

Social Entrepreneurship Clinic

Fundraising Mastery for Change Agents

Pre-Pitch Non-Planning

- If you can't (or won't) raise money, you aren't a social entrepreneur. Your social mission deserves it. Your social venture requires it. "You can't change the world if you're dead, and when you're out of money, you're dead."¹
- Start *today*. Always be fundraising, *not* strategizing about fundraising. Avoid over-planning. Don't wait for the perfect brochure or pitch. The warning signs are conjuring up grand schemes or researching lists of moneyed people. "A good plan, violently executed now, is better than a perfect plan next week."² Even if you screw-up, getting started gives you hands-on practice.
- Self-awareness, emotional intelligence and understanding your own motivation matter. It's extremely difficult to be successful in attracting financial support unless you are comfortable in your own skin. Hanging out in rooms packed with lots of rich, powerful people requires self-confidence.
- Keep in mind: "The funders who are most likely to give you money are those who meet the three C's. They *care* about what you're doing. They have the *capacity* to support you.... They have a personal *connection* to you."³ Seems obvious, but it is shocking how little effort change agent-fundraisers expend developing the human relationships which create three C's compliance. It takes time!!!!
- Get over yourself. If you have a chip on your shoulder, exude self-righteous arrogance or maniacally think your program is *the* solution, forget it. Even if you garner that first audience with a potential contributor, you are unlikely to get a second one. You won't be happy in life (that's your problem) and you won't be successful as a social justice fundraiser (and that's a problem for your mission).
- Fundraising is time-consuming for top management. If you are spending anything less than one-third of your week on it (and I'm assuming a six-day workweek), then you are shirking your fundraising responsibilities as a member of senior management, in particular, the CEO. Funders want to know and have a connection to the leadership. It's an inescapable duty and you can't delegate it.
- Expect to be treated rudely. Although rarely admitted, donors, impact investors, foundation executives, etc. treat fundraisers as *de facto* commodities. In the marketplace of social change organizations, there is a nearly infinite array of choices.

¹ Guy Kawasaki, *Art of the Start*, Penguin Books, 2004.

² George S. Patton, American World War II Army general.

³ Teju Raviolochan, *Three Battle-Tested Keys to Fundraising*, Unreasonable Institute.IS, May 6, 2014.
<http://unreasonable.is/skills/3-battle-tested-keys-to-fundraising/>

“It’s important for social entrepreneurs to understand that [funder’s] job is to predict the success of ventures without evidence.... So expect that funders will be erratic, random, and slow to move.”⁴ Unhappily for you, until you have established a human relationship with a prospective funder, you are simply another money-seeking organization which makes you a commodity.

- “Funders are often herd animals. They have to make high-stakes bets on stuff they know very little about, surrounded by uncertainty (startups or early-stage organizations). So they rely heavily on the opinions of other people who have investigated your venture. When you share what you’re doing with a funder, give them some insight into who else is supporting you.”⁵
- Cold calling is the hardest, least effective approach. Find someone, ideally a respected colleague/friend of your prospect (but anyone is better than no one), to introduce you. A genuinely useful introduction from my connector says in an email: “Hey, Mr. Moneybags, no pressure, but you owe it to yourself to meet [your full name inserted] who is doing incredibly impactful work on [insert your cause or mission] which I know you care about. If you have the time, it would be great if you could meet [your first name inserted] and decide if their social venture is something in which you would like to invest. Would you like me to make the introduction?”
- Five books or resources worth reading before you ask for money:
 - ✓ Drive: The Surprising Truth About What Motivates Us, Daniel H. Pink, Riverhead Books, 2009.
 - ✓ Generosity Network, Jennifer McCrae & Jeffrey Walker, Deepak Chopra Books, 2013.
 - ✓ Paradox of Choice: Why More Is Less, Barry Schwartz, HarperCollins, 2004.
 - ✓ Sasha Dichter’s Blog – <http://sashadichter.wordpress.com/>.
 - ✓ Thinking, Fast and Slow, Daniel Kahneman, Farrar, Strauss & Giroux, 2011.

Non-Pitch Pitch

- Sell hope. No sane person thinks *your* program will solve all the world’s problems or even a small fraction of one of them. If you have a shred of doubt that you are in the “hope business,” consider that, in defiance of science and heredity, Americans annually buy more than 50 million diet books and spend more than \$50 billion on dieting.⁶ Also consider that, against all numerical odds, millions of people buy lottery tickets every day.⁷

⁴ Teju Ravilochan, *Three Battle-Tested Keys to Fundraising*, Unreasonable Institute.IS, May 6, 2014. <http://unreasonable.is/skills/3-battle-tested-keys-to-fundraising/>

⁵ Teju Ravilochan, *Three Battle-Tested Keys to Fundraising*, Unreasonable Institute.IS, May 6, 2014. <http://unreasonable.is/skills/3-battle-tested-keys-to-fundraising/>

⁶ Barry Schwartz, *Paradox of Choice: Why More Is Less*, HarperCollins, 2004.

