



FUNDRAISING STRENGTHS YOUR NONPROFIT COMPETITION CAN'T TOUCH

A Best Practices Report from Bristol Strategy Group

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Experienced nonprofit professionals appreciate the value of their mission statement, because the mission statement itself is often what persuades donors and grant makers to invest in their agencies. But the agency's mission may not always be as clear as it should. Your fundraising staff may believe that funders are attracted to your agency for reasons other than the mission; or perhaps the mission is too broad or narrow to attract all the funders you need and want. For fundraising to be truly effective, everyone on the fundraising team, be they staff, board or volunteers, must understand two things:

- Why they are raising funds in the first place, and
- Why your agency justifies the support being sought.

"Why they are raising funds" doesn't just mean getting this grant, or running that gala. It really refers to understanding what it takes to deliver on your mission. "Why your agency justifies support" means how well your agency states its mission, achieves it, and demonstrates that it is a good charitable investment. The SWOT Analysis is an extremely useful tool to help answer these questions.

SWOT Analysis, which stands for Strengths, Weaknesses, Opportunities and Threats, may already be familiar to you from strategic planning initiatives, but it also has powerful benefits for fundraisers. In this report, we will show how to use SWOT Analysis to define your agency's value-added, its competitive distinction and unique value proposition, sometimes referred to as an "elevator pitch" or "one-minute monologue."

Fundraisers who understand their agency's SWOT are better able to promote agency value, align with prospective funders' charitable philosophy and motivation, and persuade qualified donor prospects to invest in your agency rather than a competing one. SWOT equips fundraisers with powerful, persuasive messages that distinguish your agency's programs and services, its values, core competencies and outcomes more effectively than any recitation of program features alone can do.

SWOT – WHAT IT IS

The SWOT Analysis defines four conditions of the organization. The first two letters stand for Strengths and Weaknesses, elements that are internal to the agency. They describe what the agency does well and where it needs a boost, in terms of its internal workings. The second two letters stand for Opportunities and Threats, elements that are external to the agency. Opportunities describe the nature of the marketplace in which the agency operates, and demonstrate where the agency might expand in its current market or find new ones. Threats describe market conditions that could pose a challenge to the agency's growth or sustainability.

Strengths can be Weaknesses and vice versa; Opportunities can be Threats and vice versa, but Strengths cannot also be Opportunities. Internal conditions are not interchangeable with external ones. SWOT analysis is best performed in a collaborative setting, where the participants provide a more varied, richer perspective than could be obtained by a single opinion.

SWOT FOR FUNDRAISING

SWOT Analysis for Fundraising focuses on those characteristics of your nonprofit that are meaningful to the funding community. For Internal Strengths, emphasize competitive distinction or advantage that funding sources will understand. For Internal Weaknesses, keep the focus on competitive distinction, but show ways at which your agency currently struggles to make a difference. By the time you have completed your SWOT, you will emphasize your agency's Strengths to donor prospects.

For external Opportunities and Threats, think about the market conditions within which your agency operates. For example, is the need for your services growing? In that case, you have an Opportunity. Are other, better-established agencies opening up programs in your area to serve that same population? In that case you have a Threat.

If at all possible, work in small groups to complete the template below. More detailed instructions follow the template.

SWOT Analysis Template:

INTERNAL	
STRENGTHS	WEAKNESSES
EXTERNAL	
OPPORTUNITIES	THREATS

Exercise #1: Complete the SWOT Analysis. Collaborate with others to conduct this exercise. Although all participants can work as a group, we recommend dividing your group into smaller sub-groups of at least 3 people each. You may ask one group to concentrate ONLY on the Strengths and Weaknesses while the other group works on Opportunities and Threats; then trade places.

Allow only a few minutes for this exercise (no more than 5), because you want to obtain the “top of mind” ideas. You can validate things later on. Tell each group to come up with as many ideas as they can. If you run out of ideas too early, ask questions like the following to prompt discussion:

Strengths questions:

- What are our agency’s competitive distinctions?
- What do our programs and services do better than/different from comparable programs and services from others?
- How well do we handle client service and outcomes? What do we do in this area that’s distinctive, if anything? What do we do well, even though others also do it?

- How well do we handle our fundraising process, from identifying funding prospects through cultivation and retention?
- Have we established reasonable financial goals for the agency, enough to cover costs and extra for growth?
- *Caveat:* Avoid using “fuzzy” abstractions such as “great people” or “committed staff.” Instead, choose Strengths that can be assessed by objective or quantifiable means.

Weaknesses questions:

- Are there gaps in our portfolio of programs/services that hamper our success?
- Are we slow, sloppy or otherwise below par in client service delivery or program operations?
- Do our fundraisers understand how to promote our programs, services, case for support?
- Are there operational glitches or obstacles within the agency that have a negative impact on our marketing or fundraising?

