

# THE EIGHT GUIDING PRINCIPLES OF BENEVON

*Note from Terry Axelrod, Benevon Founder*

Over the past eighteen years, Benevon has trained and coached more than 4,000 nonprofit teams to customize and implement our systematic process for engaging and developing relationships with individual donors. In the process, we have learned a great deal about what it takes to have each organization be successful with our methodology. We have developed these “Eight Guiding Principles of Benevon.” Our intention in sharing this document is to make our point of view and our overarching objectives transparent to any nonprofit organization that may consider participating in our programs. We ask that each member of your team read these carefully before you consider participating in our programs.

## **1. Sustainable funding is not just a concept. It’s a number and it’s not just going to happen.**

While it is nice to talk about sustainable funding conceptually, we are not just interested in talking about it. We are interested in getting organizations there. “There” is defined for us in metrics. We take time with each group to explore what life would be like at their organization if worrying about funding were no longer an issue. What would have to have happened to make that possible? How much money would be in the bank? How many donors per year at what levels? Would there be a big endowment? Each group uses different metrics.

Some define sustainability as an *endowment* large enough to throw off in earnings enough money to cover their annual operating shortfall or gap. Their ultimate metric may be a \$2 million endowment that will generate \$100,000 a year in income.

Other groups define sustainability as a *reserve fund* that they can get their hands on. They may decide, for example, that if they had a reserve fund large enough to cover one year’s operations, they could manage the uncertainties of their multiple funding sources year by year. That one year’s reserve fund becomes their metric.

Some groups define sustainability as having a *higher percentage of their revenue coming from individual donors*. Instead of having 95% of their revenue coming from government grants, 4% from corporations and foundations, and 1% from individuals, their metric may be to increase the 1% individual giving to 5%.

Yet other groups define sustainability as a *percentage increase in the number of individual donors* they now have, such as increasing their current number of 200 major donors by 100% to 400 major donors or *increasing the raw number of individual donors* by a certain amount—for example, adding 100 new major donors per year, or reaching 1,000 major donors total. Groups would put specific conditions on these goals, such as requiring that each donor has an ongoing open pledge to contribute at least \$1,000 a year for each of the next five years. Their metric is the number of new donors at these levels.

We know that, in addition to the hard metrics, many soft benefits are attained as well. In fact, the single greatest benefit the groups in our Sustainable Funding Program report, in addition to the increased funds raised, is the power of the Benevon Model to finally have their real work be known in their community. Increasingly, organizations come to Benevon to end the “best kept secret” syndrome and to engage individuals or groups of individuals in their work. For example, organizations that have been heavily funded by government contracts want to use the Benevon Model to find donors as well as passionate advocates and champions for their work who can speak on their behalf at community meetings and legislative sessions. We quantify that goal with metrics such as numbers of individuals engaged, dollar or legislative results attained, numbers of citizens attending public meetings, etc.

We also understand that each organization’s metrics for attaining sustainable funding may change over time. As they attain one goal, such as having a reserve fund of a specific amount, they may decide next to embark on a capital campaign or build an endowment. At any given time, we are working with each organization to clarify, refine, and attain the specific metrics they have established.

## 2. Each organization needs to want sustainable funding and choose to have it.

We only work with nonprofit organizations that want what we offer. We offer a systematic pathway to sustainable funding. If an organization doesn’t really want long-term sustainable funding, they will eventually become frustrated and disenchanted with our rigorous process.

Many nonprofits come to Benevon seeking short-term financial relief. They have heard the impressive results of other organizations we have worked with, particularly from their Benevon Free-One Hour Ask Event. The only goal they have ever had is to raise one-year-at-a-time contributions. They have not had the luxury of thinking beyond one-year money to sustainable funding. Even after an organization is successful with our model the first year, they will often think, not surprisingly, why do we need Benevon any longer? We can just keep having the annual Ask Event, merely another version of the annual funding treadmill.

The Benevon Free One-Hour Ask Event is only one step in our four-step systematic process of engaging and developing relationships with individual donors. The Ask Event will only be successful in the long term if done as part of the entire process, which is driven by strong Point of Entry® Events. In our model, by the time the donor has been asked for money, they should have been so well cultivated that asking is like “nudging the inevitable.” We liken it to picking ripened fruit. Picking the fruit without a sophisticated knowledge of how to water and fertilize the ever-growing tree is not sustainable.

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Without a passionate commitment to true long-term sustainability, nonprofit organizations should not embark on this approach in the first place. They should take their time, considering the many other programs out there that offer proven short-term solutions for annual funding, such as special events, mailings, and grant writing. They should consider what Benevon offers as one of the alternatives. If their real focus is on short-term funding, they should not choose what we offer.

It is worth taking the time on the front-end to get ready to embark on the process of attaining sustainable funding. We do our best to guide groups through this process, including recommending what is needed to become ready. We want to be certain that each organization truly understands the level of commitment this requires. We do not want nonprofit organizations feeling that they have wasted their money or time to come to our programs. We are looking to work only with the organizations that are serious about attaining sustainable funding and have intentionally chosen to adopt this approach.

