

CONTENTS

A New Paradigm

How Does It Work?

Engagement Phases

The Result



A NEW PARADIGM

Fundraising Design is a new way to plan fundraising that brings the business concepts of Design Thinking and Tribal Strategy together to develop innovative, cost effective, and successful fundraising strategies.¹

Similar to the concept of the fundraising campaign, Fundraising Design is a methodology to increase philanthropic revenue. However, while campaigns tend to lead to spikes and troughs in gift revenue, Fundraising Design builds a steady increase in revenue which allows an organization to plan programs and activities with the confidence of more reliable and predictable income. (Please see Figure 1 below.)

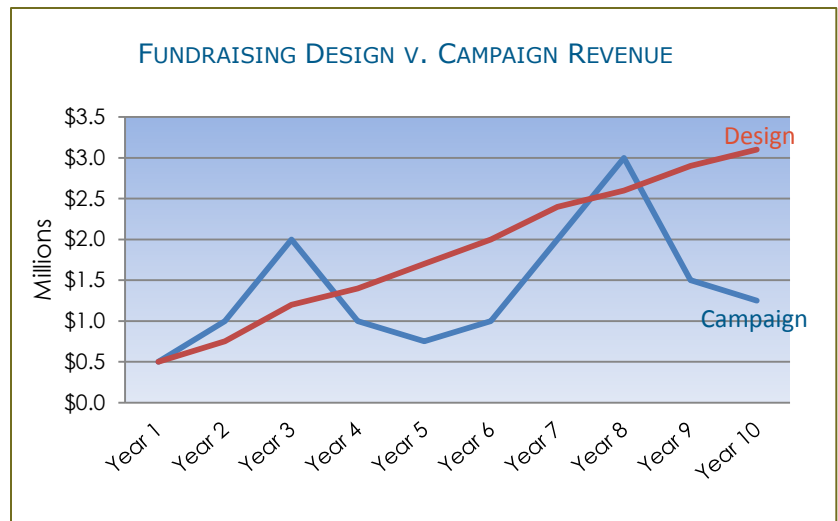


Figure 1. An illustration of the revenue generated from Fundraising Design versus fundraising campaigns. The concept of a campaign was introduced over 40 years ago and its success as a fundraising strategy is limited.

HOW DOES IT WORK?

Our methodology is based on principles proven in the for-profit sector and applied to fundraising in a simple, straightforward manner. At the center of Fundraising Design is the identification and deep understanding of "Donor Tribes." (Please see Figure 2 on the following page.)

¹ For more information on Design Thinking and Tribal Strategy, please see the attached "Further Reading."

...**V**ery few non-profit organizations have come to understand and apply this marketing concept.

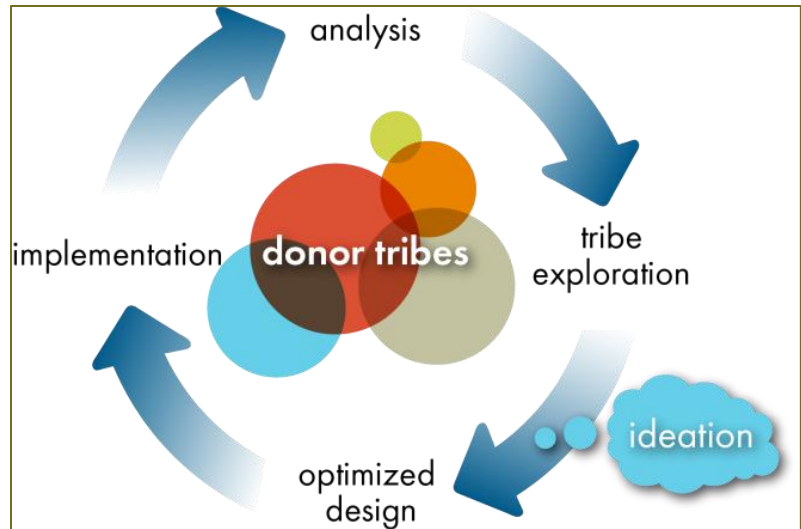


Figure 2. This methodology for planning fundraising programs, called Fundraising Design, has been developed based on the business principles of Design Thinking and Tribe Strategy.

Tribes are groups of people who intensely share a common passion. This common passion – whether for a brand, a good cause, or a sport – bonds the tribe together through a shared sense of belonging. Although the concept of consumer tribes is used extensively in the for-profit world, very few non-profit organizations have come to understand and apply this marketing concept.

Identifying donor tribes and understanding what motivates them to give paves the way to crafting strong, clear messaging communicated in the style and method most likely to deliver results. To define the tribes and then design fundraising tailored for them, we follow a three-phase methodology described briefly below. We expect all three phases to be completed within six months.

