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HOW TO ENSURE A SPECIAL FUNDRAISING EVENT IS RIGHT FOR YOUR ORGANIZATION

BY MARY ELLEN COLLINS



"We need to raise $50,000 for that program. Let's do a golf tournament!" Sound familiar? A suggestion like that can strike fear into the heart of a development officer who foresees sacrificing donor visits for hours spent orchestrating tee times and worrying about the weather. Although special events remain an integral component of charitable fundraising, the key to event success lies in making sure your return will be worth your investment. That involves doing some thoughtful research and self-assessment long before you decide to "save the date."

Reasons and Rewards

Although raising money is the driving force behind most charity events, raising an organization's profile often is an equally important motivator.

"Understanding the purpose of your event is key," says Gwen Sobolewski, who was the development events senior manager at the Tech Museum of Innovation in San Jose, Calif., before becoming the special events manager at the University of California San Francisco Foundation (**www.ucsf.edu**). She explains the rationale behind the museum's creation of the Tech Museum Awards (**www.techawards.org**) was to recognize organizations, individuals and companies that were developing technology to benefit humanity.

"It was our president who said, 'We need to do something to put us on the map and get the attention of the Silicon Valley leaders.' We wanted to land on the scene with fireworks. We wanted to get noticed immediately and make a big splash."

To that end, they solicited applications; paid Santa Clara University faculty to judge the 300 entries; got sponsorships from companies, including Applied Materials and Microsoft; and recruited former President Gerald Ford to speak at the awards gala. Twenty-five entrants received recognition, and the top one in each of five categories received a $50,000 cash prize. Not only did the event succeed in putting the museum on the map, but it also netted about $500,000. Six years later, the annual awards are recognized internationally as a program that honors and supports technological innovators.

Special events also can enhance your cultivation and stewardship process by providing valuable face time with existing donors and serving as a vehicle for engaging new prospects.

"It can be a way of getting key individuals involved whom you haven't been able to reach," Sobolewski says. "You can honor them, give them an award and work with their company on sponsoring the event. It also gives board members an opportunity to involve other people in a nonthreatening way."

Furthermore, social cachet is an intangible but potentially valuable special-event fundraising benefit. If your event earns a reputation as one that features high-profile speakers or entertainers, or becomes known as an occasion "to see and be seen," you have guaranteed your organization a place in the press and in the minds of your philanthropic community.

Factors to Consider

It is true that events can produce financial benefits, enhanced visibility and a larger pool of potential new supporters. However, the labor-intensive and time-consuming aspects of event planning can eclipse your other fundraising activities and stretch your resources to the breaking point. Development officers and event-planning professionals agree that there are a number of important questions to answer before you add an event to your roster of fundraising programs.

1. Will the event be part of a comprehensive development program?

Some organizations suffer from a "keeping up with Joneses" approach, which results in the desire to have an event simply because other organizations are doing it.

Mary Jane Crist, CFRE, CEO of Barrow Neurological Foundation and St. Joseph's Foundation in Phoenix (**www.StJosephs-Phx.com**), emphasizes

Reaching the New Kids on the (Philanthropic) Block

If you want to learn how to develop the younger generation's version of the golf and gala, go straight to the source.

"Many organizations are developing leadership committees or 'junior boards' that plan events like fashion shows and concerts," says Bridget Baughn, senior director of event services for Changing Our World Inc. in New York (**www.changingourworld.com**). "Some of them have been pleasantly surprised that these groups are raising a lot of money and getting exposure for the organization in a group where they hadn't had it before."



Jessica Stannard-Friel, co-editor of the blog Future Leaders in Philanthropy, which is a project of on-Philanthropy (**http://flip.onphilanthropy.com**), says that young people are price-sensitive and suggests planning events around the kinds of activities that the group already enjoys doing, such as cocktail parties, networking and playing sports. She also points out an interesting "cart before the horse" trend in this demographic.

"This is the generation that grew up with walk-a-thons and read-a-thons, selling wrapping paper in school and doing sorority and fraternity fundraisers in college," she says. "Now, a group will decide to do a fundraising event and *then* look for a charity to affiliate with instead of being involved with the organization first."