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### 3. You are “the ones.”

We work with each organization to craft the ideal team of seven to eight people to implement the model. Because we require a mixed team of staff, board members, and volunteers, for many teams, the first day of their Benevon two-day workshop may be the first time they meet some of their own team members.

Even if the team members know each other well and have been with the organization for many years, as they look around their group, every team wonders at some point if they really are the right individuals to embark upon such an important process for their organization. We operate from the point of view that the teams of seven or eight people who attend our trainings are the perfect people to do this. After participating in our screening and team composition process, you can be assured that your team is comprised of the right people to embark on this project. They are “the ones.”

The primary criterion in selecting team members is passion for the mission of the organization. Second is a commitment to the sustainability of the organization, i.e. ensuring that the organization and its vital work live on in the community.

The most successful Benevon implementation teams include seven team members:

- Two to three staff members: the CEO or executive director, the development director, and one other staff member, which may be a program, finance, or marketing person.
- Two to three board members: those who have real interest in sustainable funding and two to three hours a week to devote to this.
- Two to three volunteers: former board members, fundraising volunteers, or program volunteers.

*Time commitment:* Each team member must be willing to contribute a minimum of one to five hours a week for one year. It takes twenty to thirty hours a week, collectively, from all seven team members combined, to effectively implement the Benevon Model.

*Team member roles:* Each team member is expected to play an active part in the process so that the workload is distributed amongst all members. In our workshops, we offer a variety of roles and tasks for team members to take on, without forcing any particular role on anyone.

*Team leader:* One team member, most often the Development Director (if the organization has a Development Director), is designated as the Team Leader. This person does not do all the work. They coordinate the work of the team members.

*Team member turnover:* Sustainability requires turnover to test that the system is strong enough to withstand change. In the course of five to ten years, most nonprofits experience much staff, board, and volunteer turnover. We embrace this turnover as part of the process and provide the support needed to train and integrate new team members as they come on board, without losing pace with the overall implementation process.

#### 4. This system works.

We would not still be here as Benevon, fifteen years later, if we were not producing predictable, consistent, measurable results for our nonprofit groups. Our evidence-based practices are honed and refined continuously, based on our learnings. If we see that something is not working, we change it. Conversely, if we find a better way to produce the results, we adopt it.

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We have implemented the Benevon Model in over 3,000 nonprofits, from tiny, start-up, grassroots organizations to big universities. We have worked with groups focused on policy, advocacy, research, international relief, environment, healthcare, arts, human services, housing, schools, faith groups, umbrella funding groups, national chapter-based groups, and many, many more.

We take great pride in the fundraising results of our groups. We track our results closely.

- Groups in the first year of our program raise an average of \$200,000 in gifts and pledges in the first year of using our system.
- By year three, groups have raised an average of \$1.5 million in cumulative gifts and pledges since they began using the model.
- By the fifth year, the average amount raised has increased to \$3.5 million in cumulative gifts and pledges.

We are proud of our systematic process—the Benevon Model—because it works. We expect groups that sign on to work with us to be open to our customization of the model and to follow our coaching.

## 5. We care about having your mission fulfilled.

People work at Benevon because they love the nonprofit world. They appreciate the depth of commitment of the people in the field, regardless of their field of endeavor—healthcare, arts, environment, etc.—they want to support their missions being fulfilled.

Beyond appreciating each group's unique mission, we understand the complex organizational structures of many nonprofits, whether they are local, regional, national, or international. We also understand budgeting, cash flow, and the day-to-day challenges of juggling multiple funding sources in the face of narrow financial margins.

We know that each organization is completely unique. We relish and respect that uniqueness and consider it a privilege to delve deeper into each group's distinct culture and environment.

We feel we are effective because we care, we know how to listen, and we have a systematic, customizable process. The nonprofits we work with value our candor and straight talk because they know we are so solidly committed to having them attain their goals.

## 6. We know how to get you there. Trusting us is key.

Our instructors and coaches are fully dedicated to coaching each organization's team to attain their sustainable funding metrics. Like any good coach, they see the full potential in each team, usually well beyond what the group sees for itself. They can envision each organization making it all the way down the field to the goalpost.

Because they know the Benevon Model intimately and have customized it for so many other organizations, they have a facility and ease with the process that allows them to zero in on the distinct qualities of each group, including anticipating potential challenges and hidden issues. Our goal is to work with groups who trust us to coach them to reach their goals. Even the best athletes or performers know that there is no substitute for a great coach. They are smart enough to “surrender” to the coach, to do what the coach tells them to do, even when it seems unreasonable or counterintuitive.

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We recognize that most nonprofit organizations have been burned a time or two. By the time they come to Benevon, their guard may be up, constantly on the lookout for what we might be missing. We welcome all input—that's precisely how we've come this far. We integrate our learnings, by continuously updating our curriculum materials and processes, while staying true to the Benevon Model.

Our programs are built on statistics and mathematical formulas, refined over the years. We hold ourselves to our own high standards for each group's success and work rigorously with you to attain these benchmarks.

