E-GUIDE

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Donor Management Software

How to Cultivate Donor Relationships that Last a Lifetime

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INTRODUCTION

Donor Relationships Are the Lifeblood of Your Nonprofit

From the first interaction with a potential donor, to ongoing donor engagement, to planned giving, successful nonprofits continuously work to forge a closer bond with each donor. Collectively, these activities represent donor stewardship – the steps you take to manage, strengthen and preserve the donor relationship. This begins when the first gift is received and continues, ideally, throughout the donor's life. Stewardship shows donors that they've entrusted their money and time with a nonprofit that appreciates their support, and that their support is having a real impact.

As you move through different stages of life, your needs change. Your priorities change. Your family and career situations change. Your expectations of those around you change. The same applies to your nonprofit's donors. Nonprofits that adapt their relationship-building techniques and strategies throughout the donor lifecycle are more likely to maximize the value of each donor.

I. FIRST TOUCHES WITH PROSPECTIVE DONORS

Find New Prospects Using Your Donor Relationships

Before you build relationships with donors, you have to find them. The first step to donor acquisition should involve leveraging the contacts of key players within your nonprofit. Think of board member connections, friends of your highest donors, guests at events. Because your nonprofit already has connections with these folks, they'll be more receptive to hearing about what you do and the impact of your work.

Once you've touched base with this tier of connections, your relationship web will continue to expand. Which personal and professional connections of top donors and staff have expressed interest in issues related to your mission? It is paramount to track these types of donor relationships in your database. Use your relationship reports to pull information about high level prospects. Run analytics on who knows who. Your database should be utilized to understand the whole picture of donor prospecting.

Embrace Donors with Your Welcome Kit

A Welcome Kit isn't just a "thank you" letter, brochure or a few promotional items. Think of a Welcome Kit as a series of communications and interactions designed to build a lasting relationship. Promotional items are encouraged in a Welcome Kit, but they are not the entire picture. Welcome Kits begin with a personal "thank you" via email within 48 hours. Two weeks later, a board member or key volunteer should follow up via phone.

Over the following weeks and months, provide information about your nonprofit, the impact your nonprofit has made, and the role of the donor in the success of your nonprofit. Tell specific stories about the people and causes you've helped. Invite the new donor to connect on social media.

Provide a calendar of events with volunteer opportunities, fundraisers, workshops, etc. so donors can do more than give money. Consider including your annual report, which will provide hard data that adds credibility to your nonprofit. The Welcome Kit sets the stage and shows the donor how much you care for your supporters.

Build Donor Relationships Strategically

First-time donor retention is alarmingly low – as little as 30 percent according to some studies. To reverse this trend, nonprofits should take a strategic approach to maximize acquisition and retention and start each donor relationship on the right foot.

Survey your existing donors. Rather than relying exclusively on online surveys, pick up the phone and have conversations. Find out why donors give and stop giving. Find out what information or approach triggers a positive or negative response. Be sure to include lapsed donors in your surveys. At the very least, you can find out why they've stopped giving, but you might be able to convince them to start giving again. Gather as much information as possible to retain and track in your donor management software.

Donors will research your nonprofit before giving, so make sure your website and social media pages are worthy of their time and support. Is all information up to date, accurate, relevant and compelling? Is all functionality working properly? Are clear instructions for donating prominently displayed? Is your website mobile friendly? Any issues need to be addressed before launching your donor acquisition strategy.

First touches with new donors are critical to improving retention rates, not just for a second gift, but for a lifetime of giving. Have a plan for finding, embracing and nurturing donors. Collect the donor's data, strategically, to set the tone for a strong, long-term relationship.

II. DONOR ENGAGEMENT

Get More than "Likes." Get Donors Involved.

Engagement has been a major buzzword ever since social media became a thing. But engagement is about more than "likes" and comments. Donor engagement is about getting a donor interested and involved in the work of your nonprofit. It's about creating a truly two-way relationship.

For some donors, engagement may mean giving once a year and sharing Facebook posts. This may be as engaged as some donors get, and that's appreciated! However, the goal should always be to go deeper. Involve donors more intimately, so they have a bigger impact on your nonprofit, psychologically and financially. Comprehensive donor engagement should involve volunteering, contributing professional expertise, serving on the board, recruiting volunteers, mobilizing supporters, and reaching out to prospective donors.

Generally speaking, greater donor engagement translates to more consistent giving and larger gifts.

