

**Developing
Financial
Sustainability
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Agenda

1. Housekeeping
2. What is sustainability?
3. Improving your approach to financial planning
4. Atactical approach to T&F funders
5. Getting your offer correct – Case for Support
6. Communicating your needs
7. Questions

Outcomes

By the end of this presentation you will be able to:

- ▶ Understand what factors support better financial sustainability.
- ▶ Employ best practice tools & approaches to improve your fundraising
- ▶ Identify potential funders
- ▶ Useful communications tips

What is **Sustainability**?

Sustainability implies continuity and/or something that is replenished.

For organisations that means being able to maintain themselves, projects, operations, services and benefits over a projected lifetime for example, through continued funding.

Financial sustainability

This is all the things you do to ensure a steady flow of funds to support your work over time .

Includes using resources effectively, managing costs, monitoring your income, deciding what and how you will deliver, but giving yourself enough space to be reactive and adapt so that you are resilient .

Not just about **the money!**

Often we focus on financial sustainability,
but sustainability includes other areas too

Organisational Sustainability

All those systems you have in place that keeps your organisation and its programmes going.

- ▶ Continual reviewing of policies, legal requirements, and procedures
- ▶ Financial Reporting
- ▶ Skills audit of your board of Trustees and a plan for succession
- ▶ Explore new opportunities
- ▶ Boost existing and generate new partnerships
- ▶ Communication & Outreach, e.g. quarterly communication plan to update your website, social [media](#) profile, sending donor mails, etc.
- ▶ Volunteer engagement and improved employee satisfaction

Programme or **Project Sustainability:**

All the things that are part of a project/programme that helps you achieve impact outside of funding .

- ▶ Community involvement, e.g. co-design
- ▶ Raising awareness of an issue and its needs
- ▶ Events
- ▶ Volunteer recruitment
- ▶ A process to update, apply, and train for policy updates
- ▶ Identifying and working with other agencies, public sector, local government, etc.

An example: **Save the Family**

I had the funds to run the volunteer programme as the Volunteer Coordinator but relied on

1. The Manager responsible for legal compliance across the organisation & the new GDPR regulations
2. The HR Manager & DBS Checks

Over to you...

- ▶ Think about a programme you want to fund.
- ▶ Think about all the elements (beyond funding) that helps you achieve impact.

What processes do you have in place to ensure its continuation?

Let everyone know what
your thoughts

Achieving Sustainability

We operate in a fast-moving world where technology, economic, social and other drivers shape our sector especially the funding landscape. So we need to be able to adapt to changes and seize on opportunities .

The more we can adapt, the more resilient we are too. Resilience is the ability to bounce back after disaster or disruption .

To achieve sustainability we need to:

1. **Research & Plan for direction**
2. **Monitor progress**
3. **Evaluate & Update**

This is especially important in fundraising because the secret to great fundraising starts with a great fundraising strategy!

.

Planning for **Financial Sustainability**

Improve your Financial Planning

Why? - If we don't plan, we won't:

- ▶ Fulfil objectives
- ▶ Use resources wisely
- ▶ Be able to achieve our funding goals
- ▶ Be able to provide much needed service/facilities.

Improve your Financial Planning

Since 2020, things have changed

- ▶ Greater use of digital tools
- ▶ Public expectations, e.g., flexible giving options
- ▶ Flexible working
- ▶ New stories to tell (your Case for Support)
- ▶ Need to focus on sustainability & resilience - diversify funds or raise more than currently projected and be adaptable
- ▶ Cost of living crisis; higher energy costs

CAF: Charity Landscape 2022

- Charities need to spend time examining how the fundraising landscape has changed and how the rise of digital fundraising will affect them.
- Charities need to invest in resilience measures such as good governance and leadership, digital transformation, and staff development. Take stock of what measures will make the biggest difference over the long term.

It didn't happen by chance - those who were able to thrive during the pandemic had planned their adaptability!

Good Financial Planning

Five key steps/tools:

- Understand your cash position
- Know your Income Portfolio
- Cash Flow Forecasts (Projections)
- Cash Containment Strategy
- Fundraising Strategy

Understand your cash position

Expenditure - Work out how much you need and what for?

- a) core operational expenses
- b) programme/project expenses
- c) capital expenses

Break it down further to help analyse your costs.

- ▶ Core costs (or overhead) could be salaries, rent, utilities, etc.
- ▶ Or try
 - ▷ Fixed costs: staff salaries, mortgages and rent, other utilities, etc
 - ▷ Variable costs: training services, freelancers, etc
 - ▷ Non-recurring costs: fundraising events, one-off maintenance, projects, etc

Now you can set yourself a minimum and maximum budget needed to cover each area.

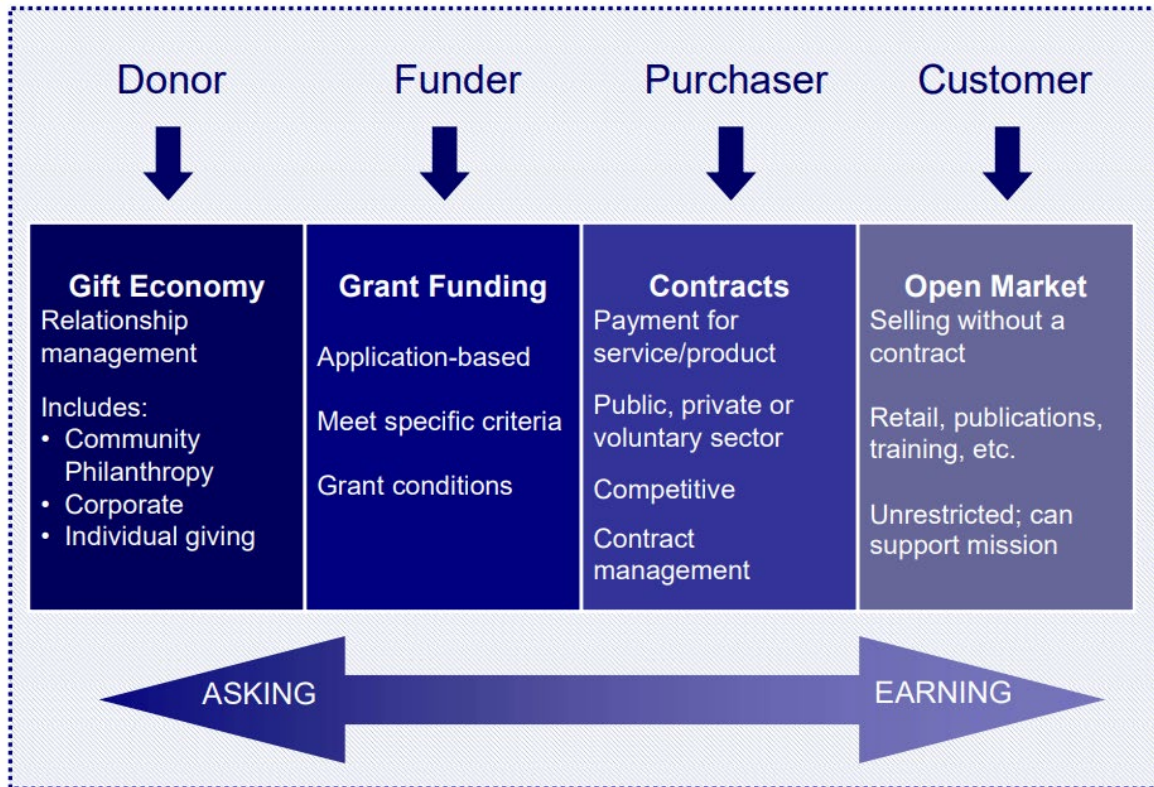
Know your **Income Portfolio**

Where does it come from and how much?

- ▶ Examine your various income streams.
- ▶ Look at your donors – are there any peaks and troughs in giving?
- ▶ For your funders – how much do they give, what period does it cover, and what area of your organisation does it cover?
- ▶ Look at your own income activities and how much income is generated per annum. Is there a better ROI for some more than others?