The Washington, D.C., group SMASHED (**www.dcsmashed.org**) is a perfect example. The Society of Mature Adults Seeking to Help, Entertain and Donate dreams up wacky events and parties, charges people less than $20 to participate and gives local charities the money it collects. This year's D.C. "Idiotarod," in which costume-clad participants raced grocery carts instead of dog sleds through the streets, raised $4,000 for the Arlington Food Assistance Center. Other SMASHED events have included a Sweet 'Stache ManPageant and an Amazing Race-style scavenger hunt.

Although there seems to be no end to the level of zaniness they enjoy, SMASHED does have some guidelines: it chooses local charities with operating budgets under $5 million, where it feels its donations will have the greatest impact, and it requires the benefiting charity to be present at the event.

"It's not just about raising money," says Ellen Shortill, founder of SMASHED. "It's also about awareness. Last year we did one event that didn't raise that much money, but about 100 people who took part then signed up to participate in the charity's own fundraising walk later on."

For organizations that want to cultivate their up-and-coming generation of donors, Shortill has a few tips. "Accept the value of small donations and value the input of silly ideas," she suggests. "People have serious lives and they look for ways to relax and blow off steam. Create amusing opportunities for friendly interaction. You can raise money wearing black tie, or you can do it in a pirate outfit."

The bottom line? As Shortill says, "Silliness wins."

the need for a broad approach to development.

"Understand that you have to have a short-term and a long-term fundraising plan," she advises. "You have to plan consistent and growing philanthropy for the organization."

Crist says that many of the hospitals that comprise her health system have foundations with executive directors who are frustrated by hospital presidents who view galas as the most important aspect of growing a fundraising program.

"These people may have a two- or three-person shop, and they need to build their annual fund and their major-gift program," she says. "The challenge is to educate the leaders of the hospitals that it's to their advantage to build a comprehensive fund development program and not just concentrate on special events."

2. Do you have the necessary staff and the resources to support them?

Do not fall victim to the common misconceptions that "event planning is easy" and "anyone can do it."

Hala Bissada, CFRE, president and CEO of Hala Events and Communications Inc. in Toronto, Canada (**www.halainc.com**), has seen a recent trend of organizations going to outside vendors for help.

"If charities do not have the proper internal resources, it is imperative that they go to an event professional for the necessary expertise or be prepared to recruit and/or train staff internally to execute events," she points out. "They require a certain type of expertise, and if you don't put a team in place and train them, you're setting them up for failure."

Crist's staff supports a volunteer-managed gala and golf tournament, as well as a third party-produced celebrity event, that together net about $5 million for the foundations each year. She has begun to outsource responsibilities for event registration and the silent auction management so that her development officers can concentrate on

raising funds in support of the events, such as corporate sponsorships.

"If a development staff person spends 80 percent of his or her time on details like the color of the balloons, that is *not* helping your organization to advance its mission," says Therese Maceda, director of development for Event 360 Inc. (**www.event360.com**) in Chicago. "If you work with an outside vendor, you may pay more upfront, but the kind of event that person will be able to do will produce a great return on investment."

3. What kind of volunteer resources do you have?

Whether you are relying on staff or outside experts, volunteers can play a significant role in your event success.

"Any successful philanthropic enterprise, including a special event, is successful only if it's a shared partnership among the organization's leadership, the development staff and the volunteers," says Jay Frey, CFRE, senior major gifts officer and development director at Rush University Medical Center in Chicago (**www.crha.rush.edu**). "You have to have a corps of committee volunteers who want to own the event and understand what their job is."

The Medical Center Woman's Board is the perfect example. Members produce the oldest charitable fashion show in the United States, which raises about $500,000 a year.

"These ladies know what they're doing," Frey adds. "They have a strong tradition of volunteer leadership and they run the event very professionally. They've already committed to raising $10 million for the Heart and Vascular Center in our current campaign."

The Woman's Board has its own staff person, but if your organization cannot provide that level of support, you will need to plan for some kind of administrative oversight or management.

4. How will your event fit into your local charity event landscape?

Every city is different, and knowing your event's competition will help you avoid going out onto a field where you cannot possibly win the game.