Let the Donor Set the Rules of Engagement

Keep in mind that different donors will want to get involved with your nonprofit in different ways, and not always in the ways you expect. For example, the donor who is an accountant might not want to be treasurer of your nonprofit. They might want to deejay your big fundraising gala – and they might be really good at it! Listen to your donors, discover their interests and catalog this information within your database. The goal is to find out why they give and how they want to support your mission, and be able to use this information in future appeals.

Also, it's imperative to show donors at every level of giving how important they are to your nonprofit. For major donors, offer a face-to-face meeting with the board president. Ask for permission to recognize their support at events, on your website, and in printed materials – as a benchmark of philanthropy. Invite them to attend relevant conferences. Learn if they are interested in being honored, or even intrigued by the prospect of being a keynote speaker. Connect the dots between their gifts and real-world impact and let them experience it firsthand.

For mid-level, repeat donors, meaningful engagement is essential to continued giving. Have board members and other donors reach out personally to these individuals. Ask for feedback, not just money, and keep them informed about upcoming initiatives, goals and staff changes. Note their feedback in your donor management software. This level of donor is key to committee work and board member participation, because they become an internal part of the work at the nonprofit.

Never assume how donors want to engage and to what extent. Create organic opportunities to foster feelings of connection with your donors. Their actions and gifts should be rewarding for all parties.

III. THE DONOR COMMUNICATION PROCESS

"Communication to a Relationship Is like Oxygen to Life. Without It, It Dies." - *Tony Gaskins*

It goes without saying that relationships are built on a foundation of effective communication – between individuals, between countries, and between a donor and a nonprofit.

Donor communication is not a series of one-off tasks, such as a newsletter, email, or tweet. Donor communication is a process that requires a system and strategy to effectively cultivate donor relationships. While no individual task should be taken for granted, each task is one small chapter in the larger story of your nonprofit. These tasks can be managed through your donor management software.

Donors Will Be Interested if You'll Be Interesting

Not everyone loves an email, but everyone enjoys a good story. Told in a natural, authentic way, stories engage your audience through passion and empathy. Donor communication shouldn't sound like a term paper. Tell your story in a creative writing style or via video. Focus on making it interesting and relevant to your donors. Use everyday language to create real-world conversation.

Smaller, singular stories have more impact on donors. Instead of talking about 'the endless homelessness epidemic across the United States,' tell the story of how your organization helped 'one child, living on the street, find a loving home'. This is the psychology of giving. Individual donors do not think they can solve homelessness in our country. They do, however, connect, relate and empathize with being able to change the life of a child. If you take the generalized approach, you minimize your donation pool instantly. By playing to the psychology of human nature, you in turn, expand your reach. The key is to show how one donor can make a difference – one person, one family or one animal at a time.

Tap into Donor Emotions and Let Them Say What They Feel

Any communication with your nonprofit's name on it should create an emotional connection with its recipients. The goal is to make donors feel like they're part of your story. Just like consumers make purchases based on emotion, donors give based on feelings. Accurate information is important, but use the facts and logic to justify emotion-driven decisions.

When an emotional connection is made, the psychology of attachment takes place and it can elicit an increase in donor interest. This is why donor communication should be interactive. Always provide an opportunity for donors to respond, comment, discuss, share and offer feedback. If you send email, the sender should appear as a real person, and donors should be able to reply to the email. The final step in this interactive process, is to make sure your communications with donors are entered into your donor management system.

Tailor Your Approach for Each of the Seven Major Donor Types

Every donor is unique, with their own core beliefs and priorities that motivate them to support select organizations. If you take a one-size-fits-all approach to engaging donors, your nonprofit comes across as disingenuous. When you miss who donors are and why they give, you risk leaving money on the table. For example, it wouldn't make sense to talk about tax deductions with someone who gives because they feel it's the right thing to do. The narrative of your nonprofit needs to match the spirit of the giver.

Listen for clues from donors. Use your donor management software to group them into the basic donor types explained in the 1994 book The Seven Faces of Philanthropy. By tailoring your approach accordingly, you can forge a stronger bond with each donor. Here are the seven donor types in alphabetical order.

1) The Altruist. "Do the Right Thing" is more than just a movie for this donor, and they don't care about the credits. Altruists just care about helping without fanfare or recognition. Engage them further with hands-on experiences in your

nonprofit.

2) Communitarian. Civic responsibility to the community matters most, whether that community is based on geography, race, generation or another common characteristic. Explain how that community will benefit from the donor's support.

3) Devout. We're talking commitment, not religion – although it could involve commitment to a religion. Devout donors give because of their strong belief in a group or cause and the desire to align with fellow devotees. Recognize their devotion with a meaningful encounter such as a private meeting with a leader in your organization.