## 7. We help customize this to your organization, and then you need to stick to it.

We believe the adage that “once you’ve known one nonprofit organization, you’ve known one nonprofit organization.” In other words, we understand that each nonprofit is different.

Even if every chapter or branch of a national organization has the same official name and mission statement, the customization of our model would be different for each and every chapter. Some organizations, regardless of their budget size or number of years in operation, come to Benevon 101 never having done any individual fundraising. They literally have no donors. Others may have complex fundraising structures in place, multiple branch offices, banquets, well-established giving clubs, or direct mail and planned giving programs.

We want to know what you are already doing so that we can work, over time, to integrate everything into one seamless system. We begin with a thorough inventory of what each organization is already doing. We listen closely to hear how attached a group may be to keeping the golf outing or the gala, for example, or how willing they may be to let it go. We know the existing components of the fundraising program may have been cobbled together and then hard-wired over time. This may take some time to dismantle, if that is even desirable.

We have developed and continually refine our deep body of best practices. Our coaches work together with each team to craft the best application of the model for each organization’s unique circumstances. Then we ask each group to stick to it.

While it may not seem like a challenge, our first-year groups consistently tell us that sticking with the customized plan and not deviating from the process we design with your team is the most difficult part. By the end of the first year, your group will likely feel the same way.

It can be excruciating for nonprofits to resist tinkering with the model—what we call “getting creative.” Precisely because each organization is so unique, people are tempted to modify—sometimes ever so slightly—the plan we have crafted, presuming that we don’t understand their community, their budget size, their type of mission, or the unique personalities of the individuals involved with their organization.

We ask team members to promise each other, before they leave our Benevon 101 two-day workshop, to resist that temptation to tweak the model—even a tiny bit—and to dutifully follow the recommendations and coaching we give them.

We enjoy the challenge of customizing our model to each unique organization and then guiding each group through the process of successful implementation.

## **8. Creating sustainable funding by engaging individual donors takes time, money, and hard work and is essential to the long-term sustainability of the organization.**

Until now, creating sustainable funding from individual donors hasn't been easy. In the absence of a proven, tested system for engaging and cultivating relationships with passionate, mission-focused individual donors, most nonprofits have limped along on the familiar fundraising treadmill of grant writing, special events, and direct mailings, which have focused predominately on acquiring new donors.

Shifting the culture and mentality of a nonprofit organization to one that values long-term relationships takes time, money, hard work, and a team of people truly committed to the fulfillment of the organization's mission.

The day-to-day practices of implementing the Benevon Model need to become a priority within each organization, which means tasks and events need to be scheduled on people's calendars, just as with any other important project. Each team member needs to allow time each week to work on this.

We find that people naturally gravitate towards doing what they like to do and feel most comfortable doing. Yet, we see over and over again, that once they experience first-hand success with new, very natural approaches and tasks, many team members are surprised to discover that they actually enjoy precisely some of those things they never thought they would do! We do our best to dissect the donor development process into easy, very natural, doable steps that any team member could be successful with. Successful organizations in Benevon's Sustainable Funding Program regard the tuition and travel costs as an investment that will yield excellent returns over time. Whether by seeking a grant from a familiar funder, a gift or loan from a longtime donor, or taking the money out of their budget, each nonprofit needs to recognize the investment cost of gradually shifting the organization's fundraising culture once and for all.

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**Most funders—and board members—understand the concept of return on investment. In addition to training and coaching groups to attain their ultimate metrics for sustainable funding, we are also “teaching them to fish,” which provides a lasting return on investment.**

The time and money needed are secondary to the hard work and commitment it takes to be successful with the Benevon Model. We ask each group to approach attaining sustainable funding as if they were a sports team preparing for a big competition. The best teams invest in the best coaches, the best equipment, and then they do what the coach tells them to do, even when they don't want to.

Beyond the work of implementing the step-by-step tasks of the model, the biggest challenge for most teams is *not stopping when the going gets tough*—overcoming objections of others within the organization, dealing with staff turnover, and the day-to-day issues of running a nonprofit organization while working to bring a new culture into existence.

While our primary objective is for each organization we work with to attain the significant sustainable funding metrics they set out to achieve, our groups tell us that over time, rather than being isolated to the fundraising “silo” of the organization, the philosophy and approach behind the Benevon Model starts to affect and inform every aspect of their operations. To borrow from the tech world, rather than being a software program on the desktop of their computer, like Word or Outlook or Excel, the Benevon Model becomes more like the invisible Windows operating system that drives all other applications.

Therefore, beyond fundraising success, we want the Benevon practices and methodology for engaging and developing relationships with individual donors to become fully integrated into the fabric of each organization. We believe that, even more than their money, it is the engagement of passionate individuals in the mission and work of each nonprofit organization that is the lifeblood—the oxygen—that will ultimately sustain the mission, the vitality, and the relevance of the entire organization.

We want each individual team member to know that their work contributed to shifting the culture of the organization forever. Rather than having to accept the default culture of the year-to-year fundraising treadmill, future generations of staff, board members, and volunteers will step into the new culture where financial sustainability is the norm. And all the work will have been worth it!