

CREATING A STRATEGIC DEVELOPMENT PLAN



WEBINAR OBJECTIVES

- **Why Do You Need a Strategic Development Plan?**
 - *Foundational Concepts*
- **Components of a Plan**
- **Practical Applications/Next Steps**



HOW WE CAN HELP YOU: STRATEGIC DEVELOPMENT PLAN

Self-Guided

- Workbook and worksheets to guide you through the steps to begin your own strategic development plan
- Consultation with MAP to discuss next steps

Virtual Engagement

- Consultation to understand your organization's exact needs
- Determine plan components to be addressed
- 2-3 month virtual engagement with a MAP consultant to guide the process

Full Engagement

- Consultation to understand your organization's exact needs
- 6-month onsite engagement with a MAP consultant
- Full strategic development plan with all key components and recommendations for implementation



WHY DO YOU NEED A STRATEGIC DEVELOPMENT PLAN?



WHY A STRATEGIC DEVELOPMENT PLAN?

- To understand the most likely path to success
- To measure progress throughout the year
- To mitigate risks (*i.e.*, special events!)
- To create stability during leadership turnover
- To engage your staff leadership & Board
- Because HOPE is not a strategy



ANNUAL FUNDRAISING – WHAT A STRATEGIC DEVELOPMENT PLAN ADDRESSES

- Tied to operations – recurring needs
- Vital to the organization's annual success
- Measurable & impactful outcomes
- ***Primary driver of success is building & maintaining relationships***



WHAT IS A STRATEGIC DEVELOPMENT PLAN?

IT'S JUST LIKE A
STRATEGIC PLAN,
ONLY FOR THE OTHER MISSION!



WHO IS YOUR CUSTOMER?

Most nonprofits have two sets of customers:

1. Those we serve through the mission
2. Those who fund & support the mission

Nonprofit leadership must acknowledge & embrace a mission to serve the second set of customers – donors – who make our primary mission possible!



FOUNDATIONAL CONCEPTS

- The Board & staff must embrace the “second mission”
- Planning & reporting must be done on a *donor-centric* basis
- Tracking & monitoring should focus on 3 simple metrics



MOVE TO A DONOR-CENTRIC MODEL OF PLANNING & REPORTING

- Focus on giving from an individual donor as the primary source of funding
- Stop looking at events & activities as sources of funding!
- Segment top donors into manageable groups
- **Never lose sight of the individual donor & your ability to impact his/her giving**



THERE ARE REALLY ONLY THREE FINANCIAL METRICS YOU CAN INFLUENCE

- **Retention** – How many donors & how much of what they gave last year can you retain this year?
- **Growth in Current Donors** – In how many donors & by how much can you grow giving?
- **New Donors** – How many new donors & giving can you add?

The outcome of your work next year is the net result of these three metrics!



FOUR QUADRANTS OF DEVELOPMENT



CREATING A STRATEGIC DEVELOPMENT PLAN



LEADERS WHO MUST BE INVOLVED IN STRATEGIC DEVELOPMENT

PLANNING

- **Executive Director/CEO**
Must own it (& execute!)
- **Development Staff**
Must execute it
- **Board Development Committee**
Must champion it
- **Entire Board**
Must own it & participate



COMPONENTS OF A PLAN



KEY COMPONENTS

- Mission
- Big Goals – Financial (raise \$X million annually by 20__)
+ non-financial
- Segmentation
- Financial Build-Up
- Roles & Responsibilities (staff & Board roles)
- Development Calendar



**IF THERE IS A SECOND MISSION, THERE MUST BE A STATEMENT THAT
DEFINES IT!**

Example:

*Connecting the
hearts of our
donors to the heart
of our mission*



BIG GOALS

- Financial
 - Grow annual giving to \$X million annually by 20__
- Non-financial
- Non-financial



SEGMENTATION OF YOUR DONOR BASE

Start with Top 100 sources
(individual/corporate)

- Top 10
- Next 20
- Next 70



SEGMENTATION OF YOUR DONOR BASE

- Next 200 sources (individual/corporate)
- Grants/Foundations
- Other Segment Examples:
 - Gift in Kind
 - Seasonal Campaigns
 - Giving Days
 - Event Activities (auctions, etc.)