Income Spectrum

NCVO INCOME SPECTRUM



There is also social investment (middle of spectrum). This includes loans, bonds, capital, equity and other types of investment.

Cash Flow **Forecasts**

- ▶ Forecasting allows you to predict peaks and troughs in your cash balance.
- ▶ It identifies the sources and amounts of cash coming in and where it's spent over a given period.
- ▶ Helps you know when & where you need to increase income raising activities.
- ▶ Normally two columns - forecast and actual amount
- ▶ Usually done in advance each year or quarter.
- ▶ It is important to be **realistic** in your forecast

Example

	Q1		Q2		Q3		Q4		Y1 Total	
INCOME	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual
Cash from sales (incl. VAT)	0	0	0	0	0	0	0	0	0	0
Cash received from debtors	0	0	0	0	0	0	0	0	0	0
Capital/loans received	0	0	0	0	0	0	0	0	0	0
Other Payments	0	0	0	0	0	0	0	0	0	0
TOTAL £	0	0	0	0	0	0	0	0	0	0
EXPENDITURE										
Wages to staff (incl. PAYE & NI)	0	0	0	0	0	0	0	0	0	0
Premises (rent, rates & utilities)	0	0	0	0	0	0	0	0	0	0
Telephone & Broadband	0	0	0	0	0	0	0	0	0	0
Printing, post & stationery	0	0	0	0	0	0	0	0	0	0
Advertising & promotion	0	0	0	0	0	0	0	0	0	0
Bank charges	0	0	0	0	0	0	0	0	0	0
Professional fees	0	0	0	0	0	0	0	0	0	0
Insurances	0	0	0	0	0	0	0	0	0	0
Bank/HP	0	0	0	0	0	0	0	0	0	0
Equipment & vehicle leasing	0	0	0	0	0	0	0	0	0	0
Payments relating to variable costs	0	0	0	0	0	0	0	0	0	0
Capital Expenditure	0	0	0	0	0	0	0	0	0	0
Other Payments	0	0	0	0	0	0	0	0	0	0
VAT	0	0	0	0	0	0	0	0	0	0
Owner's wages/salary	0	0	0	0	0	0	0	0	0	0
Owner's National Insurance	0	0	0	0	0	0	0	0	0	0
Loan repayments (incl. interest)	0	0	0	0	0	0	0	0	0	0
Stock	0	0	0	0	0	0	0	0	0	0
Consumables	0	0	0	0	0	0	0	0	0	0
Other (please specify)	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
TOTAL £	0	0	0	0	0	0	0	0	0	0

Cash Containment Strategy

Cost containment is the practice of minimising the cost of running your organisation and its operations so there is no waste.

Examples:

- ▶ Setting team/department budgets
- ▶ Negotiating discounts with vendors or service providers
- ▶ Group purchasing
- ▶ Setting purchasing controls, e.g., £100+ requires approval
- ▶ Paperless office (Environmental Policies can often include cash containment measures)

Develop a **Fundraising Strategy**

What is a Fundraising Strategy?

A Fundraising Strategy...

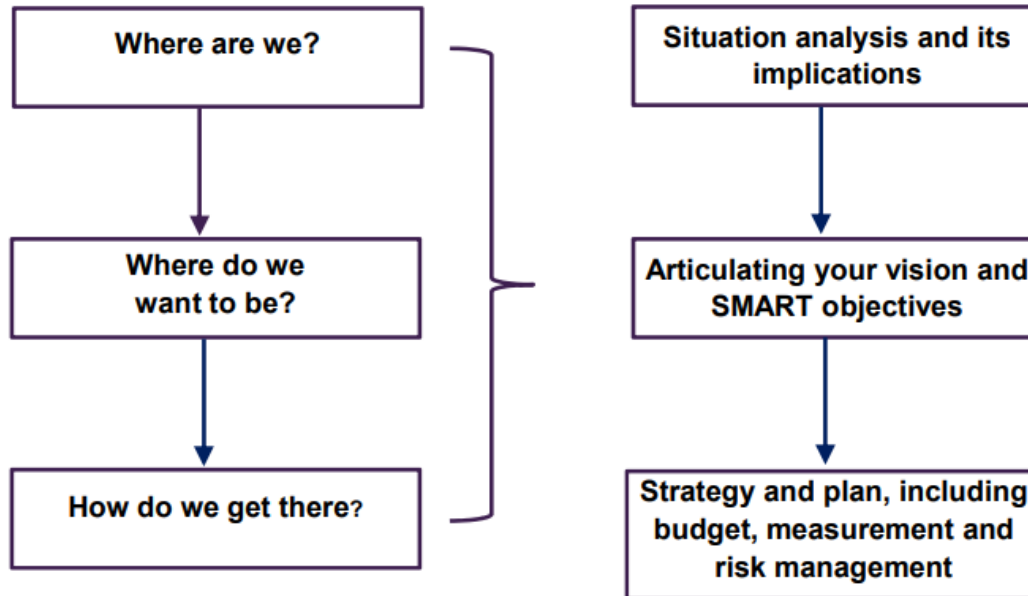
- ▶ considers the way different types of financing options meet the broader goals and objectives of an organisation.
- ▶ attempts to find an optimal mix of funding, appropriate for part of or all of your operational needs, and ultimately maximises value.

Notes:

- ▶ There are many different ways to develop a fundraising strategy.
- ▶ It needs to be appropriate to the nature of your charity and proportionate to its size.
- ▶ Doesn't have to cover 3-5 years!
- ▶ It needs to meet identified objective(s) such as
 - ▷ achieving existing funding needs
 - ▷ organisational growth to increase impact
 - ▷ or maybe a specific major project goal

An overview of a Fundraising Strategy

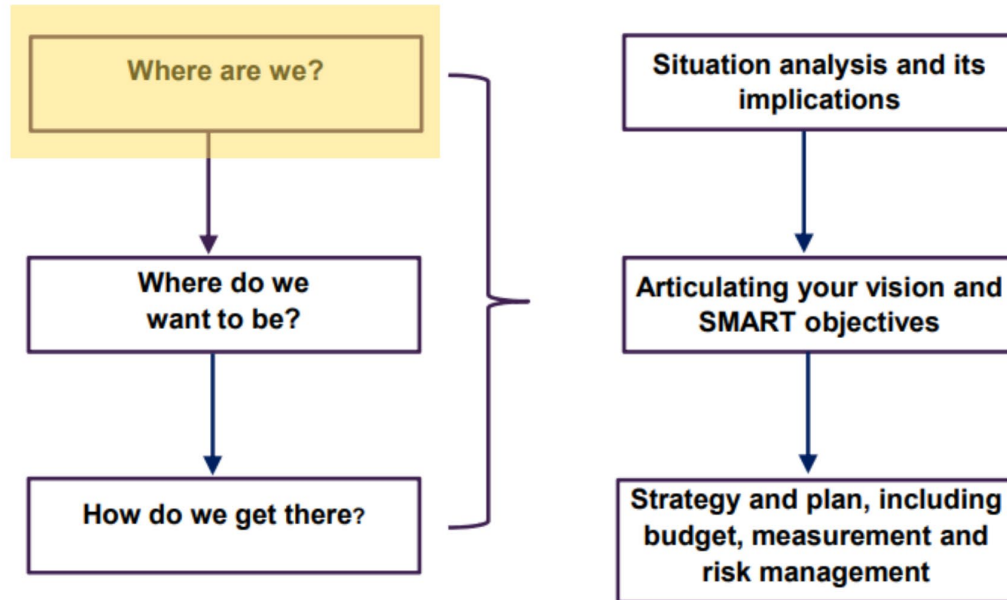
The document you produce examines the following elements in more detail:



