



Wohllebengasse 12-14
1040 Vienna ■ Austria
Tel: +43 1 3197949-0 ■ Fax -15
office@trialog.or.at
Skype: trialog.office
www.trialog.or.at

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Minutes of the presentation given by

Gabriel Müller, Head of Communications, Light for the World **Communication with major donors** **as an effective fundraising mechanism**

Light for the World is a confederation in the area of eye care and help for disabled persons in developing countries. It has existed since 20 years in Austria. Since 2007, the confederation has grown and now has two partner organisations: in Czech Republic and in Belgium. Light for the World has 10 years of experience in direct communication with major donors.

Who is a major donor?

We tend to first think of companies, foundations, sponsoring departments, big events and persons in their functions as directors and chief executive officers (CEO), but most important is the wealthy individual sitting in front of you and having an interest in what you are doing and talking about. Most of these wealthy persons are potentially interested but have never spoken to experts like you. After good information, they might be ready to support you with considerable amounts.

Most NGOs start with sponsoring departments of companies. The problem with sponsoring departments is that they want to have a benefit, e.g. a branding on the T-shirt and the like. This is not always very cost effective and as NGO you have to be clear that you are making business with often very tough people which is not easy. Best to keep away from sponsoring departments.

With the organisation of events, you have a lot of work; thus the relation between input and output is not that good. Buying addresses and doing direct mailings is costly and does not bring a lot of money either. Foundations are a good target group and interesting for fundraising.

Wealthy individuals

Research is the most important thing to begin with. In each country there are some very well-known wealthy people, but this is not the primary target group. Make research for not known wealthy people. Start your research in newspapers and find little news about interesting companies - do not go for the big companies.

Then, the **goal** is to have a very **personal meeting** with the wealthy person. The wealthy person is usually successful and wants to meet important people. Arrange a meeting together with a board member or perhaps your CEO. You will be the ghost writer and ghost key account. It will need 2 or 3 calls to get through to the person and let her/him know that your board member – dr. dr. prof. XY (name titles) – wants to meet her/him. It is about 3 months work to get this personal meeting with your board member or CEO. To get the meeting is most difficult, but if you succeed in having the meeting, the chance to raise good funds is 90%.

At the meeting together with the board member/CEO, be well prepared. The wealthy person assumes that you are well-informed about him/her. Have a very good research about this person, but also be careful with showing to know too many details (e.g. about private life). The most important thing is to follow the principle: “Who wants to be understood has to **listen**.” Make the wealthy person tell his/her success story. Ask questions like “how was it really?” and the like. The longer he or she tells you the life story, the better.

The longer you listen to the life story, the better. Don't think and worry about what you wanted to present. When you come up with your **presentation**, never use PowerPoint! This creates a distance. It is very important to have eye contact, from the very beginning to the end. Know what you are standing for, be very authentic when you tell about your projects etc.

In the best case, the wealthy person asks him/herself how much money you would like. If not, present a concrete project which you ask money for. **To ask for money is a critical point**. Develop a feeling for the right moment. Important is that it is NOT the board member who asks for money. You have to do good research in advance how much you want to get and how much is realistic for the wealthy person. If you don't find out in advance, you need to get the feeling during the meeting. Make sure that it is not too little and not too much. It is a difficult task. If you have doubts, start at a lower level; upgrading is easier.

There is a **big potential** in raising funds from major donors every year. The success really depends on the 1-2 person/s who work on it. It has to be a very self-confident friendly enthusiastic person, but also a person with a **high frustration tolerance**. It is a very depressing area – you might have very big success, but then you might have a period of many unsuccessful efforts where you start the same procedures from zero again and again. In many phone calls and meetings, you might have the feeling that you are the wrong person doing the wrong things. In average, you will get only 1 out of 10 envisaged meetings, but once you succeed in getting a meeting, the chance to be successful in raising funds is 90%. In the best case, you develop a very personal relationship with the donor. You might get calls on weekends; work mixes up with your private life. Be careful not to accept everything and not to come into too deep personal relations, especially with people who do not donate much but enjoy meeting celebrities. Different wealthy persons have different needs. Some want to go to the media, some are doing reports about their engagement, some want to stay in the background. Keep in mind that wealthy people are door-openers for other wealthy people.