TOP 100 SEGMENT

BUILD A FINANCIAL MODEL FOR EACH GROUPING (10, 20, 70)

Top 10 Goal = \$225,000

\$50,000

- Fred Jones
- \$35,000
- Technology
- November

For each box, there should be:

- At least one name
- Giving last year
- The prospect's *interests*
- Time of year gift is typically made

\$35,000

\$30,000

\$25,000

\$25,000

\$20,000

\$10,000

\$10,000

\$10,000

\$10,000



BROAD-STROKE FINANCIALS

- Segmented revenue
 - Major gifts
 - Mid-level gifts
 - Foundations
 - Special events/other
- Growth over last year
- Trend line for past five years

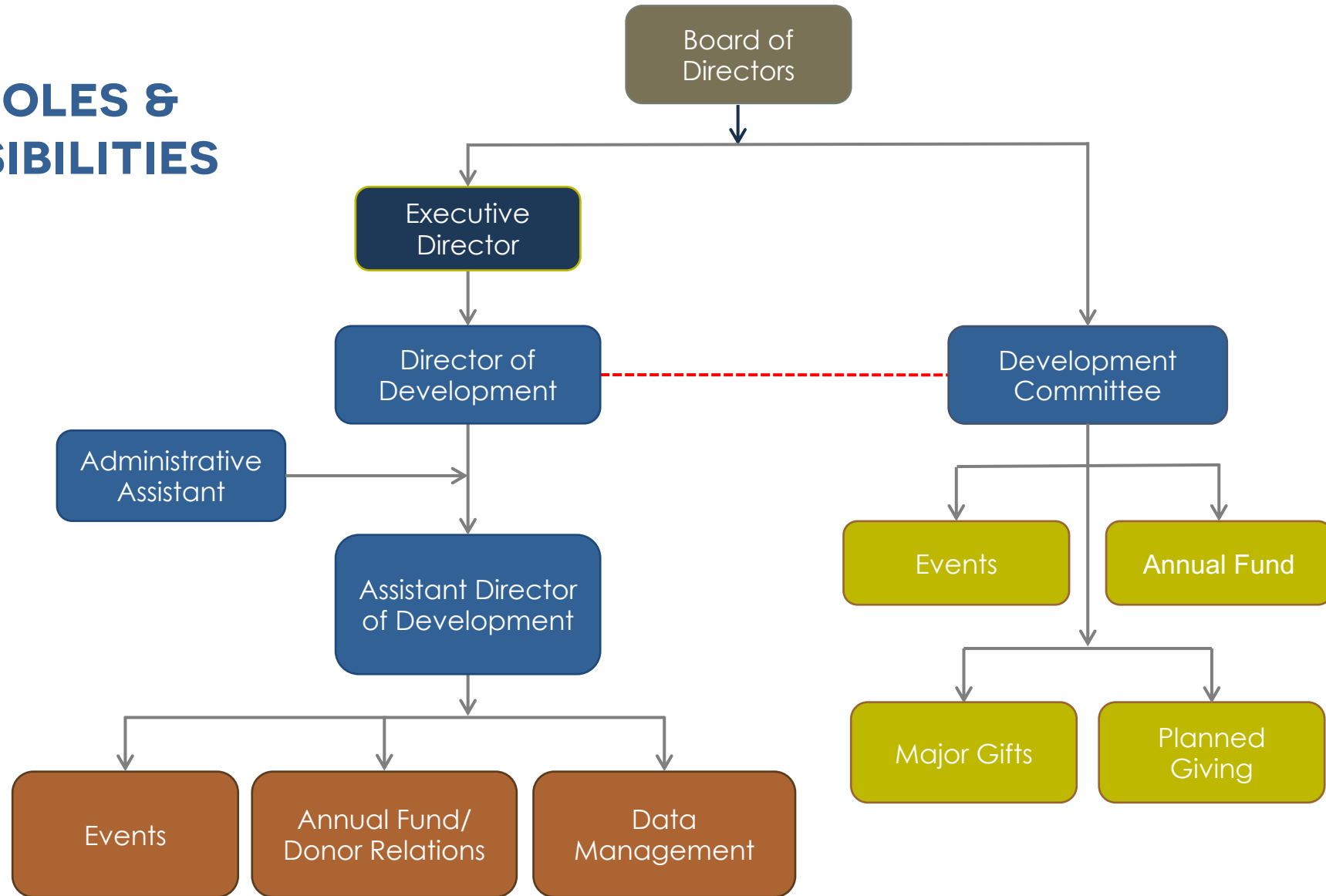