Introduction (E.g. Summary of your vision, mission, and organisations' operations)	
National/ Regional/ Local Context	(External Analysis: Fundraising Climate & PESTLE)
Current Position	(Internal analysis: Income Spectrum & SUN Tool)
Strategic Approach, Audience, End relationship	Example text: <i>Our strategic approach is to further professionalise and grow our T&F programme through improved research, targeting and reporting on impact. We are targeting T&F's with an interest in giving to grassroots children's projects. We will expand our base of T&F supporters by making applications to some of the bigger T&Fs for our flagship programme X. We will maintain our relationships with medium T&Fs through improved reporting and invites to events. We will acquire new, smaller T&Fs through an unrestricted Christmas appeal.</i>
Objective 1 (use SMART)	Example text: <i>We will increase our income from T&F from £55,000/pa to £75,000/pa by the end of FY2018/19 through improved research and targeting, and by introducing a Christmas Appeal to generate unrestricted income of £5,000.</i>
Activities (& include resources and budget*)	
Objective 2	Example text: <i>We will acquire three new corporate partners, bringing in £21,000/pa by the end of FY2022/23. Our focus will be on multiyear funders for projects.</i>
Activities (& include resources and budget*)	
Risks	
Budget*	
Monitoring – set times to assess progress and revise plans if required	

Section 1: Where are we?

Situation analysis and its implications



Section 1: Where are we?

This section means looking at the following elements:

- ▶ EXTERNAL
 - ▷ Fundraising climate (review push/pull factors & future trends).
 - ▷ Assess external position = use PESTLE

- ▶ INTERNAL
 - ▷ Review your income spectrum and assess the value of your funding portfolio
 - ▷ Assess internal position = use SUN Tool

Then draw all this together – what are the implications?

External Context:

Fundraising Climate

Over to you...

Discuss the following in your groups:

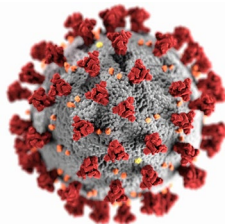
What trends are happening or do you think are happening in the funding climate?

Let everyone know what
your thoughts

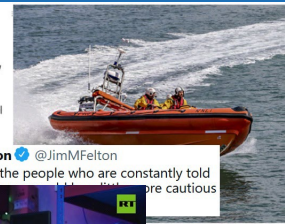
Trends in the 2020s?



JustGiving



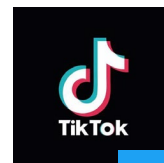
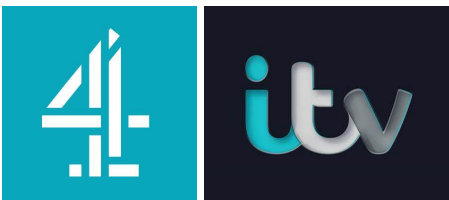
Darren Grimes
@darrengrimes
I find lifeboat charity @RNLI's rescue missions in the Channel to be deeply irresponsible. If you're sure that getting into an unseaworthy vessel will see you carried across the Channel by trained



James Felton
@JimMFelton
You'd think the people who are constantly told to be more cautious



Good Law Project



Understanding the Fundraising Climate

The climate in which you fundraise includes push/pull factors and sector trends. Donor and funder behaviour can be influenced by external factors.

- ▶ Example: giving to charity trends, media attitude towards charities, digital fundraising, public expectations, Climate change, Equality, diversity & inclusion, competitors such as Led by Donkeys or Good Law Project, etc.

What about 2022?

CAF's UK Giving 2022



Key findings



THE BRITISH PEOPLE DONATED £10.7 BILLION TO CHARITIES IN 2021.

We estimate that the total amount given in the UK in 2021 was £10.7 billion. This is a substantial decrease from the £11.3 billion that was given in 2020 and represents a return to pre-pandemic levels of giving. Although at face value this may not appear too concerning, inflationary pressures point to the likelihood that in real terms, the result will be fewer financial resources available for charities.



THE TREND TOWARDS FEWER PEOPLE GIVING IS NOW FIRMLY ESTABLISHED.

For every month of the year in 2021, the proportion of people making a donation was lower than the equivalent month in 2019, suggesting a substantial and established trend. Although there was a slight improvement towards the end of 2021, the results from 2022 thus far are following a similar pattern of declined levels of giving. The notable exception was March 2022 when an increase in giving occurred, likely in response to the war in Ukraine.



THE MOST POPULAR CAUSES REMAIN BROADLY UNCHANGED, WHILST THERE ARE SIGNS THAT GIVING TO CONSERVATION AND ENVIRONMENTAL CAUSES MAY BE INCREASING.

Nearly three in 10 donors support animal welfare, and this has slightly increased over the past few years. Giving to conservation and environmental causes has also increased a little over the same time period, signalling a slow but real shift as the average donation to this cause increased from £17 in 2017 to £24 in 2021.



A THIRD OF PEOPLE GAVE IN RESPONSE TO THE CRISIS IN UKRAINE, AND MARCH SAW THE LARGEST AVERAGE MONTHLY DONATION EVER RECORDED.

In March 2022, around a third of people (32%) said they had donated money specifically in response to the crisis in Ukraine. During the same month, the average donation increased to £85 – significantly higher than usual levels, and the largest monthly donation average we have ever recorded in our survey.



AROUND TWO THIRDS OF PEOPLE PLAN TO CUT BACK IN THE FACE OF RISING LIVING COSTS AND AROUND ONE IN EIGHT SAY THIS WILL INCLUDE CHARITABLE DONATIONS.

Just under two thirds of people (62%) say they plan to cut back on discretionary spending to help them manage their bills. Around one in eight people (13%) are considering cutting back on donations to charity in the next six months whilst one in 12 people (8%) said they had already chosen not to make a one-off donation.



What about 2022?

CAF's UK Giving 2022

For every month of the year, donation levels in 2021 were lower than their equivalent in 2019

HOW THE COST OF LIVING CRISIS IS IMPACTING DONATIONS

Trust & visibility
of charities
back to pre -
pandemic
levels



1 in 4

More than a quarter (27%) of people had friends or family members who were struggling to pay their bills.



1 in 8

One in eight (13%) are considering cutting back on donations to charity due to help them manage their bills.



1 in 25

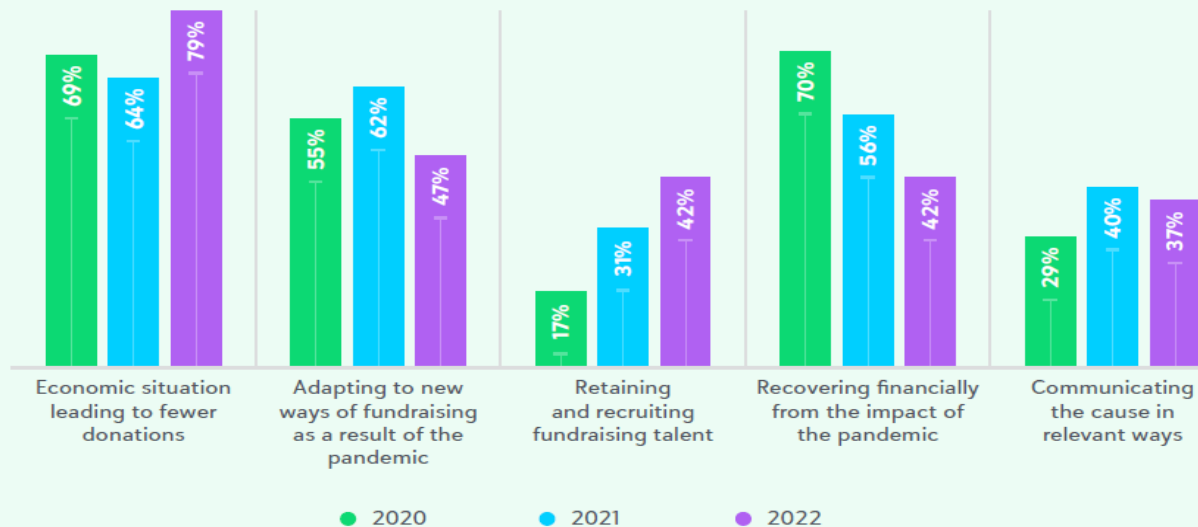
In April, one in 25 people (4%) reported that they had already cancelled a regular donation to charity.