"Look at your market—look at what is demanding people's time and attention," Crist urges. "In Phoenix, we have four professional sports teams, all of which have charitable foundations that are vying with all of the nonprofits for people's time and attention. And people really like to go to their glitzy events and meet the athletes."

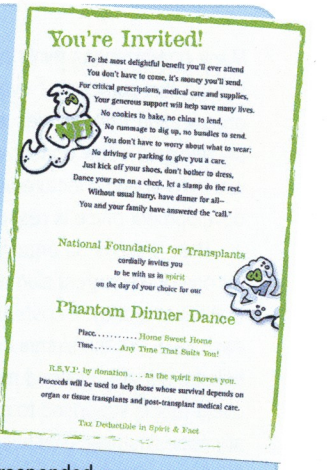
At 120 years old, St. Joseph's is the oldest hospital in Phoenix, so Crist has the advantage of producing events that have a long history and tradition. Even so, she believes the city is "special evented *out*." As she explains, "We have a lot behind us, but every new, struggling organization wants to do a special event, and that's probably not in their best interest."

5. Where are you in your organization's life cycle?

Do not jump the gun and go directly to a large-scale gala if your fledgling organization is still crafting its mission statement.

"Planning a gala before you have an established base of donors who will rally around the event can be a costly mistake," says Beth Truett, ex-

Let's Do a *Nonevent!*



When Ruthellen S. Rubin, CFRE, a development consultant in Yardley, Pa., was the development director of HomeFront, an organization that provides programs for homeless families, she decided she could no longer justify the amount of time it took to plan their annual fundraising gala. So, she created an invitation that said:

"Bag the band, forget the flowers, cancel the caterer. Don't save the date. Just save the world. This year, 100 percent of your charitable contribution will bring joy, hopes and dreams to homeless kids."

Her staff told supporters in advance that they had a new idea for the event, so their audience was primed for the invitation when it arrived. Individual and corporate donors loved the idea, and responded with contributions that quadrupled the net amount from the year before.

"A virtual event isn't for every group—it has to be the right cause, in the right place, at the right time," Rubin says. "I believe that nonprofits should use every opportunity to personally connect with their donors. However, if you have other opportunities to do that, it can be fun to do something creative like a virtual gala once in a while."

On the other hand, not all nonevents are a success. Allentown, Pa.-based Communities In Schools of the Lehigh Valley (**www.cislv.org**), a dropout prevention program for at-risk kids, did not have a history of doing an annual fundraiser. When executive director William Leh, CFRE, came across the idea of a nonevent, he thought, "No one has done this locally, so it might just stand out."

He used his creative writing background to craft a poetic invitation that was loosely based on *The Emperor's New Clothes*, and included an RSVP that stood for "I **R**eally Don't Have to **S**uffer Through Another Ne**V**er-ending **P**rogram."

However, Leh knew he was in trouble when people who received the invitation called to ask where the event was being held.

"Too clever by half, I suppose," he admits. "I think it was so wordy, people didn't take the time to read it."

Leh also thinks the fact that the organization did not have a tradition of doing fundraising events meant that people were not already prepared to expect an invitation.

Fortunately, he received about $700 in contributions, which was enough to cover the cost of the in-house printing and mailing. His final thoughts? "Loved the idea. Won't ever try it again."

To read more about successful "nonevents," with examples of invitations, reply cards and envelopes, visit the AFP website at **www.afpnet.org/resource_center/fundraising_news**.

Defining Special Events for the Development Office

By Heidi A. Bruce, MBA, CFRM

Many organizations think that every event is a development event, even though the purpose of every event is not to raise funds. Consider the organization that decides a football game is a development event simply because a few donors will attend the game. Suppose a major donor wants to attend a lecture hosted by an organization. Does that mean the development office is responsible for hosting the event?

Then there is an organization that has its development office paying for one of the largest alumni events each year at homecoming—an event that loses money. It costs the development office more and more money each year, but the alumni committee not only refuses to raise the cost of tickets, but also wants a more elaborate event each year. As a result, an event that is supposed to raise money for need-based scholarships actually raises nothing. One has to ask why the development office should pay for this obviously nondevelopment event.

