



The Mark Randall Company

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CORPORATION AND FOUNDATION FUNDRAISING ...separating *facts* from *fiction*

Many volunteers and not-for-profit agency staff believe their financial salvation lies in unlocking the coffers of corporations and foundations. Often, we hear these institutions being cited as the “key to financial success” for someone’s project, program or agency.

The facts really suggest you concentrate your efforts elsewhere. Consider this—in 1998, \$174-billion dollars were contributed to not-for-profit organizations in the United States. Of each dollar, approximately five cents came from corporations and five cents from foundations (corporate, family and community).

So where did the other 90 cents (or about \$156 billion) come from? **INDIVIDUALS!** When you consider the overwhelming majority of foundations are, in fact, *family* foundations, ***the percentage of dollars contributed by individuals exceeds 90%***.

Furthermore, foundations are made up of ordinary *people*, and one or more of these people makes the decisions to give away money. So it should be obvious to the serious observer or practitioner ***individuals are the key to virtually all fundraising!*** Clearly, fundraising is a people-to-people, *relationship* business!

We do not discourage our clients from pursuing corporate foundations, community foundations or businesses in general. However, we know from experience the time and energy invested in *cultivating individuals, especially the **right individuals***, is a far more profitable strategy than pursuing a particular corporation or foundation.

Because of their high visibility, most corporations and corporate, community and many family foundations are inundated with proposals seeking financial support. Many larger corporations and foundations process hundreds of requests *per day*. Smaller ones, especially family foundations with little or no staff support, have given up trying to respond to everyone asking for money. Your chances of obtaining a grant from just any foundation or corporation are slim to none. Does this mean corporation or foundation support is impossible? Of course not. What it does mean is ***you have to work hard and smart*** if you want to improve the odds.

To succeed, you must be aware of the following:

- ***Research is essential! You must do your homework!***

If you send the *same* request to every foundation, without determining its interests and

limitations, you are wasting everyone's time and money — including your own.

- ***Don't rely on the U.S. Postal Service to be your fundraiser.***

Postal carriers are not the most effective fundraisers. To be effective, you must go in the “back door,” not the front door. That requires personal relationships—trustee to trustee. Pick up the telephone and call your prospect. Establish a personal link with someone. Treat him/her as *you* would like to be treated. Ask intelligent questions to help you determine whether or not the corporation or foundation and your agency or project are a good match. If geographically feasible, ask for a personal meeting or invite a representative to see your project first-hand. Thank your prospect for being helpful. Remember, cultivation and personal rapport are important!

- ***You don't need special training to write a grant proposal.***

If you can write a clear, simple letter, explaining *who you are, what you do, what the problem or need is, what you intend to do about it, how much it will cost and what the benefits will be*, you can write a proposal. You don't need a two-day, \$795 seminar to learn to write a two-page letter! Remember, be brief, accurate and to the point. Don't waste time and paper with flowery prose. It won't get read and it will not raise money. Follow the foundation's guidelines to the letter!

- ***Look for connections between your organization's people and theirs.***

Remember, personal connections make a huge difference. Foundation trustees have friends, business associates and contacts, as does everyone else. They want and need money for their worthwhile projects and programs, just as you do. Never underestimate the value of personal influence!

- ***Build a “power” board.***

Your best strategy for securing grants and major gifts from foundations and corporations for your not-for-profit institution is to *recruit, involve and commit influential, affluent people from your community's business and social power structures*. Getting the *right people involved* in your organization will lead to more open doors among companies and foundations.

Years ago, a veteran fundraising pro told me, “If you have the right *people*-connections, you could scribble the request on the back of a dirty envelope and it would get funded.” Hyperbole? Perhaps, but it illustrates a fundraising axiom: “Fundraising is a *people* business in which people give *serious* money to *people*, not to causes or projects.”

If your objective is to raise money effectively and efficiently, it makes sense to invest your time and limited resources in development activities yielding the greatest return on investment. If you need help, call

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ADVANCING THE ART OF FUNDRAISING

*This is one in a series of articles developed to help you understand how we at **The Mark Randall Company** think and approach the art of fundraising. We hope if reading this stimulates questions, you will call us for the answers.*