Understanding the Fundraising Climate

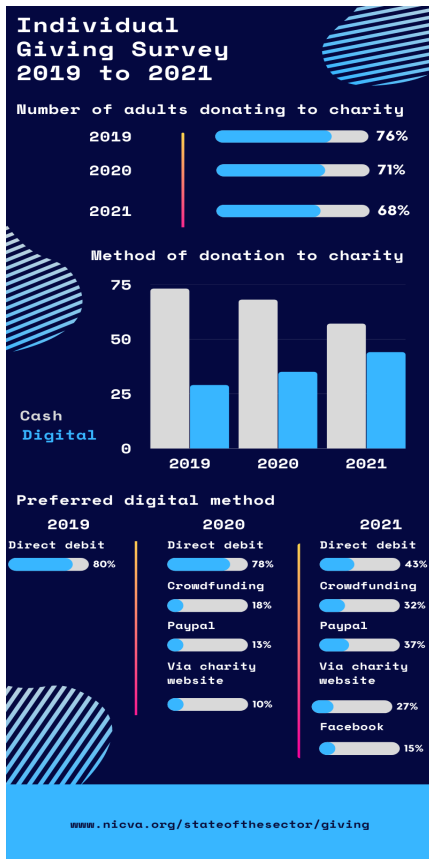
Concerns

The main concern for the sector is the current economic situation. This was flagged as a concern by 79% of respondents, a significantly higher proportion than in the last two years.

Top 5 fundraising challenges



NICVA's Individual Giving Survey 2021



Cash donations decreasing

- ▶ 51% preferred donating digitally
- ▶ with 48% believing this to be convenient
- ▶ 23% cited a lack of contactless “tap and pay” terminals were a barrier to donating digitally.

Concerns/barriers

- ▶ security of their card (41%),
- ▶ don't use/carry a card (27%)
- ▶ a lack of understanding of how digital donations worked (14%).

Need to invest in engaging with ‘reluctant/wary’ supporters or offer both digital and traditional fundraising options.

* Trends seen in Funders

- ▶ Funders are supporting social issues such as climate change, Equality, Diversity & Inclusion, Living Wage, Fast Fashion, etc.
- ▶ Donors are also choosing who to donate to based on that organisation's attitude to these issues
 - ▷ Could these be risks to your organisation and its programmes?

How?

- ▶ Specific funding schemes
- ▶ Your applications to consider in planning
- ▶ Requesting policies

Or

- ▶ Beyond policies – evidence of implementation in your application

Example suggestions:

- If you want to reduce your carbon footprint, does your project focus on reducing travel by selecting local tutors/experts?
- To increase diversity, do you utilize virtual session to support disabled volunteers?



External Context: **PESTLE**

Income Generation in Context

- ▶ You cannot control the outside world - but you can respond to it.
- ▶ Use the PESTLE tool to help you identify any potential external factors that may impact your organisation.
- ▶ Not all will apply! Select most appropriate to you.
- ▶ As with all strategies, it is the quality of thinking that matters, not the process, so do not be put off by the terminology.

PESTLE Analysis

P	E	S	T	L	E
POLITICAL	ECONOMICAL	SOCIAL	TECHNOLOGICAL	LEGAL	ENVIRONMENTAL
<p>Example:</p> <ul style="list-style-type: none"> • Current tax policy • Brexit • Trade policies • Political stability • Government policy 	<p>Example:</p> <ul style="list-style-type: none"> • Inflation rate • Exchange rates • Economic growth • Interest rates • Disposable income • Unemployment rate 	<p>Example:</p> <ul style="list-style-type: none"> • Lifestyle attitudes • Cultural barriers • Population growth • Population age • Health consciousness • Target demographics 	<p>Example:</p> <ul style="list-style-type: none"> • Level of innovation • Automation • Technological awareness • Cybersecurity • Technological change • Internet availability/speed 	<p>Example:</p> <ul style="list-style-type: none"> • Employment laws • Discrimination laws • Health and safety • Copyright protection • Consumer safety 	<p>Example:</p> <ul style="list-style-type: none"> • Weather • Climate change • Environmental policies • NGO pressure • Recycling • Pollution • Sustainability

Cancer charity example

Political Gov announces increased funding for cancer screening 'Cancer Catch Up' after criticism cancer has been neglected during pandemic, public and private companies will be involved in bidding to run screening programmes and a new 'Cancer Tsar' has been appointed	Economic NHS trusts are bidding for money available on the new programme but do not propose any new approaches	Social/Socio-cultural Health insurance companies want to use their facilities to help the new screening programme but have poor uptake in some areas and have approached us for advice in the past
Technological A start up with a new cancer screening technology is interested in raising venture capital. They need help to establish credibility after positive clinical trials but don't have enough data in some patient groups	Legal As part of the new 'Cancer Catch Up' programme - there is a plan to legislate to avoid 'postcode lottery' of cancer screening	Environmental Not applicable to this project

Over to you...

The Talking Wall

1. Around the room is flipchart paper with each of the PESTLE topics.
2. Grab a felt pen and add to the contents – think about your organisation and locality – what drivers are occurring?
3. Shh – let your pen do the talking!

Take this time to have
a comfort break too

Resources – do your own research

- ▶ [Chartered Institute of Fundraising - Research round-up \(ciof.org.uk\)](https://ciof.org.uk)
- ▶ [CAF](#)
- ▶ [Enthuse](#)
- ▶ [Blackbaud](#)
- ▶ [Massive's Virtual Fundraising Monitor](#) found virtual events in 2021 raised on average twice as much as 2020 and the number of events raising more than £1M also doubled.
- ▶ [Smee and Ford's Legacy Trends 2021](#) highlighted that charitable estates are growing YOY.
- ▶ [NCVO Civil society Almanac](#) – an annual publication which analyses income and expenditure data for over 165,000 voluntary organisations across the UK. The data is a few years old due to reporting delays but gives some good broad indices.
- ▶ [PBE's Mind the Giving Gap](#) revealed that a typical top earner gives less than 0.2% of their income to charity each year, if this changed to 1% then charities would receive up to £1.4 billion additional income annually.
- ▶ [360 Giving's Analysis of Grant Giving](#) found 26% of grant recipients had not previously received funding from the grantmakers in the report, suggesting increased outreach by funders and more flexible funding programmes.
 - ▷ [Data - 360 Giving \(threesixtygiving.org\)](https://threesixtygiving.org)

Internal Context: Income Spectrum

Internal Review

For any strategy, it's important to look internally at what approaches the organisation currently takes, what it has achieved over recent years and what resources are at its disposal.

By thoroughly understanding and analysing internal factors you can establish where the potential opportunities lie and what the current barriers to growth are.

You can also take stock of the wider strategic direction of the organisation and consider how this may affect fundraising direction.