⁷ *Mega Millions*, Sharon Cohen, Associated Press, December 17, 2013. http://www.mercurynews.com/nation-world/ci_24738938/mega-millions-why-do-so-many-think-they

- Keep it simple. People are not good listeners. Shocking, I know. The more choices, options, information, data, intricacy, analysis and complexity you introduce into the conversation, the more likely it is that you will confuse your prospect. He or she will probably be too embarrassed to admit that your competent, comprehensive and complex explanation is incomprehensively too complex. Instead, the delaying tactic of asking you to provide more information will be triggered. Or, even worse, the prospect will defer to their financial, legal, spousal or spiritual adviser.
- Your job is *not* to educate the prospect about every aspect of your work. Your job is to explain how the potential investment or contribution aligns with the prospect's values. "I started by sending funders a 27-page document to read. Guess how many read it? Zero. Funders get tons of requests for money, so respect their time and start by sending them a two-pager. They'll ask for more detail if they want it."⁸
- Use an English dictionary. Skip the insider lingo, faddish jargon and muddled up phraseology. "Couching familiar ideas in pretentious language is...a sign of poor intelligence and low credibility."⁹ For example, borrowing language from Wall Street, it's sexy these days for social sector leaders to talk in terms of investment ("we are investing in people; your investment will do such-and-such; invest in the future"). If you are asking for a business investment for a social enterprise, that language is accurate. If you are asking for a donation, save yourself the time-wasting miscommunication.
- Make it memorable with your personal story. "Good stories provide a simple and coherent account of people's actions and intentions. The explanatory stories that people find compelling are simple; are concrete rather than abstract; ...focus on a few striking events..."¹⁰ Your story is, by definition, more compelling, more immediate and more authentic than your organization. It's also easier for you to remember.
- Assume values alignment. If the prospect were not generally on your side, you probably wouldn't even be granted a meeting. When talking about your social enterprise, focus on its unique competitive advantage. Population served? Geography? Innovation? Revenue model? Lower overhead? Don't insultingly focus on lecturing or haranguing about the terrible plight of the planet or its beneficiaries.
- Funder procrastination is human nature. Like everyone else, funders move with more dispatch if you create a deadline and sense of urgency. If you have to, and you probably will, make up something.
- Stick to the SROI (social return on investment). You are not a financial advisor. You are a better-future advisor. Fundraisers for impact investments have an unfortunate tendency to focus on financial returns. Don't. Remind yourself *why* you have been granted a meeting in the first place. You are in the room because "market reasoning is

⁸ Teju Ravilochan, *Three Battle-Tested Keys to Fundraising*, Unreasonable Institute.IS, May 6, 2014. <http://unreasonable.is/skills/3-battle-tested-keys-to-fundraising/>

⁹ Daniel Kahneman, *Thinking, Fast and Slow*, Farrar, Strauss & Giroux, 2011.

¹⁰ Daniel Kahneman, *Thinking, Fast and Slow*, Farrar, Strauss & Giroux, 2011.

incomplete without moral reasoning.”¹¹ Unless your name is Warren Buffett, your potential impact investor is not particularly interested in your financial acumen.

Fundraising Basics!

If you can talk, you can raise money. It's a learnable skill, like any other.

Raising money is *not* about persuading the unpersuadable.
It's about aligning social missions.

Focus on your story and your commitment.
Say “this is important to me.” Explain why.

Dump the paralyzing ‘money-is-power, I-am-weak’ mindset.
Be powerful by making it personal.

Don't sweat trying to be charming. Personal charisma is over-rated.
Show interest in other people. They will *think* you are charming.

Have fun. Laugh. Take pleasure in the work.
Happy people raise more money. It's true.

- Don't ever fall into the habit of thinking about “the person across from you as a transaction, as simple dollar signs. No matter how you dress up your language, if you see your prospect as a means to an end then she'll feel that way. Whereas if you treat her as a person with whom you are building a real and substantive relationship, you can (counter-intuitively) talk comfortably, early on and directly about money.”¹²
- Ask questions. Learn about the other person. What motivates the prospect? Areas of social change interest? What organizational factors matter to the prospect? Ask for help in addressing your organizational challenge. The question “how can you help us?” might produce some invaluable surprises. (Invitation to a dinner party with George Clooney?)
- Don't ask for money. Don't ask for a favor. Ask people to take responsibility with you for making the world better by investing/contributing to your social venture.
- “When is the right time to make ‘the ask’? My take on this particular rule of thumb is that it is better to ask sooner than you'd like....This is primarily about getting through our own fears about asking – we usually take too long – and about recognizing that we are giving

¹¹ Michael J. Sandel, What Money Can't Buy: The Moral Limits of Markets, Farrar, Strauss & Giroux , 2012.

¹² So, *You Looking?*, Sasha Dichter's Blog, October 1, 2013.

http://sashadichter.wordpress.com/2013/10/01/so-you-looking/?utm_source=feedburner&utm_medium=email&utm_campaign=Feed%3A+SashaDichtersBlog+%28Sasha+Dichter%27s+Blog%29

the person across the table an opportunity to do something important, and we should help them do something big, not small.”¹³

Practice Every Day, Starting Today!