PROJECT FINANCIAL OUTCOMES BASED ON THE 3 SIMPLE METRICS

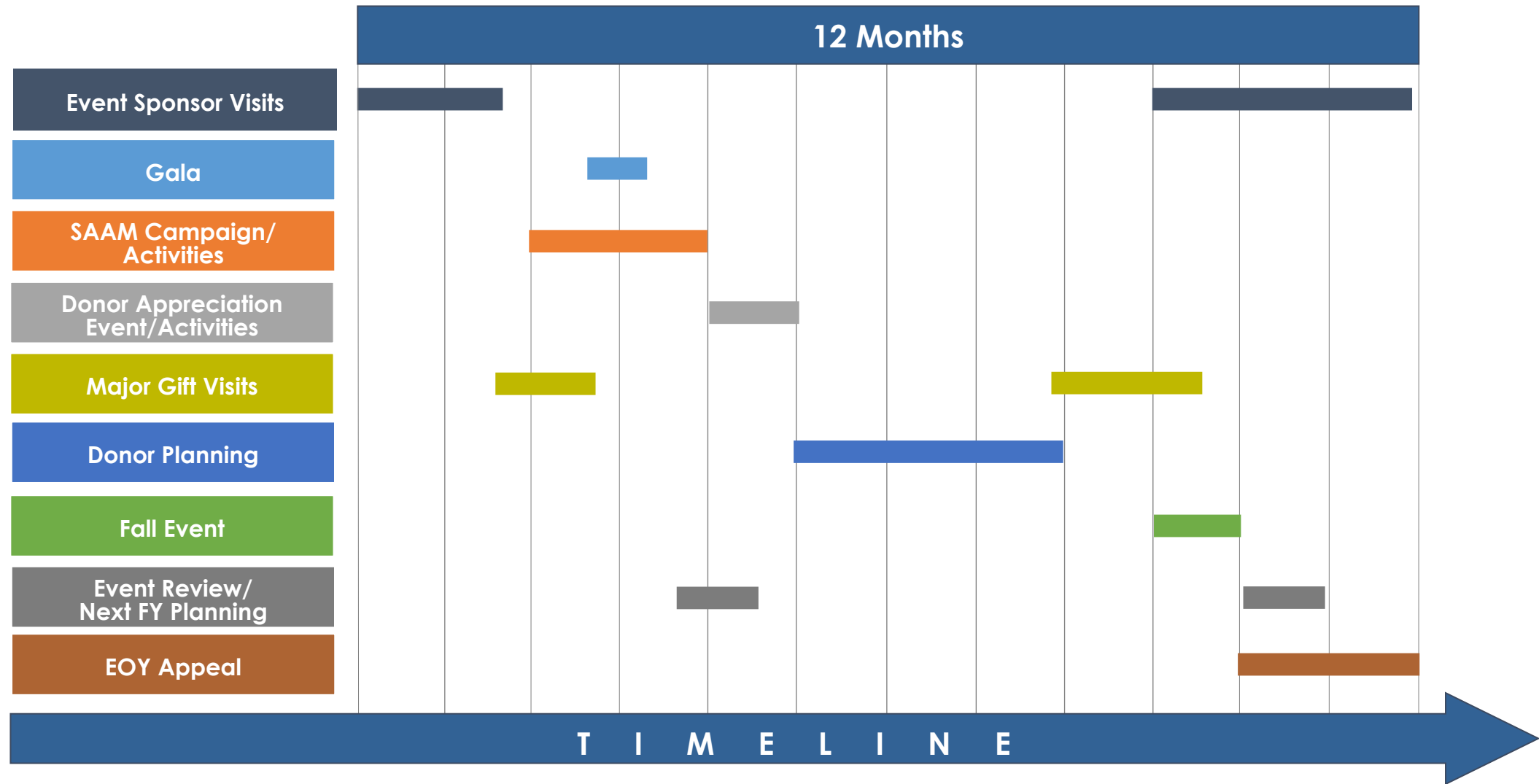
	Last Year		Retention		Growth		New Donors		Total This Year	
	#	\$	#	\$	#	\$	#	\$	#	\$
Top 10	10	\$195,000	10	\$195,000	6	\$30,000	0	\$0	10	\$225,000
Next 20	20	157,500	18	\$143,500	12	\$32,500	2	\$7,000	20	\$183,000
Third 70	70	\$83,000	63	\$75,000	30	\$18,000	7	\$7,000	70	\$100,000
Next 200	200	\$125,000	175	\$87,500	50	\$2,500	75	\$37,500	200	\$127,500
Auction		\$50,000		\$50,000						\$50,000
Total	300	\$610,500	266	\$551,000	98	\$83,000	84	\$51,500	300	\$685,500



