

Fund Development Planning Done Right



Fund Development Planning



With Industry Expert **Kristin Raack**,
Founder and Principal of AltruNext



Kristin Raack, CFRE, GPC, is the Founder and Principal of [AltruNext](#), a firm that helps nonprofits flourish. Over the past 20 years, she's helped a diverse portfolio of nonprofits expand their impact. She guides clients to success through organizational assessments, strategic planning, and all aspects of fund development (e.g., annual funds, capital campaigns, grants, major gifts, etc.). Kristin brings broad experience from social service, education, healthcare, and the arts, with clients ranging from grassroots, volunteer-driven initiatives to multi-million-dollar institutions. Her commitment to supporting the nonprofit sector is exemplified by her service on various nonprofit boards and frequent trainings for local and national nonprofit audiences.

While fund development planning requires a lot of time, energy, and resources, it is critical for organizational success as it outlays a road map for your funding endeavors. If you don't have a clear outline of where your organization is heading and how you will get there, you will never know if you have arrived at your desired destination.

In Foundant's recent webinar, [Nonprofit Fund Development Planning Done Right](#), Kristin Raack, founder and principal of AltruNext, shared her approaches to fund development planning to maximize funding potential and build a concrete plan that leads organizations to success.

This guided workbook outlines Kristin's recommended steps and provides useful resources to help your organization build an effective fund development plan. Use these practical tools and short video clips to become a fund development planning expert and maximize your funding processes!

What is a Fund Development Plan?

<https://www.youtube.com/watch?v=TO6PflgoYo>

Components of a Strong Fund Development Plan

- ✓ Historical analysis
- ✓ Solicitation plans by segment
- ✓ Strategic and financial goals
- ✓ Implementation plans
- ✓ Evaluation criteria
- ✓ Relationship-building activities, including communications
- ✓ Timeline of activities



“A fund development plan is a road map for a nonprofit organization to its strategic goals. It includes activities that secure funding so that the organization can have its desired impact and achieve its mission.”

- Kristin Raack

Before jumping in, it is essential to understand the difference between fundraising and fund development. *Fundraising* involves generating philanthropic support for your organization's cause through various activities, whereas *fund development* is a more comprehensive philosophy focused on building relationships. Creating a fund development plan includes sharing your organization's vision and listening to donors and community members. Fund development also goes beyond generating money from philanthropic sources and includes alternative forms of money such as earned revenue and other forms of investment. Therefore, a fund development plan needs to go beyond just philanthropic dollars and account for these alternatives.

Why Does My Organization Need One?

Fund development planning is crucial for all organizations, as it creates a concrete road map with outlined steps needed to achieve your desired outcomes and organizational goals. It builds the processes required for successful implementation, creates ownership, justifies the budget, provides actionable items to execute the strategic plan, and enables the organization's team members, staff, and volunteers to have the same fundraising goals.



<https://www.youtube.com/watch?v=BHLr71mnJus>

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“Fundraising without a plan is like driving without a map. You might figure out how to get to your destination, but it will be much less efficient and likely more stressful. A fund development plan will help your organization attract the right donors, use resources efficiently, and continually improve your results.” - Kristin Raack




Who Needs to be Involved?

- ✓ Board members
- ✓ Finance team
- ✓ Program staff
- ✓ Executive director/CEO

Although the development staff is crucial in your efforts, building a successful plan also requires the keyplayers shown above. Involving these key players brings everyone together to share common goals and builds a collaborative culture within your organization. This collaborative effort provides clarity across the organization and creates a shared vision for the future.



When Do We Create a Plan?

-  All Year: Gather data
-  Fourth Quarter: Analyze data and create a formal plan
-  Start Where You Are

Kristin recommends organizations conduct the planning process during the fourth quarter of the fiscal year. However, gathering data throughout the entire year is crucial to making data-informed decisions. Constituent relationship management (CRM) record management systems, such as Foundant's NonprofitCore, can help your organization keep track of this data. Once you are ready to start planning during the fourth quarter, you can utilize the data collected throughout the year to begin forming a vision for next year and creating your fund development plan.