Opportunities questions:

- What’s going on in our marketplace that presents us with new community needs or desires, especially ones that might be of interest to our current donors?
- Are there growth opportunities for us in other geographies or markets, especially ones we could penetrate with reasonable risk and expense?
- Are there opportunities to partner or collaborate with other agencies for fundraising purposes?
- Is there anything going on in the economy at large, that could give us a boost?
- What information do we have (or need to have) about new or expanding market opportunities that would be right for our agency and its current suite of programs and services & services?

Threat questions:

- Have other nonprofits launched new programs and services or innovative marketing programs that are attractive to our current clients or donors?
- What’s happening in the local market that would hamper our ability to sustain operations or build capacity?
- What’s happening to interest rates and the credit environment; could it be detrimental to our ability to sustain operations or build capacity?
- Are there global or macro-economic forces at work (war, energy prices, etc.) that could compromise our growth or drive up our operating costs?
- Are we vulnerable to weather disasters that could disrupt operations (blizzards in northern climates, hurricanes in southern climates)?

Exercise #2: Collate all answers. If you had more than one group working on the exercise, gather all answers onto one sheet. Eliminate duplications. Where entries may seem to be similar but not identical, determine if the entries could be merged or rephrased. Try to bring the total number of entries per quadrant down to no more than 8 or 10 per section. If necessary, assign someone to validate certain entries, especially if there is disagreement in the group.

YOUR UNIQUE VALUE PROPOSITION

The “Unique Value Proposition,” sometimes referred to as an “elevator pitch” or “one-minute monologue,” is a message or set of messages that encapsulates your competitive distinction in the market. Once you have completed your SWOT Analysis, you have a powerful set of guidelines that simplify the messages your sales personnel can work with.

Although all SWOT quadrants are valuable, the Strengths category will provide the most useful ideas for your Unique Value Proposition. Conduct the following exercise to figure it out.

Exercise #2: Highlight Strengths.

Highlight the Strengths that you consider to be most powerful, most distinctive, or most appealing to donors. Feel free to add Strengths that you may have overlooked. When doing this review, think about what your donors and prospects have said about you, your agency and your solutions.

INTERNAL	
STRENGTHS	WEAKNESSES

Exercise #3: Compare Strengths to Weaknesses

Compare the two lists. Ask yourselves if the Strengths you listed allow you to overcome or work around the Weaknesses you listed. If there are Weaknesses that have no corresponding Strength, then these weaknesses may justify some attention. Look for Strengths that either have no corresponding weaknesses, or do a good job of overcoming weaknesses.

Exercise #4: Craft Your Unique Value Proposition

Create statements that answer the questions below, referring to your Strengths. Once you have created a Statement to answer each Question, you have built your Unique Value Proposition.

Questions	Statements
What Do You Do?	Describe your mission, programs and services BRIEFLY _____ _____ _____
Who Do You Do It To?	Describe the types of clients or client populations you serve, including the geography in which you serve them _____ _____ _____
What Does the Solution Do For Them?	Explain how what you do benefits the client, the larger community, the world _____ _____ _____
What Makes Your Agency Appealing to Donors?	Describe how donors' gifts or grants benefit your client populations, either directly or indirectly _____ _____ _____

THE UVP

Take all the Statements from the template above, and assemble them into a short paragraph. Edit the paragraph until it sounds smooth and is easy to say. Practice saying it to others, such as members of your leadership team, until you can state it clearly and simply. At this stage of the process, your UVP does not need to win awards for brilliant copywriting. In fact, ordinary everyday language is best.

Great UVPs are short, succinct and clear. Ineffective UVP's fall into two camps, the overly complicated and the overly brief.

Bad Example #1: Classic *overly complicated* UVP's are likely to include lots of details about programs and services, a lot of history, and a great deal of technical jargon that may only be understood by those in your particular field. For example, we hear UVP's like this:

"The Hangnail Research Institute is a Nebraska 501-c-3, launched as a result of Nebraska State Bill 392-56A on November 27th, 1873, under the auspices of then Governor Somebody who had a personal mission to reduce the pain and suffering associated with hangnails and ingrown toenails due to a personal family history of chronic ingrown toenails. And so we now have clinics every Wednesday, Thursday mornings and Saturday by appointment only, where, um, you could, um send your children or even go yourself, you know, if you have some experience with hangnails and stuff like that. And, of yeah, we have an upcoming gala and maybe you could come to the gala and bring your friends?"

First of all, the listener has tuned you out after the first few words. Second, the listener will either be surprised by the request to attend the gala or may not even hear it!

Bad Example #2: Classic *overly brief* UVPs are likely to be vague in the extreme, and cover far too much in too few words. Here's another example:

"The Society for Homeless Ferrets solves problems for ferrets and all mankind."

The person who hears this sentence has no idea what the Society really does, and how it solves all conceivable problems that could ever occur to ferrets or the human population.

GOOD Examples: Strive for a good balance between too brief and too complex. Here are a couple of useful examples. The words in boldface type are Strengths identified through the use of SWOT Analysis and Strength Analysis.

"Our Arboretum is valuable in three important ways: our research sector has a **worldwide reputation for excellence**, our **interactive environment and school programs appeal to visitors of all ages**, and we're an **oasis of calm and tranquility right in the center of our busy city**. Whether you are motivated to support plant science, educating young people or keeping the garden for the future, The Arboretum is a good charitable investment."