ENGAGEMENT PHASES

- 1. Analysis.** In this initial phase, we gain an in-depth understanding of your organization and its donors. Through interviews with key stakeholders and review of relevant

As a result of our engagement, you will have an innovative, cost-effective and powerful fundraising design ...



materials, we understand your organization's aspirations, challenges, and positioning in the market; learn from staff about current donors and donors who have been pursued and chosen not to become engaged; gain knowledge about fundraising ideas that were considered but not pursued due to limited time and/or resources; and benchmark your organization against other non-profits.

- 2. Tribe Exploration.** Based on the information gathered in our Analysis, we will begin to identify the tribes that are supportive of and engaging with your organization. Through our unique interview process with current and potential future donors, we test our hypotheses of what motivates the various tribes. In these interviews, we also ask about the donor's or potential donor's inclination to support your organization in the future to assess the feasibility of upcoming fundraising initiatives.
- 3. Optimized Design.** Using the tribes identified and tested in the second phase of our engagement, we design fundraising strategies to effectively cultivate and strengthen ties with the tribes that provide the best opportunities for fundraising. We approach this phase very creatively and engage in numerous ideation sessions to find possible options for fundraising. From these options, we will rate each scenario based on the following criteria: potential return on investment, ease of implementation, readiness of your organization's staff to implement, and the time horizon required.

We use this rating scheme to identify the best strategy(s) for each tribe and then design fundraising around these strategies. We confirm the efficiency of our design using our Fundraising Optimizer™, an application that simulates 10,000 models of our design and finds the optimal scenario within expense and revenue parameters set by you. This application is unique in the fundraising sector and we provide it to our clients for their future use to ensure all subsequent fundraising designs are optimized. (Please see Figure 3 on the following page.)

For more information about Optimized Fundraising and MWO Philanthropic Advisors go to www.mwopa.com or call Mike O'Mahoney, 416.500.7902.

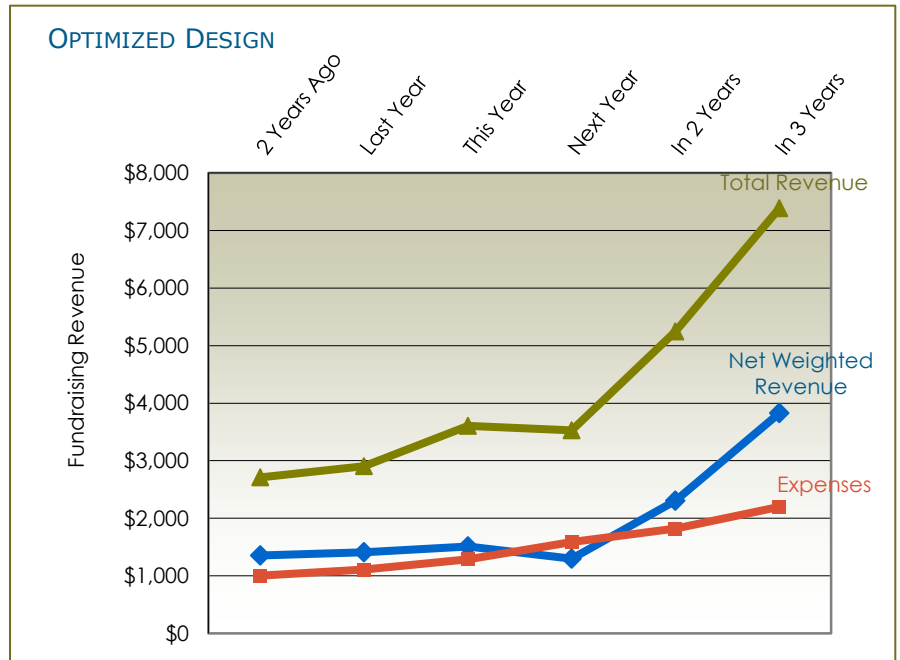


Figure 3. Fundraising Design uses a tool we have developed to model 10,000 different scenarios of cost and revenue to find the optimal model for your organization. We “weight” revenue based on your priorities so the model reflects your organization's highest fundraising needs.

THE RESULT

As a result of our engagement, you will have an innovative, cost-effective, and powerful fundraising design that outlines how to secure income for your organization over the next three years. You will understand your organization's donor tribes and know which of your fundraising programs are working well for these tribes and which programs need to be modified to be more effective. You will be introduced to new fundraising initiatives that target specific donor tribes for short and long-term growth, and you will have a roadmap to direct your implementation of these programs. You will know, with confidence, that you are leading the most effective and efficient fundraising program possible.