It is important for the development office to establish its definition of special events because anything outside of that definition is not a development event. This may seem to be an easy thing to do, but is actually quite difficult. Is an event special because of the frequency (annual, biennial), the type of event (gala, lecture, reception) or because of the guests invited (celebrity, political figure)? Actually, all of these definitions are correct, but they may not fit the definition that development professionals should use: *Special events, as defined for development, should be events that are used to evaluate, cultivate, steward or even solicit prospects and donors.* By defining special events, the development office can avoid the onerous task of planning and paying for several events that have no development purposes.

In order for a special event to be considered a development event, at least 85 percent of the guests should be there for one of the four purposes listed (evaluate, cultivate, steward or solicit prospects and donors), and the development staff should have primary input into the type of event, the guest list and the format. In fact, members of the development staff need to be involved in the entire planning and execution of the event, because they are the only ones in the organization familiar with everyone invited. Fundraising events serve to give those closest to an organization a chance to see how their generosity has made a difference and to meet others who also have committed to the organization.

By taking the time to make each development event special, and inviting only those who are closest to the organization, the development office can remove itself from the expectation of hosting and organizing several events each year that have no development benefit. This way, when an event actually is a development event, it becomes quite special and much more beneficial in the long run. The idea is to have guests asking about the event the following year and how they will remain invited—which, of course, is by making the appropriate donation.

Heidi A. Bruce, MBA, CFRM, is director of development and alumni affairs, College of Humanities and Social Sciences, George Mason University, Fairfax, Va.

ecutive director at Chicago Lights at Fourth Presbyterian Church (**www.chicagolights.org**). "It's better to build enthusiasm with smaller events and let enthusiasm bubble up from your stakeholders. You have to gauge their readiness to move to the next step."

Truett currently produces a Mardi Gras or Carnival-themed annual gala that attracts more than 600 people and sells out ahead of time. The event began as a sock hop fundraiser in the early 1990s, then became a cocktail party at a nice hotel and today is a gala dinner, silent auction and live auction that is held at The Ritz-Carlton Chicago.

"Chicago Lights serves 7,000 clients each year," explains Betty Bergstrom, CFRE, principal with Bergstrom Associates in Chicago and president of the Chicago Lights board of directors. "We change lives one at a time by offering hope and opportunity to people who face the challenges of aging, poverty and access to education and healthcare.

"One of the programs is a six-week Summer Day experience where children come to improve their academic studies and also to study art, music and dance. This year, a donor gave us a gift of $11,125 for the program, providing we could match the gift. At the gala, the master of ceremonies told the audience about this gift and asked anyone who was willing to donate $1,000 to please stand; then he asked those who would donate $500 to stand and finally those who would donate $100. We raised more than $25,000—more than double the match."

6. Do you know what will work for your audience?

Walking five miles and bidding at auctions are not everyone's idea of a good time. What works for other organizations will not necessarily work for your charity, so make sure your event idea relates to your organization and appeals to your audience. Frey suggests testing the market with your own constituents.

"Do a focus group," he says. "Find out what they would attend, when they would come, how much they would pay and what they'd be looking for as a lasting effect."

Make sure the event fits your organization and its programs. "Don't pick an event theme just for the cool factor," Event 360's Maceda adds. "Your theme has to connect with your mission. If you do a 5K walk, you want people to say, 'I did a walk to support this cause and a great organization,' not 'I did a walk for a charity, but I'm not sure which one.'"

7. Do you have a realistic timeline?

Ideas for special events often come from an organization's leadership or board members, which means that the development staff often must maintain enthusiasm for the idea without giving in to unrealistic expectations.

Fundraising events do not happen overnight. "It takes longer to plan an event than to have a baby," Frey points out. "You need a year and a half, and if an idea bubbles up, sometimes it's hard to hold the horses at the gate. I would say, 'We need to start planning now to have it a year out. What's our rationale for doing it, and what's the

work plan and the timeline that will get us there?'"

This is especially true if you are planning a new event or the first one for your organization. "A first-time signature event is often a lot of investment, but not necessarily a lot of profit," Bissada adds. "Are you prepared to do a five-year plan and have the patience to let the event grow?"