And while the fourth quarter is recommended for this process, it is important to note you can start anytime. If your organization is in a different quarter of the fiscal year, you can commit to the process now and begin developing a plan for the months following.

6 Steps to Developing Your Fund Development Plan

When beginning the fund development planning process, it is easy to jump right in without considering the steps and factors required to build a good plan. This can lead to unclear expectations and confusion throughout your organization. To prevent this situation, we encourage you to leverage the following steps when developing your plan.



1. Gather Historic Data



To begin the process, it is crucial to gather historical data. The amount of data available will differ from organization to organization. Whether you use a complex data gathering system, a CRM tool, or spreadsheets and notes, any amount of data will do the trick! Wherever your organization is on the data spectrum, utilize the information accessible to you and gather it in one place. Compile this data in a simple spreadsheet with various categories that make the most sense for your organization. See Kristin's example below, including the categories she uses in her data gathering process, as a guide to assist your organization. Creating a similar spreadsheet will help you remember to pull the appropriate data regularly.

		FY17	FY18	FY19	FY20	FY21
Individual Giving	Major Gifts					
	Annual Fund					
	Planned Giving					
Institutional	Corporate Giving					
	Grants					
	Sponsorships					
Events						
Earned Revenue						

Choosing Your Data Metrics and KPIs



Utilize this basic approach and customize it for your organization! Regardless of which metrics you choose, remember that you are asking questions about the data, not just looking at numbers. And make sure to revisit these metrics regularly—the ones that make the most sense to your organization now will likely change throughout the years.

2. Conduct Environmental Scan



Without understanding and accounting for the factors occurring within the environment, your fund development plan is more likely to go off course. Events around us can certainly impact organizations and their ability to raise funds. The world is changing faster than ever before; therefore, it is crucial to analyze the environmental factors that could impact your organization during the coming year. Utilize the PESTLE analysis displayed below to scan the context in which you work and understand how your organization can adapt to changes.

PESTLE Analysis

Political

Economic

Social/Cultural/Demographic

Technological

Legal

Environmental



https://www.youtube.com/watch?v=ktA7pnhi_EA

Another tool you can use during your environmental scan is a SWOT (strengths, weaknesses, opportunities, and threats) analysis which will help identify internal and external factors. You can also gather feedback from your stakeholders, community members, and partners.

Additional Tools

- ✓ SWOT Analysis
- ✓ External Feedback

3. Analyze and Reflect



After collecting the qualitative and quantitative data, it is crucial to analyze and reflect on what worked well for your organization and what did not. You can then determine the activities that should be discontinued and the new opportunities that your organization needs to pursue.



Reflection Questions

Utilize Kristin's questions below to begin your organization's analysis and reflection process.

<https://www.youtube.com/watch?v=0PvcluXsPBO>

FUND DEVELOPMENT PLANNING WORKSHEET

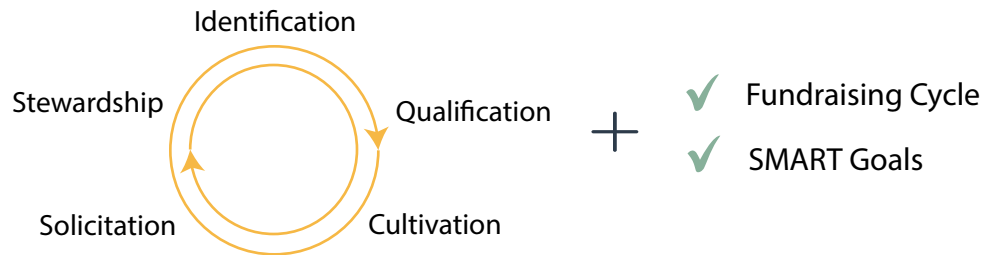
Reflect on last year

- What areas performed better than expected? Why?
- What areas did not perform as well as expected? Why?
- Where do we see the greatest potential for growth? What would it take to get there?
- What should we STOP doing because it has a low ROI? Who will be impacted by this decision?
- What overall organizational strategic priorities do we need to keep in mind as we put this plan together?
- What are our strategic and financial fund development goals for this year?

