

Developing an Annual Resource Development Plan

STEP ONE: IDENTIFY ACQUISITION CHANNELS

Acquisition Channels are “on-ramps” for new supporters for your nonprofit. Acquisition can happen via direct mail, social media outreach, events, or simple interpersonal networking. Typically, 2-5 onramps throughout the year provide a strong diversity of opportunity for attracting new investors.

Data tips:

- Identify the average gift size for your acquisition channels, gifts beyond that threshold need specialized follow up strategies.
- Determine the acquisition channel that your largest funders came from, consider how to replicate the advancement of those funders.
- Retention rate year over year and increased annual value of investors are great measure to watch for annual funders.

STEP TWO: DETERMINE ADVANCEMENT FACTORS AND OBJECTIVES

Advancing your investors is the process of moving them from annual fund (lowest levels) to major gifts, to capital to planned giving/endowment funders. Thresholds and triggers will be unique to each nonprofit based on their budget, average gift data, investor capacity, and other factors. Identifying and understanding an investors motivation to give is critical to their advancement and deepening their investment in your work through deepening connection, addressing concern, and unlocking capacity.

Connecting to acquisition:

- How will acquisition channel feed into advancement tactics?
- What constitutes a “major gift” for your nonprofit?
- Do you have funding gaps? Are you overly reliant upon a single source or channel?
- Look for a balance of annual funders, major gifts, and where appropriate sponsorships, grants, and earned revenue.

Practical tips:

- The CEO/Executive Director can’t meet with everyone – determine the best caller for major gifts prospects, and don’t forget to leverage board members.
- Seek to understand motivations before jumping toward a major gift solicitation – then ask for a specific investment in an area that is important to that individual investor.
- Cultivation is critical – laying the right foundation. Leveraging relationship *and* clarifying outcomes will give the best scenario for advancing your investors.

STEP THREE: SHOW APPRECIATION

Everyone investing in your work wants to be thanked and connected to the work they've helped fund. Knowing your investors will help you thank them in the most personal ways. In addition to your regular storytelling, consider the following tactics:

- Target 7 non-ask touches with your investors each year
- Don't be afraid to probe for the "Why" behind an investment along with your "thank you" – knowing the motivation will help you advance the relationship but may also help you say thank you in a more personal way in the future.
- For some organizations benefits or affinity groups are great ways to create exclusivity for major gifts investors.

Bonus – visit www.donorsearch.net/resources/nonprofit-fundraising-metrics/ for a list of metrics to consider placing on your fundraising dashboard.