The internal review could include:

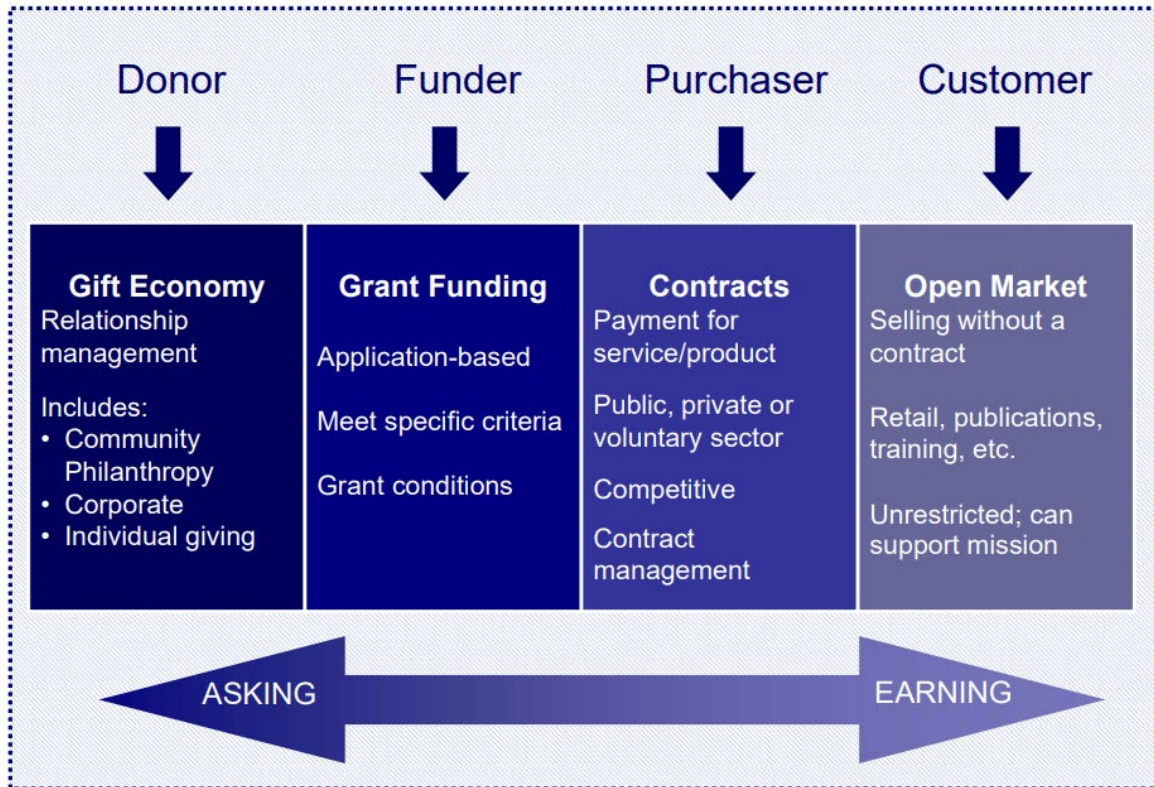
- ▶ Organisational aims and objectives
- ▶ Organisational strategic plans and targets
- ▶ Fundraising resource breakdown
- ▶ Income analysis by source and trends over time
- ▶ ROI analysis and trends over time

Internal review of **your income portfolio**

1. Review where you obtain your income.
2. Identify where you are dependent or at risk of being dependent on a certain type of income.
3. Consider the following questions:
 - ▶ **Current funders:** what are your relationships with current funders like?
 - ▶ **Potential funders :** Do you have any routes to developing relationships with other funder audiences?
 - ▷ E.g. Could your Board 'open doors' for you for Corporate funding? Do you have an exciting campaign coming up that could attract a certain type of funder such as a Major Donor? Could the campaign include hybrid events or sponsorship deals?





Income Spectrum

NCVO INCOME SPECTRUM



There is also social investment (middle of spectrum). This includes loans, bonds, capital, equity and other types of investment.

Income Spectrum Tool

	Income stream	Amount (£)	End date	Proportion of income (%)	Level of risk		
					Low	Med	High
	Gifts						
	Individuals						
	Private sector						
	Grants						
	Trusts and foundations						
	Public sector and Lottery						
	Private sector						
	Contracts						
	Public sector agencies						
	Private sector						
	Voluntary organisations						
	Open market						
	Individuals						
	Voluntary organisations						
	Public sector agencies						
	Private sector						

****Some charities
set a %target**

Income Spectrum Fundamentals

- ▶ Reduce risks to your organisation by diversifying across the streams, or within one type of income.
- ▶ Consider the full cost of generating different types of income and focus on the streams that offer a good return of investment.
 - ▷ Eg., Digital fundraising may have lesser costs but do you have the skills and capacity, if not, what's the costs to improve this?
- ▶ Increasing the proportion of unrestricted income can help you to be more flexible.
- ▶ Securing income that is a good match for your organisation's mission and strengths helps you to be financially sustainable.



Don't put all your eggs in 1 basket!

A large blue diagonal graphic that starts from the top right and extends towards the bottom left, creating a split background of white and blue.

Internal Context: The Sustainable SUN Tool

Income Generation in Context

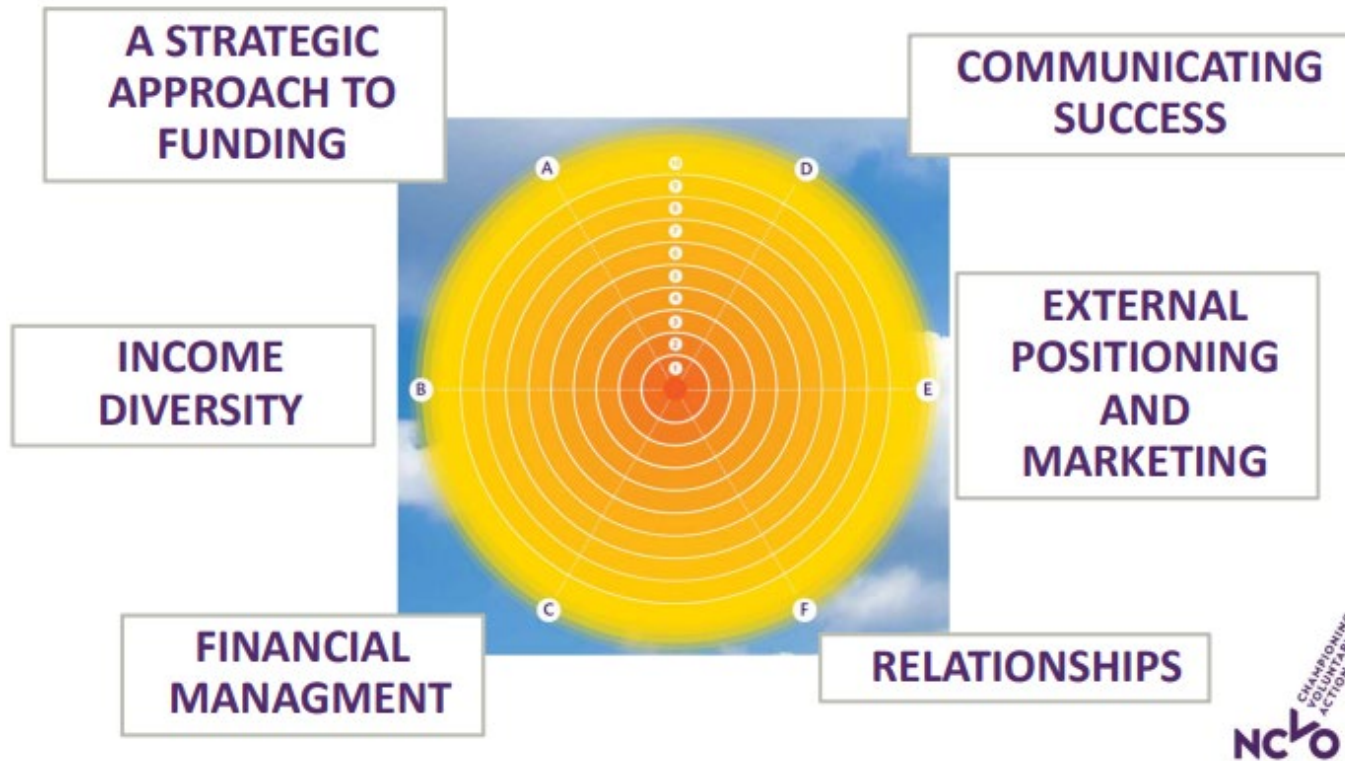
The Sustainable Sun Tool can

The Tool has identified six key aspects that contribute to financial sustainability to help you work out where you are doing well, and where you need to take action.

