

SAMPLE

**THE 4 PILLARS
OF
DONOR RELATIONS**

SECOND EDITION

LYNNE M. WESTER

Donor Relations Guru®

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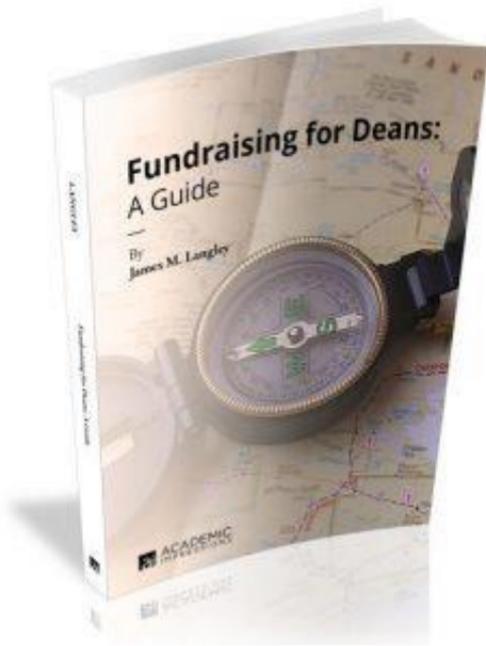
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THE 4 PILLARS OF DONOR RELATIONS

INTRODUCTION

Fundraising has a major problem facing its sustainability, and it has nothing to do with the charitable tax deduction, with the transfer of wealth, or with the new generation of donors—the millennials. It has everything to do with donor retention. The Growth in Giving Initiative's *2018 Fundraising Effectiveness Survey Report* found that every 100 donors gained in 2017 was offset by 99 lost donors through attrition.

(See: <http://afpfep.org/wp-content/uploads/2018/04/2018-Fundraising-Effectiveness-Survey-Report.pdf>).

Yet, fundraisers don't spend a great deal of time and energy on the problem and its solution. Instead, acquisition budgets rise with great abandon as the hunt continues for new donors to replace awful attrition rates. The answer is simple. According to Chuck Longfield at Blackbaud Analytics, acquisition costs seven times as much as retention. It is more cost effective to keep the donors an organization has than to chase new ones. Donor relations provides the answer to the donor retention problem. A well-executed, strategic, forward-thinking program will cure the ails of hemorrhaging donors and accomplish even more.

Donor relations is the key to successful fundraising. Without comprehensive donor relations efforts, our donors will not give again and fundraising will grind to a halt. As many learned in the recent economic recession, cutting donor relations programs is the exact wrong idea. When budgets are tight and times are tough, institutions should rely more than ever on their donor relations professional to help lead the way to success.

Donor relations as a profession within fundraising has faced a dynamic shift over the past ten years. As the profession has evolved, so has the description, scope and nature of the duties of donor relations. In their groundbreaking document, *Donor Relations and Stewardship Defined*, the Association of Donor Relations Professionals (ADRP) built a great foundational definition of donor relations. See:

<http://www.adrp.net/assets/documents/adrpdefinitionexpanded.pdf>

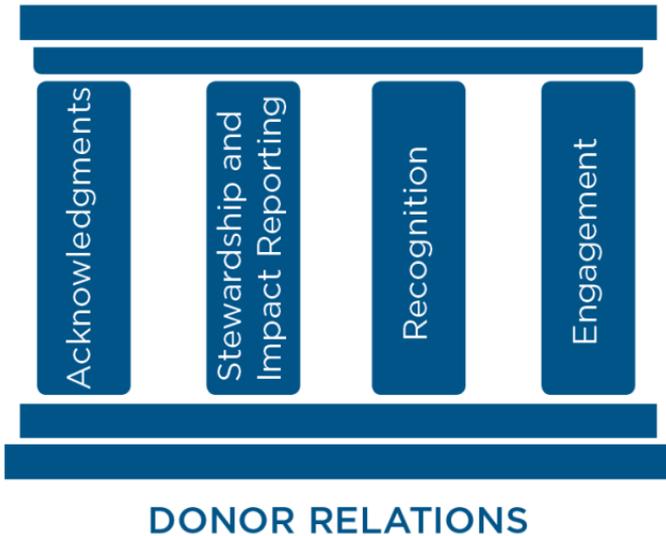
This book strives to take that definition further, to expand on the theory behind strategic proactive donor relations, and to further define and explain the four pillars of donor relations, their architecture, and their role in the overall fundraising operation of an organization.

