and raises capacity going forward, could be just the ticket to not only increasing immediate monetary support but also assisting in building out the other levels of the pyramid.

Raising Money

Taking advantage of existing relationships and the “six degrees of separation” opportunities, will provide enough early evidence of support to initiate and sustain a modest campaign endeavor. With strong programming offerings and at least a modest following in the communities served, building from these strengths to grow support is absolutely possible. Frankly, with likely very modest financial needs and expectations, these first-ever campaigns can open doors to transformational moments. It is important to remember that most all campaigns rise and fall on 50-60 gifts, only the size of these gifts changes from campaign to campaign, so the suspected need for hundreds and even thousands of donors simply isn't present.

I've often shared with my friends in the nonprofit arena, and especially those with very small budgets and modest operations, that *they have done so much, so well, with so little, for so long, that they haven't even thought of doing it differently.* Or even given themselves the right to dream of grander things and times. Campaigns help these dedicated leaders to break out of this cycle and give themselves permission to consider what might be.

Raising Awareness and Profile

While raising money will always be the top goal of any campaign, for our smaller to middle sized NFPs raising profile and awareness surely places a close second. With a greater understanding of the various dimensions of an organization comes expanded interest in the work being done in communities, and ultimately leads to increased levels of support at all levels. Noteworthy gains will surely be realized in volunteer engagement, corporate and community leaders paying closer attention to the work of the organization, the expanded value or the organization to the overall community, and, yes, increased financial support.

Of course, remembering that donors don't simply give to organizations, they give to people, the formal and purposeful introduction of the organizations leaders to others in the community greatly impacts the levels of success in this important arena. Not surprisingly, as awareness of the organization and its leaders is championed, the stature

of other leaders drawn to become a part of the NFP board and committees will be elevated as well.

Raising Capacity Going Forward

With campaign success of an immediate nature – raising far more than ever accomplished before or even contemplated before – comes expanded databases, expanded knowledge bases, and expanded confidences. These newly discovered realities, and the modest investment of a portion of the campaign proceeds in growing the development team, will nicely position the continuation of positive directions on the resource development fronts.

In fact, one of our partners in the Southeast actually included the development of an endowed fund to expand its reach in the major gifts arena as a campaign initiative. Their board of directors, instead of supporting one of the institution's targeted programs being supported through the campaign, chose to create their own fund to support the hiring of their first-ever major gifts officer. Already, this fundraising professional has greatly advanced their presence in this programmatic domain, built out long-term, sustainable relationships with their leading supporters, and helped to shift the culture of philanthropy in the organization. Truly the gift that keeps on giving!

My apologies to the many old-school fundraisers who simply cannot find their way to ever breaking out of the established mindset and norms. Admittedly, the concepts associated with turning the pyramid on its point require us to open our minds to new pathways and require a bit of courage to step into unfamiliar waters. The Institute has already broadened the scope of fundraising to include these principles with nonprofit entities all across the spectrum of the third sector all across the country. Hundreds of millions of dollars have been raised to elevate the missions of wonderfully dedicated and critically important nonprofit interests that may simply have been left behind because they didn't or couldn't fit into the traditional models.

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