8. Do you have realistic financial expectations?

If you are looking for a quick financial fix, a special event is not the answer. Giving yourself enough time to plan the event includes budgeting, just as you budget for travel, publication design and mailings. Budget for event expenses and be reasonable about all of your potential revenue streams. Pricey auction items will not do you a bit of good if you do not have attendees who are willing and able to bid high.

Chicago Light's Truett learned from experience how financial expectations can make or break an organization. "One year, when we overestimated the revenue and underestimated the cost of moving to a new property, the development staff resigned within two months after the event and the gala chair has never participated again," she recalls.

She now budgets a revenue goal that is no greater than the previous year's result, and also sets a nonbudgeted stretch goal to motivate volunteers and staff.

"This has been very successful, as we raised $50,000 more this year than we had in our best year in the past," Bergstrom adds, "and expenses were $10,000 less this year than planned."

Measure Success

Once you decide to do a fundraising event, how will you know if you get a reasonable return on your investment of time, energy and money? That depends on your goals, which is why it is important to determine up-front what you hope to accomplish.

You can quantify some achievements quickly and easily after the event. How much did you net? How many people came? How many stories did you get in the press? However, Maceda emphasizes the importance of considering your long-term ROI.

"How many corporate sponsors will become regular donors?" she asks. "How many new names do you have in the donor base, and what is their giving potential? How many hits did you get on the website? Whoever is talking about your event is creating new impressions for your organization."

On the other hand, even though some new faces may translate into new supporters for your organization, beware of the quid pro quo factor.

"If someone goes to any event because it will be reciprocated—'you play at my golf tournament and I'll play at yours,'—it [the support] is not based on the quality of the event or the charity," Hala Events and Communications' Bissada explains. She agrees that measuring event ROI can be a tricky business and gives an example of how an event can be an important starting point for success.

"At one organization, a company bought a table at the event. The next year [the company] became a sponsor and the following year a co-presenting sponsor. Then, in addition to their sponsorship, they made a major gift and now they're working on a national project."

Measuring your ROI with regard to staff time and infrastructure costs also can pose challenges, Crist says.

"We set the budget at the beginning of the year: major gifts, annual giving, special events and grants," she explains. "We don't need IT [information technology] for the gala, but we have a huge IT commitment for the celebrity event and golf tournament, and we know exactly what that costs. We don't count staff hours. The people power of our office is the price of doing business."

For Truett and two of her staff members, working on the Mardi Gras gala is part of their regular job. "Everyone else who isn't assigned to work the gala as part of their regular job goes into the expenditures. The organization and the church want to do this event; staffing for it reinforces our commitment to the mission the event supports."

Is It Worth It?

Only you can answer that question for your organization.

"A special event is an expensive, and the most labor-intensive, way to raise money," Frey admits. "It's just one arrow in the quiver of fundraising, and for most development officers it's pretty low on the totem pole of things to do."

However, a well-conceived and executed event can fill your coffers, provide a platform for delivering key messages and expand your pool of supporters. If you want to land on the plus side of the event ledger, look and think before you leap. Clarify your goals, assess your resources and make events just one aspect of an integrated fundraising plan.

"Events are a great way to put your mission into action," Maceda says, "but be strategic and look at the triangle of scope, money and time. All three must be in balance to produce a good event. If all three are at 'two' on a scale of one to 10, you need to take a close look at the type of event you are planning. Your organization probably isn't ready for a big event yet. Start with something smaller so you can build up to a big event."

Mary Ellen Collins is a freelance writer in St. Petersburg, Fla.

Michelle Hamilton, CFRE, fundraising counsel and project management in Charlotte, N.C., prepared an outline and worksheet from a short session she developed for the American Symphony Orchestra League National Conference a few years ago. The goal of her session was to give development staff a few simple tools to guide discussion of new event ideas with volunteers and other staff.

"The orchestra world is heavily influenced by volunteers, leagues, guilds, etc.," she says. "Volunteers often jump to the conclusion that a new event will solve fundraising woes or be a great boon to the organization's bottom line. We all know it's not that simple."

Hamilton's two-page document includes her handout for the conference session and a worksheet that could be shared with volunteers and other staff in discussing a new event. She graciously allowed AFP to post her outline and worksheet on the AFP website. To read the document, visit **www.afpnet.org/content_documents/event%20handout.pdf**.