4) Dynast. Giving is a family tradition. It's in their blood and has been for generations. Dynasts give not only to support the cause, but to contribute to a legacy of giving. Acknowledge the history, not just the current donor.

5) Investor. What are the tax and estate implications? What's the ROI? Is it good business? Donations are based more on calculation than moral obligation, and that's fine. Contact them on December 1 for end-of-year-giving.

6) Repayer. It's all about gratitude and returning the favor. Whether it's a school, a hospital or a fireman, this donor feels a sense of loyalty or obligation to help those who have helped him or her. Focus your message on how you can deliver a similar outcome to others.

7) Socialite. Lights, camera, donate! The socialite shows up for gala fundraisers and dominates the Facebook photos. Even better, they're rainmakers because they bring friends and family, i.e., more donors. Give them the attention they've earned by thanking them publicly.

Remember, donor communication is a process driven by planning. Learn the language of your donors, recognize what motivates them, and grow an emotional connection to ensure long-lasting relationships.

IV. GETTING TO KNOW YOUR DONORS

Face Time and Phone Calls Are Essential

Frequently engaging and communicating with your donors doesn't necessarily guarantee that you know your donors well. You can send standard "thank you" letters and generic emails. You can send invitations to your annual fundraising gala. You can post on Facebook and reply to comments. However, getting to know your donors requires much deeper donor interaction.

This is a critical part of the donor experience, especially for major donors. If you really want to know what makes donors tick and how to retain them, you have to pick up the phone. You have to meet with donors face-to-face. Although the viewpoints of major donors are very important, don't neglect smaller donors who are probably supporting your nonprofit in other ways.

Listen and Learn

Just like businesses need to listen and learn from their customers, donors are goldmines of knowledge and insights that can benefit nonprofits. Listen to what donors have to say. Be curious. Ask catered questions. Carefully record responses in your database. Dig deeper with follow-up questions. Show that you genuinely value the donor's perspective.

After these meetings and conversations, follow up with a personal, handwritten note. Do you remember the last time you received a handwritten note? Neither do your donors. If you want them to remember you, your conversation and your nonprofit, send a note the old-fashioned way.

Use Surveys to Learn How Your Donors Feel

Surveys are a valuable tool. As previously discussed, donor feedback is paramount. Surveys allow you to ask specific questions about particular aspects of your nonprofit. And, even better, allow donors a space to answer anonymously.

Ask about events, volunteering, financial operations, fundraising strategies, and the quality of communications. Use surveys to scale issues of importance; donors' responses can indicate where you should shift your energy. We also always recommend including a field in which donors can share their thoughts rather than simply checking boxes. Open space for free thought tends to give more candid feedback and can provide information that your nonprofit hadn't thought to include in the survey itself.

Your donors have opinions about your nonprofit and its mission. Use analytic tools to collect this information and show donors how you are capitalizing on their feedback.

V. ADAPTING TO LEGACY GIVING

Prepare for a Difficult Conversation

Legacy gifts through wills and trusts are often the largest gifts that donors will ever make. To increase fundraising through planned giving, you need to be able to talk about it – compassionately and intelligently. Make no mistake, this conversation will be very different from any previous interactions with the donor.

The first step in preparation is to make sure you or your development officer knows the donor in detail. No one will leave you money after they're gone if you didn't take the time to know them while they were still living. Choose individuals who have donated to your nonprofit consistently for at least five years. Research the donor's history with your nonprofit and which areas matter most to them.

The next step in preparation is to educate yourself about planned giving options at your nonprofit. While examining these options, identify pertinent opportunities for the donor. Do your research. Seek out financial and legal professionals to learn more about how planned giving impacts your donors and their families.

Finally, the presentation of information is of particular importance. Know that you are able to communicate in an understanding and respectful manner. This is a skill that takes practice. Hold workshops among your development officers; teach staff the necessary skills to properly convey empathy and listen openly. If you can't speak confidently about planned giving, call upon others in your organization who can. Pair your donor with someone that knows them deeply and can express through verbal and nonverbal communication what their legacy means to your nonprofit.

Having the Conversation

Keep in mind that you'll probably have several conversations with the donor before receiving a commitment for a planned gift. Don't try to cover everything at one time.

Each meeting should have a specific purpose, whether that involves discussing a specific program or learning what the donor wants their legacy to look like.

When you have conversations about legacy giving, you should be reinforcing the trust you established years ago. Trust matters more to donors at this stage of life than ever, with the fundraiser serving as a pillar of clarity. The fundraiser will ensure that the donor's memory and impact will live on and continue to influence the nonprofit's mission, even when the donor is gone.