1. Strategic approach
2. Income diversity
3. Financial management
4. Communicating success
5. External position and marketing
6. Relationships



A financially sustainable organisation, is an organisation that can consistently support and deliver its mission, making the most of changing markets and funding environments.



[Sun Tool Guide](#)—use with your stakeholders;
review progress

How to use the Sustainable SUN Tool

- ▶ Complete as a team or individually.
- ▶ Look at each scale and decide what stage of the journey fits your organisation currently.
- ▶ There are 5 stages. Stage 1-2 means you're at the beginning; further away from the centre means you're doing better.
- ▶ Mark your score for each scale on the sun sheet, then join up the dots to see what shape you are in.
- ▶ Return to the SUN Tool (6-12 months later) and repeat to assess your progress.

1-2	UNAWARE	The organisation is at risk, but people in it are not aware of this and not thinking about change.
3-4	AWARE	People become aware that practice is leading to risks for the organisation and want to make changes but may not know how to and need help.
5-6	MAKING CHANGES	People in the organisation start to take action and put in place new initiatives to improve key areas, such as investing in new skills.
7-8	DELIVERING	New practices are established where needed and things are mostly good enough. Risk analysis becomes important in managing uncertainty and allowing further growth.
9-10	STRONG OR EXCELLENT	Organisations become strong; they consistently support and delivery their mission, and may lead their field through good practice and innovation.

Example (Communicating Success)

‘We have just started measuring outcomes in one of our projects but haven’t got very far with it’ **would be a 5.**

‘We have completed a pilot project and are learning how to interpret the data we have collected’ **would be a 6.**

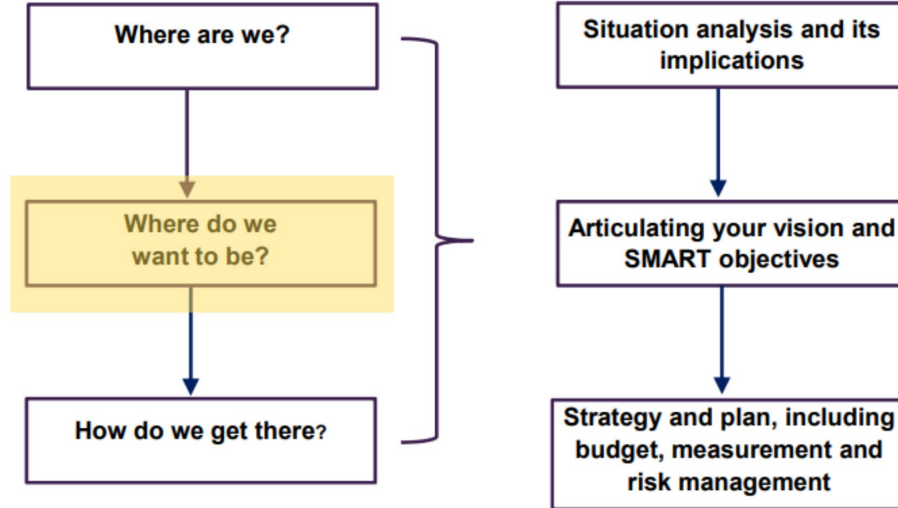
Over to you...

Think about your own organisation and spend a few minutes completing the SUN Tool

Let everyone know what
your thoughts

Where do we want to be?

Articulating your vision and SMART objectives



Diversifying your Income

Sweat the Assets

A colloquial phrase meaning to extract more value from an asset beyond its original intended value-exchange .

- ▶ Do you have a spare room to rent out/hours it's not in use?
- ▶ Could you extend hours of delivery?
- ▶ Have a café—could you host children's birthday parties, etc?
- ▶ Provide training –can you record and charge for webinars?
- ▶ Can you replicate your services elsewhere, e.g., counselling in the workplace or provide consultancy to businesses?

Setting objectives

In this section, write SMART objectives to say where you want to be by the end of a given time period.

Objectives are your targets to be achieved. They help you measure success whether financial or non-financial and assess your progress.

To shape your objectives, consider:

- ▶ The acquisition, retention and development of funder audiences
- ▶ The amount of income you intend to raise and how this is comprised
- ▶ The proportion of restricted and unrestricted income you will raise
- ▶ Infrastructure objectives, e.g., for digital fundraising consider personnel, training, data management, technology, external communications (website, social media), etc.

SMART:

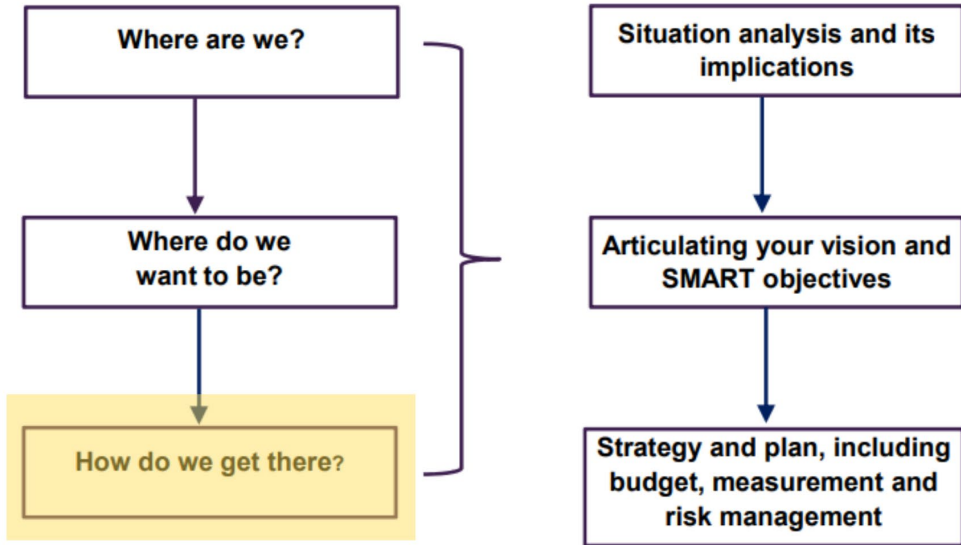
Specific
Measurable
Accurate
Realistic
Timebound

Example Objective

We will increase our income from £100,000/pa to £181,000/pa by the end of FY2025/26, through better research and targeting of T&Fs, introducing corporate fundraising, and generating more earned income through new products.

How do we get there?

The Action Plan



How do we get there?

This is your route map to how you will achieve your objectives.

This section could include:

- ▶ Statement of your overarching strategic approach
- ▶ Audiences – how these will change and develop
- ▶ Specific activities and who is responsible
- ▶ How you will monitor and measure your strategy and plan
- ▶ How you manage risk
- ▶ Your budget

Activities

Look at your objectives and what actions need to happen to achieve your target. Then sequence them in order. Note who is responsible for each action.

Example activities:

- ▶ Launch new delivery programme
- ▶ Write marketing plan
- ▶ Write a case for support
- ▶ Undertake funder research
- ▶ Update website
 - ▷ Legacy giving
 - ▷ Fundraising events & challenges
 - ▷ Regular/one-off giving page
- ▶ Train staff
- ▶ Recruit volunteers

Example

Strategic Aim

We will increase our income from £100,000/pa to £181,000/pa by the end of FY2025/26, through better research and targeting of T&Fs, introducing corporate fundraising, and generating more earned income through new products.

Strategy Objective 1:

We will acquire three new corporate partners, bringing in £21,000/pa by the end of FY2023/24. Our focus will be on multi-year funders for projects.

Action	Who	When	Measure	Resources
Develop case for support for corporates		Jan 2023		

Inputs: What do you need to fundraise for current and potential new methods?

People

IT

Finance

Communications

What fundraising resources do you actually have?