"The Labor Center fills an **urgent community need, and does it well**: we provide a safe place where **clients and employers can meet, assess one another, and fulfill their different needs**. The community is better off, **street crime and traffic accidents have gone down**."

Use your Strengths Analysis to craft a similar UVP for your nonprofit. Two or three sentences will be plenty.

Experiment with your UVP until you are happy with it.

WHAT YOU CAN DO NEXT:

- **DIY Project (Do It Yourself):** Fill out the templates in this form. Consider asking other staff members, development officers or campaign consultants for their input; many minds make better work.
- **De-Mystifying Fundraising.** A three-hour workshop that introduces the Seven Steps to Fundraising Success. Check our website for the next regularly scheduled open-enrollment session or bring us to your agency or trade-association meeting.
- **Bring *Fundraising the SMART Way™* to Your Nonprofit:** Call BSG to inquire about arranging for a SMART Way Best Practices program or implementation project at your nonprofit agency. Call us at 800-829-0722 to discuss your development challenges, or visit our website at www.bristolstrategygroup.com.

ADDITIONAL RESOURCES FROM BRISTOL STRATEGY GROUP:

Assessment Tools for Nonprofits: Visit www.bristolstrategygroup.com, click on Nonprofit, Nonprofit Assessment Tools:

- ***The Leaky Bucket Assessment for Effective Fundraising.*** Evaluate nine important business practices that either contribute to or detract from the effectiveness of your fundraising efforts. This 5-minute assessment is complementary and you'll get your results immediately.
- ***BSG Opportunity Risk Calculator.*** Find out what one hour of your development time is really worth. The answer may surprise you.

BSG Best Practices Reports: visit www.bristolstrategygroup.com, click on Nonprofit, Nonprofit Resource Library. New reports are added frequently:

- Fundraising Strengths Your Competition Can't Touch
- Why Your Best Donors Support You
- Three Simple Questions that Establish Donor Trust
- Teach Your Pipeline to Speak "Donor"

De-Mystifying Fundraising: The Seven Steps to Fundraising Success: Our popular workshop that introduces the core concepts of effective fundraising in seven simple steps. This workshop can be delivered at your nonprofit or trade association conference. We also offer open-enrollment webinars.

Fundraising the SMART Way™: BSG's flagship methodology for sustainable fund development. The SMART Way process allows you to create the benchmarks, performance measurements, rules, guidelines and reporting methods that drive high levels of efficiency and productivity in the fundraising organization. The SMART Way™ Scorecard 2.0 adds an intelligent, software-based toolkit unique to your organization that ranks your donor prospects based on their potential for a Return on Your Effort, and also provides efficient Opportunity Management methods. Fundraising the SMART Way™ helps you *raise more money while you work less.*

Strategic Planning Process: We work with you to develop the "One-Page Strategic Plan," a metrics-driven process that creates high levels of accountability and performance. Senior leadership and board develop the Executive Leadership Level of the plan; staff and volunteers contribute to the Operational Level. We facilitate the adoption of methods that ensure consistent execution of the plan, and make it a true enabler of world-class performance. BSG will facilitate short-term board retreats, or guide you through a long-term enterprise planning project.

Board Development: We train your board members to participate in fundraising appropriately and effectively with our workshop "The Board's Role in Fundraising." Other board-development solutions include crafting the Board-Member Scorecard and Board Skills and Talents Matrix, two instruments unique to your nonprofit that aid in board-member recruitment and engagement.

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ELLEN BRISTOL



Ellen Bristol, president of Bristol Strategy Group, works with nonprofit organizations to improve the effectiveness of their fundraising efforts, improve total income and fund diversification, involve board and staff members more effectively, reduce turnover in the development office and maintain desired levels of quality and services.

Ellen and her team redefine the ways that fundraising teams and initiatives are designed, deployed and managed. They ensure that fundraising is tightly aligned with the mission and values, ensuring that marketing, outreach, programs and operations will produce the best possible outcomes while managing costs and shrinking cycle times. In addition to their work in strategic fund development planning and processes, the team also provides consulting services for strategic planning, board development, and leadership training.

Some typical results include:

- Moved a major player in community development from financial struggles to a healthy surplus, by making changes in governance policy
- Launched a fund diversification program for a housing agency for the first time in its history
- Built a process for defining the agency's performance goals that produced measurable gains in overall performance over a five-year period, for an economic development agency focusing on at-risk youth

"After many years in the sales business, I realized that many of the lessons I had learned are just as important to nonprofit development professionals. It's my mission to help you and your agency improve your funding through strategic means that will help you to work *less* - and raise *more!*"

Ellen is the developer of Fundraising the SMART Way™, her firm's flagship methodology for effective fundraising that is based on the continuous improvement model. Her work has been accepted and endorsed by the Alliance for Performance Excellence, the national association of state and regional agencies that promote the Malcolm Baldrige Criteria for Performance Excellence. She is a sought-after consultant, mentor and keynote speaker.

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