Brown, Tim. **Change by Design: How Design Thinking Transforms Organizations and Inspires Innovation.** New York, NY: Harper Collins Publishers, 2009.

In his highly readable and compelling new book, Change by Design, Tim argues that "design thinking" needs to permeate every organization—and shape all of its interactions with its constituents. (Gary Hamel, writer of Management 2.0)

Esslinger, Hartmut. **A Fine Line: How Design Strategies Are Shaping the Future of Business.** San Francisco, CA: John Wiley and Sons, 2009.

A breath of turbo-charged fresh air that doesn't regurgitate the ego-maniac CEO's selective memory or an outside expert's misinterpretations. Hartmut explains innovation through the lens of design, and it's about time we gained his valuable perspective. (Guy Kawasaki, former chief evangelist, Apple and co-founder of Alltop.com)

Heath, Chip and Heath, Dan. **Switch: How to Change Things When Change Is Hard.** New York, NY: Crown Publishing, 2010.

In our research, we studied people trying to make difficult changes: People fighting to lose weight and keep it off. Managers trying to overhaul an entrenched bureaucracy. Activists combatting seemingly intractable problems such as child malnutrition. They succeeded—and, to our surprise, we found striking similarities in the strategies they used. They seemed to share a similar game plan. We wanted, in Switch, to make that game plan available to everyone, in hopes that we could show people how to make the hard changes in life a little bit easier. (Chip and Dan Heath)

Godin, Seth. **Tribes: We Need You to Lead Us.** London, England: Penguin Group, 2008.

A tribe is any group of people, large or small, who are connected to one another, a leader, and an idea. For millions of years, humans have been seeking out tribes, be they religious, ethnic, economic, political, or even musical (think of the Deadheads). It's our nature.

Martin, Roger L. **The Design of Business: Why Design Thinking is the Next Competitive Advantage.** Boston, Massachusetts: Harvard University Press, 2009.

...a tough-minded elegant survey of why design thinking shouldn't be considered some soft thing that's nice for business at the edges but not necessary at the core. (MIT Sloan Management Review, Improvisations blog, October 2009)

Martin, Roger L. **Opposable Mind: Winning Through Integrative Thinking.** Boston, Massachusetts: Harvard University Press, 2009.

Martin draws on more than 50 management success stories, including the masterminds behind The Four Seasons, Proctor & Gamble and eBay, to demonstrate how, like the opposable thumb, the "opposable mind"-Martin's term for the human brain's ability "to hold two conflicting ideas in constructive tension"-is an intellectually advantageous evolutionary leap through which decision-makers can synthesize "new and superior ideas." (Copyright © Reed Business Information, a division of Reed Elsevier Inc.)

Mauborgne, Renée and Kim, W. Chan. **Blue Ocean Strategy: How to Create Uncontested Market Space and Make Competition Irrelevant.** Boston, Massachusetts: Harvard Business School Publishing, 2005.

They urge companies to "value innovation" that focuses on "utility, price, and cost positions," to "create and capture new demand" and to "focus on the big picture, not the numbers." And while their heavyweight analytical tools may be of real use only to serious strategy planners, their overall vision will inspire entrepreneurs of all stripes, and most of their ideas are presented in a direct, jargon-free manner. Theirs is not the typical business management book's vague call to action; it is a precise, actionable plan for changing the way companies do business with one resounding piece of advice: swim for open waters. (Copyright © Reed Business Information, a division of Reed Elsevier Inc. All rights reserved.)

Schmitt, Bernd H. **Big Think Strategy: How to Leverage Bold Ideas and Leave Small Thinking Behind.** Boston, Massachusetts: Harvard Business School Publishing, 2007.

While it's possible to run a successful business by incrementally improving your product and service, you'll forever be trying to defend your turf from others doing the same thing. The way to break free and win big is to "think big". Bernd H. Schmitt takes a look at that strategy in his book Big Think Strategy: How to Leverage Bold Ideas and Leave Small Thinking Behind. It's an unconventional style business book to create unconventional products and services. (Thomas Duff, Portland, OR)

Verganti, Roberto. **Design Driven Innovation: Changing the Rules of Competition by Radically Innovating What Things Mean.** Boston, Massachusetts: Harvard Business School Publishing, 2009.

One of the Design Primers for Businesspeople. Eschewing the received wisdom that the customer is always right, Politecnico di Milano professor Verganti focuses on game-changing designs that up-end expectations and create entirely new markets... Verganti also includes a useful section on how executives can attempt to instigate their own programs of radical innovation. One of the Best Innovation and Design Books of 2009. (BusinessWeek, December 16, 2009)