**THE MINDSET NEEDED FOR
SUCCESSFUL DONOR RELATIONS**

There is a great deal of research from Penelope Burk and others that suggests that a donor should be thanked seven times for every gift. That does not equate to seven formulary letters sent in succession; that means a robust donor relations program in order to ensure retention. It is rare to hear a donor say that they feel overly thanked. The opposite is often true, and it is a fact that directly hampers retention in organizations; one of the top reasons that donors stop giving to organizations is because they are asked too often and not thanked enough. In organizations worldwide, there should be an arms race to see how donors can best be treated in order to improve the startlingly low retention rates. However, conferences and professional development are consistently filled with information on how to ask a donor for their gift and how to close a deal. Is it because gratitude is an expected given? Or because it's tough to measure an essential, non-revenue part of the relationship that is often overlooked? Is it a fundamental error in our performance metrics that are ruled by donors and dollars, not retention and gratitude? These are all questions that leadership must ask when building a fundraising culture at their organization. The mantra should be simple: if it doesn't benefit the donor, we don't do it.

DONOR RELATIONS: AN OVERVIEW

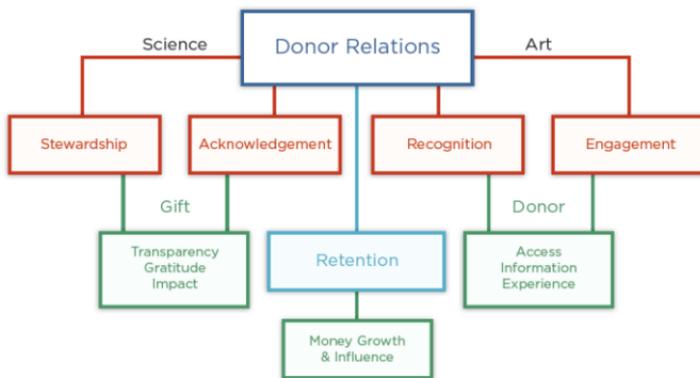
Below is a diagram of donor relations. It is used to help explain the four pillars of donor relations in a visual manner. It is profound in its simplicity but represents a good vision for the basis of the profession.



The goal of a donor relations operation is to retain current donors and keep them engaged with our institutions. If that is successful, the savings is great and their value and longevity grows. Given the current state of donor retention (where every 100 donors gained are offset by 99 lapsed donors, according to the Growth in Giving

THE 4 PILLARS OF DONOR RELATIONS

Initiative's *2018 Fundraising Effectiveness Survey Report*), organizations can no longer overlook the need for a quality donor relations program that retains donors. It is seven times more costly to obtain a new donor than to keep the one that the institution has, so investing in your donor relations team makes fiscal sense. In the past five to ten years, donor relations has been one of the fastest growing professions in advancement.



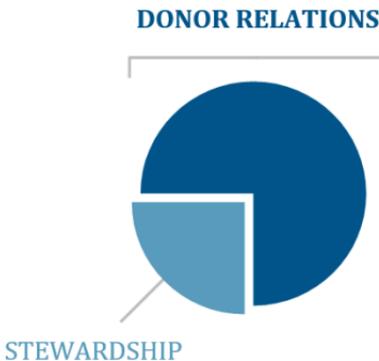
As you can see from the diagram above, donor relations is an umbrella-like term that encompasses four main functions, or pillars, of the philosophical basis for donor relations:

- Acknowledgement
- Stewardship & Impact Reporting
- Donor Recognition
- Engagement

Stewardship and Donor Relations: Synonyms?

In the past the terms stewardship and donor relations were used synonymously. Many offices of donor relations still have the term stewardship attached to their titles, but the vestiges of the past are not quick to change in academia. The major difference is that stewardship is tied to the gift the donor gives; one cannot steward a donor, only their giving. But an organization can engage, cultivate, and relate to donors, with stewardship being one part of the overall donor relations strategy.

This is a vital distinction that cannot be overstated. Using the terms incorrectly blurs the clear divides of the work and can lead to confusion and error. If donor relations is proactive, then it must also be said that stewardship is reactive. Stewardship is the activity that takes place after the gift is received. Donor relations encompasses so much more, both in anticipation of the gift and in preparation for a long-term relationship that must be nurtured in order for positive philanthropy to occur.