4. Set Priorities



Priority Setting Factors and Cycle



<https://www.youtube.com/watch?v=RbelGdic53E>

Priority Setting Questions

Utilize Kristin's questions provided below to begin the priority setting process for your organization.

Plan for the future

Based on the analysis of last year's outcomes, continue the conversation by asking the following questions:

- What relationship-building activities and practices would help us to achieve our strategic fund development goals? (Examples include: donor meetings, membership programs, events, acknowledgement practices, newsletters, volunteer opportunities, automated email marketing based on behavior, etc.)
- What market segments do we need to focus on? What solicitation strategies would you like to use for each market segment?
- Who will implement this plan? How can we creatively find the organizational capacity to execute the activities we discussed?
 - Does our organization have a development committee? What activities can they be involved with?
 - What practices can the board help with?
 - What volunteers or top donors may be willing to help with certain tasks?
 - In what areas do we need additional support?
- How will we know if the plan is working?
 - Be specific: provide measurable metrics to gauge progress.
 - Establish a cadence to review the plan and outcomes to date.

5. Document Implementation Plan



Components of a Strong Implementation Plan

- ✓ Goals: Financial and Strategic
- ✓ Objectives
- ✓ Activities: Relationship Building and Solicitation
- ✓ Roles and Responsibilities
- ✓ Timeline

This step allows you to compile all your organization's ideas into one place. This process will include setting both financial and strategic goals supported by SMART (specific, measurable, achievable, relevant, and time-bound) objectives. You will then need to determine concrete activities that achieve the goals and objectives to accomplish the desired outcomes. The implementation plan must also include roles, responsibilities, and a timeline, to build accountability by outlining who in the organization is responsible for each item and when it needs to be completed. In this stage, you can determine if the plan is realistic and actionable. If you finish the process and realize your organization does not have the required capacity, prioritize the most important items and save the other items for another time. Once the implementation plan is complete and compiled into a document, it will need to be sent to the board for approval to ensure it is financially sound and realistic for your organization.



<https://www.youtube.com/watch?v=j1phX6F-EpA>



One-Page Fund Development Plan:

Historic Analysis:

Strategic Development Goals:

- 1.
- 2.
- 3.

Relationship-building activities to focus on:

Solicitation plans by segment:

Implementation details:

Evaluation criteria:

Work Plan:

Strategic Development Goal 1:

Activity	Deadline	Person Responsible

Strategic Development Goal 2:

Activity	Deadline	Person Responsible

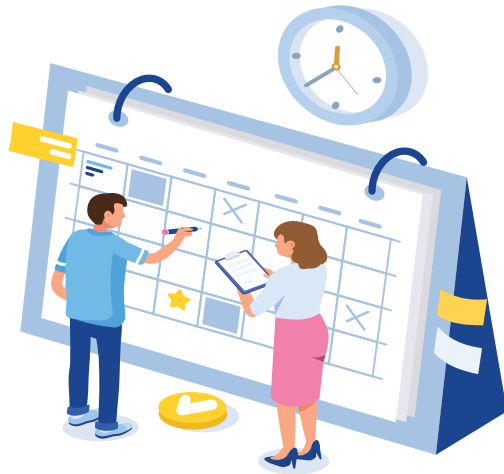
Strategic Development Goal 3:

Activity	Deadline	Person Responsible

6. Regularly Review and Revise



To ensure that the fund development plan is effectively implemented each year, it is critical to review and revise it regularly. Your organization will need to develop a regular cadence for the review process that makes the most sense for your organization and its capacity. The details of this process should be included in the implementation plan, displaying what needs to happen weekly, monthly, quarterly, and annually.



<https://www.youtube.com/watch?v=pv2usu0ksSo>



You now have all the information needed to implement a successful fund development plan in your organization. We hope you found value in this workbook, and we wish you the best of luck as you embark on your fund development planning journey! Visit [AltruNext](#) for further information and additional resources!