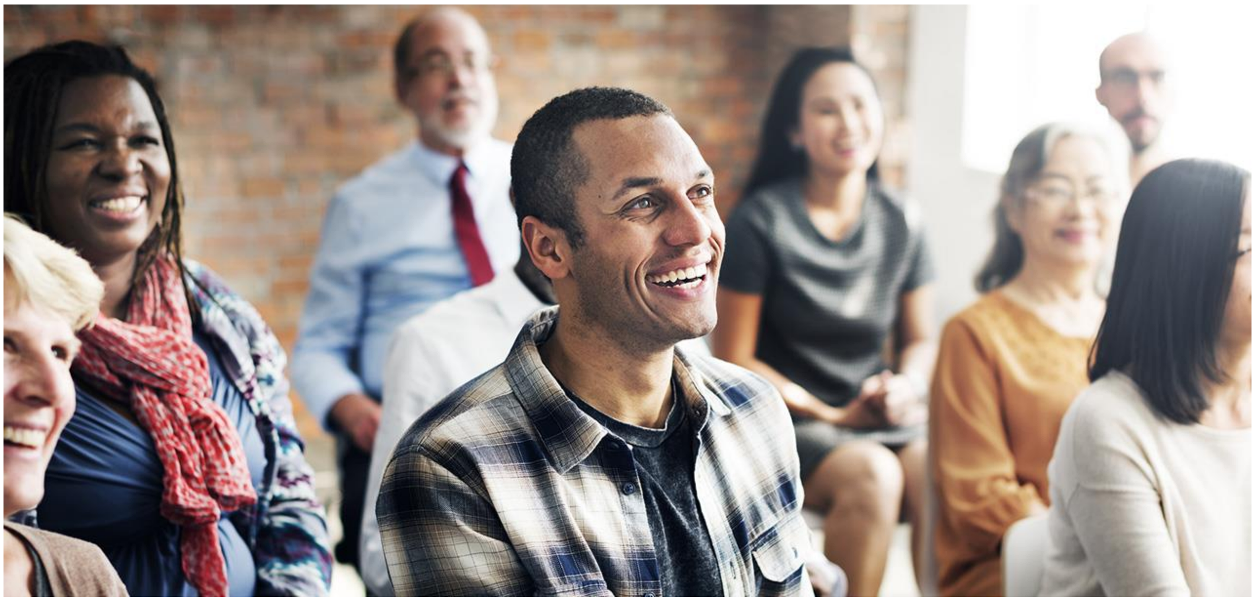
A key point in these conversations - never talk about money or death. By and large, people don't like to talk about their own mortality, financial situation (whether good or bad), or family issues that may arise. Choose your words carefully to avoid being perceived as insensitive or out of touch.

Be prepared with open-ended questions that allow the donor to candidly share their thinking. Follow their lead, but also stay focused. The purpose of the conversation should be brought full circle. Donors may appreciate a questionnaire in advance to identify key points of discussion.

Once you've received a commitment for a planned gift, stay in touch with the donor. Send a personal "thank you" note. Visit them regularly. Continue to invite them to events. Recognize the fact that donors who have made a planned gift will be highly engaged and loyal for the rest of their lives. Key donors who have made their legacy gift also serve as excellent partners in helping to bring others along in the process. Treat these donors accordingly.

Transitioning from traditional giving to planned giving is not easy, but the benefit to your nonprofit can be game-changing. Plan carefully, be patient, use experienced development officers, and approach conversations strategically and respectfully.

CONCLUSION



Focus on Building Relationships and Loyalty Will Follow

In a perfect world, a donor's initial gift would be followed by a lifetime of giving. Donors would be so passionate about your mission, so confident in the impact of their gifts, and so engaged with your nonprofit that they would never stop giving. If you expect this kind of commitment from your donors, you must display a similar commitment to strengthening donor relationships.

A cookie-cutter approach won't work. There is too much competition for attention, time and financial support of donors. Relationships take effort and two-way communication. Listening and learning are two of your greatest tools. Adapt your messaging, strategies and techniques for various stages of the donor lifecycle.

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Donor Management Software

Eleo Donor Management Software can play an important role in cultivating donor relationships. Eleo provides small to midsize nonprofits with a centralized platform of donor knowledge, from who they are and what they do to areas of interest and communication preferences. The more data you feed Eleo, the better prepared your nonprofit will be to maintain donor support for a lifetime.

See how Eleo can help you foster donor relationships that last a lifetime.

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