

FIVE STEPS TO SUCCESSFUL FUNDRAISING IN THE DIGITAL AGE

Hotsheets

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With new online techniques, social media and the rapid growth of crowdfunding, there are more tools than ever for effective fundraising to support your magazine. What hasn't changed is the strategy: the fundamentals of building a community of supporters, and making the right ask at the right time in the right way. Here are five key steps for success, whatever your fundraising method.

STEP 1: BUILD YOUR NETWORK

One of the common misconceptions about crowdfunding is that it will help you discover a whole new audience of supporters. In fact, as in any fundraising effort, most of your backers will come from your existing network. And within that network, the old 80-20 rule is still in effect, where 80% of the dollars raised will come from only 20% of your community.

The first step in any successful campaign is to identify the people in your network and their likely level of commitment. These are individuals with a link to your organization to varying degrees, from the most involved core supporters (Tier 1) to those who have expressed an interest in some way (Tier 3).

The core group of supporters, Tier 1, will include current donors, magazine subscribers, your staff and alumni, board of directors and volunteers. Tier 2 consists of people who have participated in your programs—lapsed print subscribers, past donors, contest entrants, merchandise buyers, event registrants, social media followers, e-newsletter subscribers and website users. Tier 3 is more peripheral and potentially includes those who have a connection through the magazine's subject matter: artists, performers or writers who are "cultural practitioners" in the cultural industry, or those working in other ways within the field.

Relationships are key. Ask people in your core group, "What motivates you to be involved with our organization? Who do you know who might also be interested in supporting our activities?" Empower your biggest boosters to become your brand ambassadors and to contact the people they know and have identified as prospects to introduce them to your organization, its mission and programs. The goal is to tap into the network of these influencers to broaden your reach and build your database, and then cultivate and engage these interested prospects to get them involved with your organization.

STEP 2: CREATE A COMPELLING STORY

Whether it's for a crowdfunding pitch reel, a direct mail letter for an annual fundraising campaign or an in-person ask for a major gift, you'll need a compelling case for support. Properly developing and honing this pitch is another key to success.

What motivates someone to give your organization money? No matter what the dollar value of their contribution, they want to buy into your vision, to be part of something larger. Donors want their gifts to make a difference—to have an impact on people's lives. For supporters of arts and cultural publications, it's gratifying to contribute to the creative process through their donation and feel a sense of attachment to the outcome.



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So, who are you and what is your mission? Why does your organization exist? What need is it fulfilling for people and how is this unique? What's your track record? What are you trying to accomplish with this campaign? How will someone's contribution enable this to be accomplished? How can the donor become involved? Your pitch should clearly answer these questions in a simple and compelling way.

STEP 3: MATCH THE RIGHT APPROACH TO THE RIGHT PERSON

It's never a good idea to rush things. But you don't want to miss out when someone's ready to take things to the next level of commitment. Matching the right approach to the right person at the right time comes from identifying your network tiers and streaming potential donors into different kinds of campaigns and donation levels.

Annual Campaigns

Work your database of names to send direct mail or email appeals to raise funds to use for ongoing operations.

Special Campaigns

Crowdfunding, direct mail, online and social media can be used to drive support for a specific program, with the campaign carried out with a sense of urgency over a limited time to meet a specific goal.

Special Campaigns—Major Gifts

This high-touch approach is aimed at those with the greatest interest and ability to give. It requires a personal ask to your top Tier 1 prospects from a connected influencer. The pitch is for an individual major gift and multi-year pledge to support a special program. ("Major" is relative and defined by what dollar amount would be significant to your organization. Some would consider \$1,000 a year a major individual gift.)

STEP 4: SET AN ATTAINABLE FUNDRAISING GOAL

When fundraising for special campaigns, you want to be able to show donation momentum and achieve your fundraising goal by your deadline. To arrive at a realistic target, you'll need to do your homework by closely analyzing each tier in your network and its donation potential (remembering the 80-20 rule). For a cross reference, you can look at comparable crowdfunding campaigns and dollars raised. And as a baseline, you should have a firm sense of the actual costs of your special program. Use these sources to arrive at a range of targets for your campaign, from worst case to realistic to best case.

STEP 5: KEEP THE RELATIONSHIP GOING

Foster an ongoing relationship to strengthen your network. Provide email or social media updates about your activities and solicit feedback. Show your gratitude to all your supporters with a report on campaign results and the outcomes of your programs. Thank major donors with a phone call, a personal follow up letter, and name recognition in your magazine or website. Be sure and fulfill the perks you promised donors through your crowdfunding page. The goal is to deepen the relationship with your network year-round to create a greater number of brand ambassadors and donors for years to come.

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LEGAL STUFF YOU SHOULD KNOW

Only non-profit organizations with registered charitable status from the Canada Revenue Agency (CRA) are eligible to give a charitable tax receipt to donors. Charitable status is difficult to acquire and comes with rules and requirements governing your activities. If your organization doesn't have charitable tax status, be transparent in your fundraising messaging and emphasize other ways that you'll assure accountability and earn donor trust.

As for building your prospect list, note that the federal Personal Information Protection and Electronic Documents Act (PIPEDA) generally does not apply to not-for-profits and charity groups unless the organization is conducting a commercial activity (and fundraising is not considered a commercial activity). That said, Canada's Anti-Spam Legislation (CASL) is in effect for your digital messages, with exceptions for registered charities. To comply, be sure to have express consent, clear identification and an unsubscribe mechanism for your email campaigns.



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