People:

- Board/Fundraising sub -committee
- Staff (General or Fundraising Staff)
- Volunteers
- Allies, Networks, Contacts
- Suppliers
- Beneficiaries (Case Studies?)
- External Agencies
- Consultants
- Skills?
- USPs?

Finance

- Fundraising investment
- Facilities
- Reserves

IT

- Hardware/software
- CRM or Database

Communications:

- Newsletters
- Website
- Social media – Twitter, Facebook, etc.

Budget

- ▶ Budget Overview
- ▶ Expenditure
- ▶ Direct fundraising costs:
- ▶ Salary costs
- ▶ Income - (Note each income stream and its contribution)
- ▶ Gross income
- ▶ Net income

What are the risks & impact on objectives?

Risk (Describe this including the implication)	Likelihood (1-5, low-high)	Impact (1-5, low-high)	Risk level (Your organisation decides what is H/M/L)	Action to mitigate (or accept)	Lead person
E.g. Do not meet funding target resulting in funding to services being cut	2	5	10 = M	Quarterly financial report with explanation showing income trajectory to help colleagues manage their services within budgets.	Head of FR

Risk Management

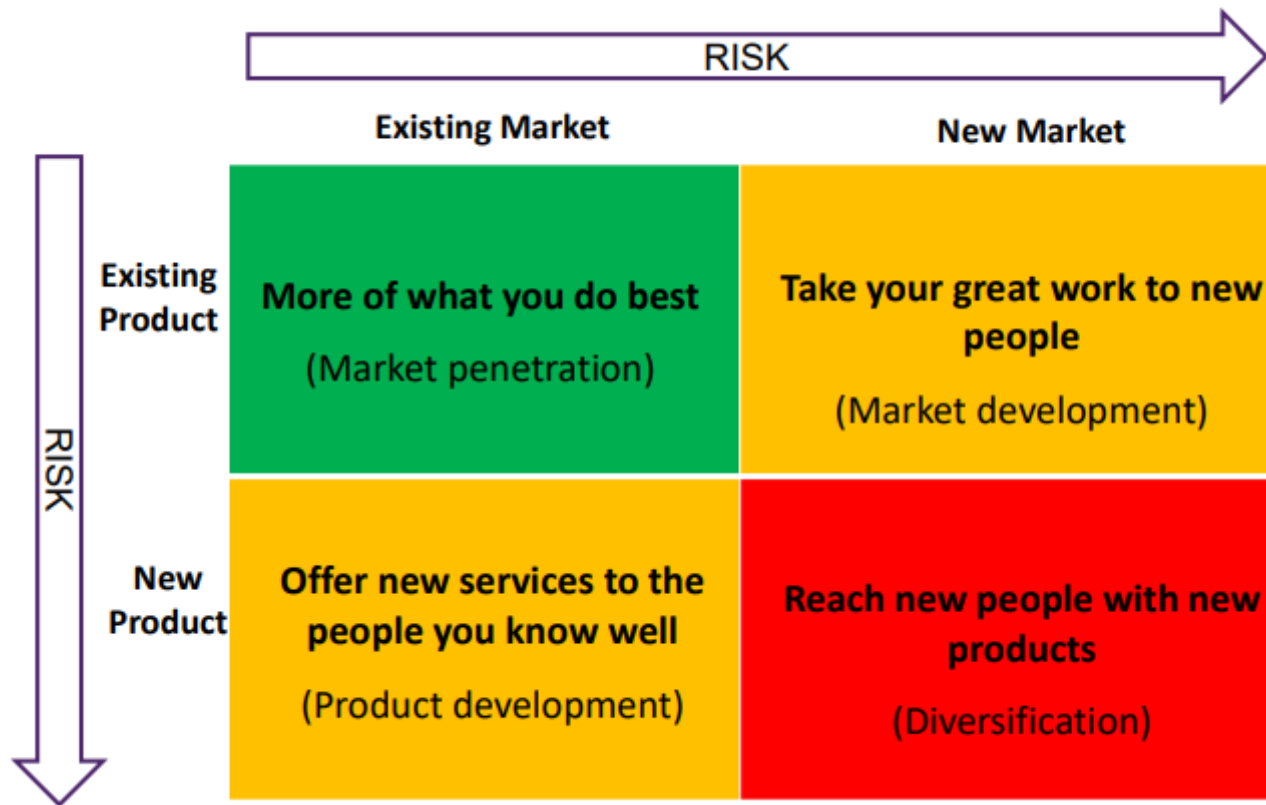
Many organisations, particularly in times of crisis such as with increasing energy costs, regularly review their risk management strategies.

Here they play with "what if" scenarios and produce solutions.

Example: Chancellor's budget may have a knock-on effect in public sector funding. If you lose funding, what could we do?.

Risks: The Ansoff Matrix Tool

The Ansoff Matrix



Example:

RISK - market →

↑ RISK - product ↓

Market penetration

A counselling charity already offers teen boys one-to-one counselling for addiction in Belfast, but they want to increase their income. They may expand to offer sessions at the weekend. The charity sells more of its sessions in the same market where they already have success.

Market development

A counselling charity already offers teen boys one-to-one counselling for addiction in Belfast, but they want to increase their income. They may expand to offer their service in Lisburn. The charity sells more of the same product in a new market (geographic).

Product development

The same counselling charity wants to provide a new product to the same market. They may develop group counselling for teen male addicts in Belfast. The charity sells a new product to the same market (males).

Diversification

The same counselling charity wants to provide a new product to a new market. They may provide one-to-one and group sessions for female teenage addicts in Belfast. The charity sells a new product to a new market (Belfast females).

Making it Sustainable

Monitoring, evaluation and measurement

- ▶ **Monitoring your activity:**
 - ▷ are the activities on schedule – try using quarterly KPIs such as activities delivered as per schedule, Trustees introduced x new potential major donors post appeal, etc.
- ▶ **Measure success with your audiences:**
 - ▷ Have financial (i.e. income) and non-financial measures: number of new members, conversion and attrition rates, increased giving per campaign, etc.
- ▶ **Evaluate your strategy:** Along with financial and non-financial success, assess internal operations and processes, lessons learnt, interventions implemented, etc.

Resources

- ▶ [TORUSFOUNDATION-FUNDRAISING-STRATEGY.pdf \(torusfoundation.org.uk\)](#)
- ▶ [paper-8 lb-appendix-yas-charity-fundraising-strategy-201.pdf](#)
- ▶ [Microsoft Word - Toolkit fundraising strategy template.doc \(cvsce.org.uk\)](#)
- ▶ [Fundraising timeline plan template | Charity fundraising \(ecclesiastical.com\)](#)

T&F – Formal Approach

Map out your **Funding Needs**

- ▶ What do you need to raise money for?
 - ▷ List all your different funding needs – including for project work, capital needs and organisational development.
- ▶ For each funding need, estimate the minimum and ideal amount needed
 - ▷ E.g., £30,000 would allow us to run a project at its current capacity, but £50,000 is what we ideally require to reach everyone in need.
- ▶ Give each funding need a priority rating (e.g., low, medium, or high) – this will help you to focus your efforts in the next stages below.

Research Current T&F Funders

Answer these questions for current funders:

- ▶ Who are your current funders, how much and what do they fund you for, and when does it run out?
- ▶ Do they still fund the same areas? Make sure you revisit their funding criteria/priorities – the pandemic caused many funders to alter their programmes.
- ▶ Do you have a good relationship with them? Can you go back to them for further funding of the same programme, or would it have to be an extension of current programme?
- ▶ Can you improve the relationship by sending them reports/updates before key dates? Share good news stories by email, online or invite them to events? Have you thanked them?
- ▶ Consider contacting them before your grant runs out to discuss future applications?