What is the benefit for a major donor, for a wealthy person?

In most cases, wealthy people enjoy the conversation and are happy to hear about your work. For them, it is a window to a better world and this is a real benefit for them. It is a window to an interesting world with information about the situation in countries far away from our experience. They might hear and watch a lot in television, but normally they do not get first-hand experience from experts. The relationship with interesting people is also a benefit for them. If there is no benefit after the conversation –and you will feel it – then it's not a good sign.

Questions and discussion:

Does tax deduction encourage major donations?

Until recently, there hasn't been any tax deduction for donations in development cooperation in Austria. It starts only now. This might be an asset now, on the other hand we face the economic crisis. Also the law is very much disputed since e.g. it does not apply to environmental organisations. The strongest lobby group for the tax reduction was the Austrian NGDO platform and the entire NGO community together. Don't focus too much on whether you have tax deduction in your country or not. It is not that decisive. If people say that they have to pay double since they pay taxes for their donations, they normally do not want to donate. Argue that people living in poverty cannot wait until your state has developed a tax deduction system. If a person wants to donate, she or he will donate – independent from a tax deduction law.

Does it happen that major donors want to interfere with your project?

Sometimes this kind of discussions come up or people want to give products instead of money. If this happens, we do not accept interfering. We explain our projects and explain why and how we do things in the best way.

Do major donors want to come and visit the projects which they support?

We sometimes offer such field visits for really big donors. In the best case, they become even more supportive after such a visit. But in most cases, they don't have the time for such visits, but to offer it, creates a closer relationship. You can consider to hand out e.g. some photos of your project to big donors, but do not bring presents or souvenirs from your target countries - this is not a good idea.

How do you convince the donor that it is a win-win situation?

You need to create a *feeling* of a win win situation. It is a win-win situation in terms of feeling, but not in terms of a profit logic.

Are you reshaping your fundraising strategy in times of a severe economic crisis?

Vis-à-vis companies yes, but vis-à-vis wealthy persons no. In times of economic crisis, you can forget to fundraise money from companies, but wealthy persons will always exist and have money. We have to keep in mind that Western Europe hasn't gone through a real war for more than 60 years. In Austria alone, you have 40.000 millionaires.

Do you train board members for such meetings with wealthy persons?

So far not. It would be a possibility. It is easier if the accompanying board members have good rhetoric skills, but in general it is not a pre-condition - they are experts and allowed to be just experts in their field.

How does the money flow take place? Are there agreements/contracts?

You need agreements and contracts only with sponsoring departments of companies. If it's a wealthy person, it is better to ask for the personal money. With wealthy people, it is a relationship of understanding and trust. You trust the person you talked to that you will receive the money. It can happen that they promise and then do not donate, but this is seldom. Normally, you leave this important issue for them - let them decide on the technical details of the money transfer.

How do you find these wealthy people and address them strategically?

There are 100 different ways of finding them: sometimes you meet them in events; read about them in newspapers; sometimes they donate 20 EUR, you recognise it's rich persons and establish personal contacts; sometimes it's board members who know wealthy persons; some come to the office themselves. But most of them are existing donors where we realize that it is rich people. Sometimes people first say that they are already supporting some other organization, but this is not an obstacle – if you get a personal meeting, they might nevertheless get interested in your work.

What arguments could people from umbrella organisations like platforms use as they are removed from fieldwork?

Try to think of what part of your work might be interesting for major donors. The more concrete it is, the better. Give them different options to decide. It is very difficult to ask for funding for advocacy work or capacity building. Maybe do not ask for money in the first place, but invite to your committees, ask first to become your advisor.

What time in the year is best to approach major donors?

There is no general rule except that early January is not the best time. Everything else can work. In summer time, you might not be very successful in getting meetings, but if you get them, it is a good time. Christmas time is always good, but also busy. Use your instinct.