*Personal mastery of a skill requires 10,000 hours of focused practice
(5 years, assuming a 40-hour week)**

Talk with one person (no more, no less!) every day about \$\$\$\$\$. Keep it real.
Be unambiguously specific about what your cause needs.
Don't let it become a burden or chore.
Plan to do it the rest of your life.
Maintain momentum.
Stay playful.

*thanks, Malcolm Gladwell, Guy Kawasaki & Chade-Meng Tan

- Ask what it will take to close the deal. Don't create an 'out' by asking if the prospect wants/needs more information. Sending more information is a follow-up tactic, not cashing a spendable contribution.
- Like everyone else, fundraisers are profiled and stereotyped. If you dress inappropriately or like a slob, have bad breath, etc., well, you have other issues, but your chances of raising serious money will be low. Be self-aware.
- Take control of situations if they turn negative. (a) Ask a version of “teach me what I need to know to convince you to say Yes.” (b) Redirect your “fundraising goal” to the second-place prize. Ask what other resources or connections the prospect might provide. (c) Learn how to improve for the next time.
- As soon as you discover a prospect does not share your values, mission or change-the-world methodology, move on. Your organizational budget does not have a line item called “Educate Uninformed or UnCaring People One-By-One.” Cull or triage prospects fast and then devote lots of time and energy on the prospects that care about you.

Post-Pitch Period

- Become a resource to the prospect. Helping others begets people helping you. Follow-up, follow-up, follow-up. No means “not yet.” After every meeting (no matter how brief or casual...even a chance chat at a party), set the stage for the next encounter. End every discussion with a specific next step. Provide organizational updates *only* when

¹³ So, you looking?, Sasha Dichter's Blog, October 1, 2013.
http://sashadichter.wordpress.com/2013/10/01/so-you-looking/?utm_source=feedburner&utm_medium=email&utm_campaign=Feed%3A+SashaDichtersBlog+%28Sasha+Dichter%27s+Blog%29

you have significant progress to report. Write thank you notes (for useful tips, see *Anatomy of a Thank You Note*¹⁴).

- Save *everyone* in a database. Life status changes. Today's pauper could win the lottery tomorrow or discover a rich uncle. As a social justice fundraiser, your job description does not include predicting the future.
- Rejection is personal, but it's not necessarily about you. (a) Even before you enter the room, maybe the prospect was already looking for reasons *not* to write a check. Maybe the prospect prejudged your venture as non-aligned with her values, issues, geographical focus, beneficiary profile, etc. Or, maybe the alignment is perfect, but the prospect has already funded similar projects and is looking for something new. (b) No matter how effective your presentation, maybe the prospect is not even paying attention. Maybe they just learned his or her dog died or discovered a distracting case of hemorrhoids. Unless you can cure hemorrhoids, it's not about you.
- Rejection sucks. The capacity to manage rejection is the most important skill you aren't taught in school. Working to undermine the status quo *inescapably* means the largest percentage of feedback and decisions will be negative. Rejection is a badge of honor.
- Don't carry "turn downs" into the future. In psychological terms, don't let your mind anchor your negative experiences. In military terms, don't fight the last war. In human terms, don't stereotype future prospects.
- Social change is propelled, and thwarted, by hundreds of complex, nuanced factors, most of which are totally outside your control. What you can master is your own toughness, tenacity and resiliency. Giving up is not an option for you any more than it is for an impoverished woman struggling against 10,000 years of economic and gender discrimination to feed her children.

Café Impact Videos (view in order)

- [How-To Network Yourself Like A Pro](http://cafeimpact.com/how-to-network-like-a-pro/) (<http://cafeimpact.com/how-to-network-like-a-pro/>)
- [How-To Justify Your Economic Justice Agenda](http://cafeimpact.com/how-to-justify-your-agenda-for-economic-justice/) (<http://cafeimpact.com/how-to-justify-your-agenda-for-economic-justice/>)
- [How-To Give Your Inner Fundraiser More Currency](http://cafeimpact.com/how-to-give-your-inner-fundraiser-more-currency/) (<http://cafeimpact.com/how-to-give-your-inner-fundraiser-more-currency/>)
- [How-To Kick It As A Fundraiser For Fun And Profit](http://cafeimpact.com/how-to-kick-it-as-a-fundraiser-for-fun-and-profit/) (<http://cafeimpact.com/how-to-kick-it-as-a-fundraiser-for-fun-and-profit/>)
- [How-To Reject Rejection When It's Personal](http://cafeimpact.com/how-to-reject-rejection-when-its-personal/) (<http://cafeimpact.com/how-to-reject-rejection-when-its-personal/>)

"Hope is not a prognostication. It is an orientation of the spirit, an orientation of the heart."¹⁵

¹⁴ *Anatomy of a Thank You Note*, Sasha Dichter's Blog, November 26, 2013.

http://sashadichter.wordpress.com/2013/11/26/anatomy-of-a-thank-you-note/?utm_source=feedburner&utm_medium=email&utm_campaign=Feed%3A+SashaDichtersBlog+%28Sasha+Dichter%27s+Blog%29

¹⁵ Václav Havel, President of Czechoslovakia, playwright and poet.