DEFINE ROLES & RESPONSIBILITIES



DEVELOPMENT TIMELINE



CREATING A STRATEGIC DEVELOPMENT PLAN





OTHER COMPONENTS OF A STRATEGIC DEVELOPMENT PLAN

CREATING A STRATEGIC DEVELOPMENT PLAN



OTHER COMPONENTS TO CONSIDER

- Executive Summary
- Case for Support
- Extraordinary resources necessary for success
- Detailed financial build-up
- SWOT analysis
- Metrics



EXECUTIVE SUMMARY

- Overview of last year
- Opportunities this year
- Reference each component
- Introduce theme



CASE FOR SUPPORT

- What we do
- Who we serve
- Why it matters
- Why should donors care?



EXTRAORDINARY RESOURCES NECESSARY FOR SUCCESS

- New staff position(s)
- Board development committee
- Database investment
- Event budget increases
- Board & CEO time



DETAILED FINANCIAL BUILD-UP

For each activity show:

- Retention/attrition
- Growth in current donors
- New donors



SWOT ANALYSIS

- Strengths, weaknesses, opportunities & threats
- Engage development staff & committee in process
- Be candid & real with the analysis
- Consider the impact to each activity



CRITICAL METRICS

- Define how you will be measured
 - Face-to-face; voice-to-voice interactions
 - Include retention, growth & new donors
- No more than five measurements
- All must be measurable!



The Bottom Line

***Hope is not
a strategy!***



PRACTICAL APPLICATIONS/ NEXT STEPS



NEXT STEPS

- Mission
- Goals
- Segmentation



MISSION

- Address the second customer
- What does success look like?
- Do this as a group
- Start with single words/phrases; build from there



GOALS

- Financial – where do you need to be in 3-5 years?
- How much annual growth is reasonable?
 - 3-5% annually, without new strategies/focus/investment
- Why does the mission require it?
- Non-financial: what needs to improve?



SEGMENTATION

- Identify Top 100 sources from last completed FY
 - Individuals & corporations, regardless of where the gift counted in the budget
- Same process for Next 200
- Foundation/Grant segment
 - Recommend separating public vs. private dollars



SEGMENTATION, CONTINUED

- For each segment, determine % of annual *fundraising* budget (the budget that development controls)
- For each source, determine
 - Can the gift be retained?
 - Can the gift grow?
- Develops starting point for next year



How important is retention?

Your *best* customer is
your *current* customer!



GETTING STARTED!

- What is most important going into 2021?
- Who needs to be involved?
- Time/urgency/budget



HOW WE CAN HELP YOU: STRATEGIC DEVELOPMENT PLAN

Self-Guided

- Workbook and worksheets to guide you through the steps to begin your own strategic development plan
- Consultation with MAP to discuss next steps

Virtual Engagement

- Consultation to understand your organization's exact needs
- Determine plan components to be addressed
- 2-3 month virtual engagement with a MAP consultant to guide the process

Full Engagement

- Consultation to understand your organization's exact needs
- 6-month onsite engagement with a MAP consultant
- Full strategic development plan with all key components and recommendations for implementation





DISCUSSION





MAP

MISSION ADVANCEMENT

MissionAdvancement.com



facebook.com/MissionAdvancementMAP



twitter.com/MissionAdvance

Available on
Amazon & Kindle