Donor Relations

- Involves engaging, cultivating, and relating to donors.
- Encompasses the work both in anticipation of the gift and in preparation for a long-term relationship that must be nurtured in order for positive philanthropy to occur.
- Proactive in nature.

Stewardship

- Tied to the gift the donor gives.
- Activity that takes place after the gift is received.
- Includes financial reporting on how the gift is being spent.
- Reactive in nature.

Donor Relations: Shifting Trends in Reporting Structures

One of the other remnants of the past that remains is the reporting structure. Historically, most donor relations professionals reported to the advancement services or

operations side of the fundraising house. In the past five years, reporting to the fundraising or major gifts side of the house as a best practice across institutions has emerged. This shift signals a trend toward the center, noting that donor relations and good fundraising go hand in hand.

In addition, donor relations has an increasing presence at major gift meetings and through prospect management. In the past, stewardship needed access to data and financial information, thus making it a perfect fit for advancement services, but the shift toward the frontline is occurring en masse while still keeping donor relations inextricably linked to the data and finance side of the operation.

More rapid change is ahead. As organizations venture to raise more and more funding, like a billion dollars in one year, donor relations will have more and more opportunities to thrive and flourish. Donor relations remains an integral part of the fundraising landscape, whether peers and practitioners choose to acknowledge it or not. As the future unfolds, even more importance will be placed on the personal efforts and engagement that donor relations provides. And donor relations professionals must rise to the greater strategic challenge. Putting donors at the center of our efforts, and not just their gifts, building intentional and strategic programs of strong and metric-based efforts—these things are driving fundraising forward.

As donor relations evolves as a profession, one of the questions I field most often is how to transform a reactive checkers-playing donor relations shop into a proactive chess-playing donor relations shop. And therein lies the great divide. A proactive donor relations professional has so many more choices than a reactive one does; being reactive only allows for one path. If you always have your head down, producing results as you have in the past, you

have no options to look ahead to the future and become strategic about your work. If you're always doing the same work over and over, how can you be innovative? It requires huge discipline and planning to truly become proactive and strategic but there is no better time than now to start.

For me it begins with an assessment of the program, a cold, hard look at where the donor relations shop spends its time and how donors benefit from time used. Are there particular processes that are laborious and tedious? Is there waste happening? Have you surveyed or obtained feedback from you donors to ensure you are building a program they will appreciate and desire, or are you operating off of assumptions? You see, it's a lot like checkers and chess. Checkers is a short-term, limited game with predictable outcomes. This would be your reactive donor relations shop. Chess is a strategic long game, with unpredictable twists and turns that can have long-term results and a vision that is multiple steps ahead. The two are not interchangeable. Our donors deserve chess champions.

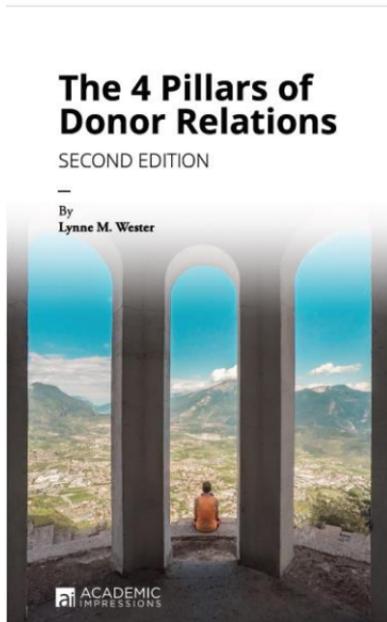
The second step after assessing your current program is to obtain feedback from your donors on your current activities and evaluate what is successful and what is losing the game. After that it's time to look to other programs you admire, or those that are proactive and strategic, to find out what they do in order to become successful. It boils down to choice; they will tell you. Like in checkers, if you only have one type of playing piece you are limited. In chess, you have a wide variety, which gives you great choice. Deft moves can be made and game plans switched throughout the game of chess that open up new paths to victory. Can you say this about your donor relations program? Do you have choices of a wide variety of effective activities? If you don't, now is the time for change.

After you find new ideas and a new direction for your game plan, it's time to bring it to your leadership to gain their buy-in and support. This step is crucial. Once you have their buy-in, your field of play opens greatly to the possibilities of strategy. Then it's all about the implementation from there. Checkmate.

READ MORE

We hope you have enjoyed this complimentary sample from *The 4 Pillars of Donor Relations*.

You can purchase the entire book [here](#).



<https://www.academicimpressions.com/product/4-pillars-donor-relations/>