Research Potential T&F Funders

- ▶ On a spreadsheet, record key information for each funder
 - ▷ Their name, areas of interest, how and when you must apply, average grant size, and similar charities they've supported previously.
 - ▷ Helps you decide which are the best fit, how much to apply for, and by adding a priority level (e.g., low, medium, high), decide which funders to focus on first.
 - ▷ How long does a decision take?
 - ▷ Have the funded similar projects/programmes?
- ▶ Look at what you do and identify smaller elements that could be applied for in grant applications or through 'Gift Economy'. For example, could you apply to MSE Charity to support the financial wellbeing of elderly service users to avoid online scams rather than a funder supporting the whole 60+ programme?

Keep spreadsheet **up to date**

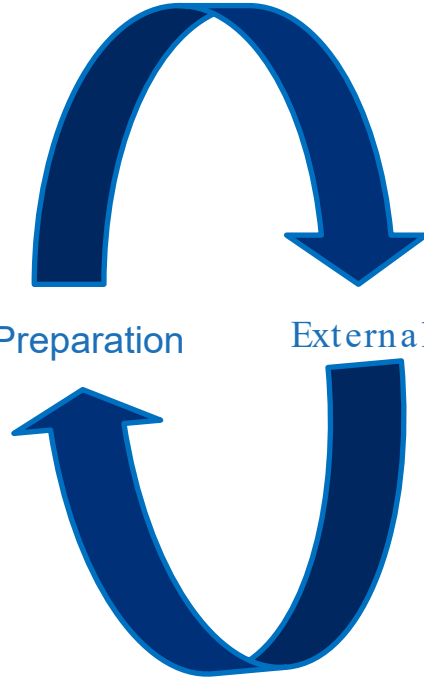
- ▶ Work through your prospective funders in priority and/or deadline order making sure you answer questions fully and check/read their guidance (use your case for support*).
- ▶ Plan carefully for deadlines to make sure you don't miss them and review your schedule regularly.
- ▶ Keep track of every application you make, the date you submitted it, what the outcome was, and any feedback from the funder.
 - ▷ Helps to chase up funding decisions, when you can re-apply, and using any feedback to improve your next application
- ▶ Remember to thank funders and meeting any reporting requirements related to your grant.

Getting your Offer Correct

The Fundraising Cycle



Internal Preparation



External Communication



- The fundraising cycle means getting the behind the scenes right before you go in front of your audience
- Your audience - donors, corporates, supporters, funders and others
- In front of audience = your website, in an application form, a letter, a meeting, etc.
- You'll do a better job when you're prepared!

Communications & what funders look for?

3 Questions to Answer

Whether you are focusing on trusts, corporates, major donors or your supporters, they will all want to know:

- ▶ What is the need?
- ▶ What is the solution?
- ▶ What will the outcome be?

You can use these questions to create quick and punchy fundraising messages on your social media, donation forms, newsletters, fundraising posters, etc.

- ▶ They are also the basis for many funding application forms.
 - ▷ Funder questions will vary, but they typically expand on these questions to gain more detail from you.

Funders - typical topics

- ▶ The need for your work or project
- ▶ The difference the project will make and the reasons why you are best placed to do this.
- ▶ Your outputs and outcomes
- ▶ Timeframe - what will happen when (*capital projects/salaried positions)
- ▶ The ASK - accurate costs
- ▶ How the project will be delivered and sustained.
- ▶ Monitoring and evaluation – what will success look like and how will you know?
- ▶ Permissions/policies in place for the project to succeed.

Writing – **tips 1**

Create a Case for Support

- ▶ This is an internal document that collects all the information you need in one place.
- ▶ It anticipates the answers to funders questions.
- ▶ It's your written argument (data and logic) telling donors and funders why you deserve funding!

[See handout](#)

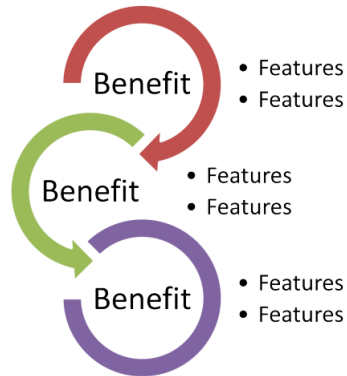
Prove you're a **worthy investment**

Funders want to be confident about investing in you, so remove risk for a funder and provide evidence:

- ▷ **Demonstrate you are credible, experienced, and have a clearly thought-out approach**
- ▷ Financially healthy & well governed; correct and up-to-date policies; experienced team
- ▷ **Systems to monitor & evaluate impact**
- ▷ Acknowledge and address potential change/risk - e.g., increased energy costs
- ▷ **Have an exit strategy to demonstrate that you are considerate of beneficiaries**
- ▷ Mention other funding and support

Writing – tip 2

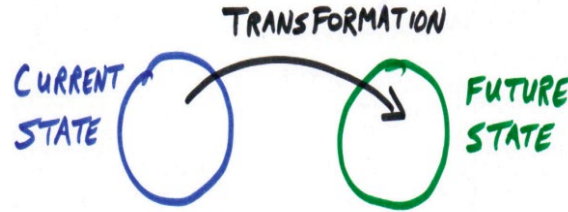
Do more than just saying what the money will buy. Explain what it will achieve!



- **Features** are descriptive facts about your programs, products, and services.
- **Benefits** are what result from the **features**.

Buying a new cooker

- **Feature** – 6 ring induction
- **Benefit** – cook more meals, better fire safety



- **Current state** – 2 ring gas hob to cook 35 meals twice a week for Luncheon Club pensioners
- **Future state** – 70 meals cooked in quicker time freeing up volunteers
- **Transformation** – 70 hot meals for isolated pensioners; volunteers freed to entertain; pensioners in company, fed and happy!

Writing – tips 3

- ▶ **Around 90%** of urban expansion in developing countries is near hazard-prone areas and built through informal and unplanned settlements, according to the World Bank.
- ▶ **More than 75%** of the world's population does not have legal documentation of their property rights.
- ▶ **One in 10 people** lives on less than US\$1.90 a day, the international threshold for extreme poverty, according to the World Bank. In 2021, an estimated 9.2% of the world's population was living in extreme poverty.
- ▶ The World Health Organization says those living in poor conditions "are exposed to greater personal and environmental health risks, are less well-nourished, have less information and are less able to access health care, thus they have a higher risk of illness and disability."
- ▶ According to the World Bank, **more than 2 billion people** worldwide do not have access to a toilet, and hundreds of millions cannot wash their hands at home.

The Bad

Only use stats/feedback that strengthen your points – no numbers without stories; no stories without numbers!

The Good

The Need we tackle

Residents of Kibera slums experience the grinding effects of poverty and degrading environment in which they live. Lack of access to quality education is one result of poverty that contributes to trapping children at risk in the slum within the vicious poverty cycle. This project aims to address this particular problem targeting orphans and vulnerable children from Kibera.

Writing - Tell vs Show

When using case studies and quotes, there's a big difference between showing and telling.

Telling :

After getting laid off from her job, Molly couldn't afford to put food on the table .

Showing :

Her heart sank, the fridge was empty . It felt like the walls were closing in . “Life was very difficult after I got laid off from my job,” said Molly, “but that same day when I peered into my empty fridge, my neighbour encouraged me to visit the Bangor Food Pantry.

When my daughter and I arrived, the outreach coordinator touched my arm and told us everything would be all right . I didn't believe her at first . We were just so hungry . We visited the Pantry every day for several weeks for hot, nutritious meals .

Because I didn't have to worry about where our next meal was coming from, I was able to focus on getting a new job . Bangor Food Pantry even put me in touch with a job skills training program . Words cannot express how grateful I am to have a steady job and food on our table every day.”

Your contribution to the Bangor Food Pantry can help feed other families just like Molly's .

Writing - Impact first

Think: 'impact first, activity later'

Tell funders/donors about the impact your work has **first** rather than what you do or your outcomes .

Telling people that your beneficiaries will be more independent with better parenting skills is more powerful opening than saying you ran ten workshops and 100 people came along .

Questions?

THANK YOU

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