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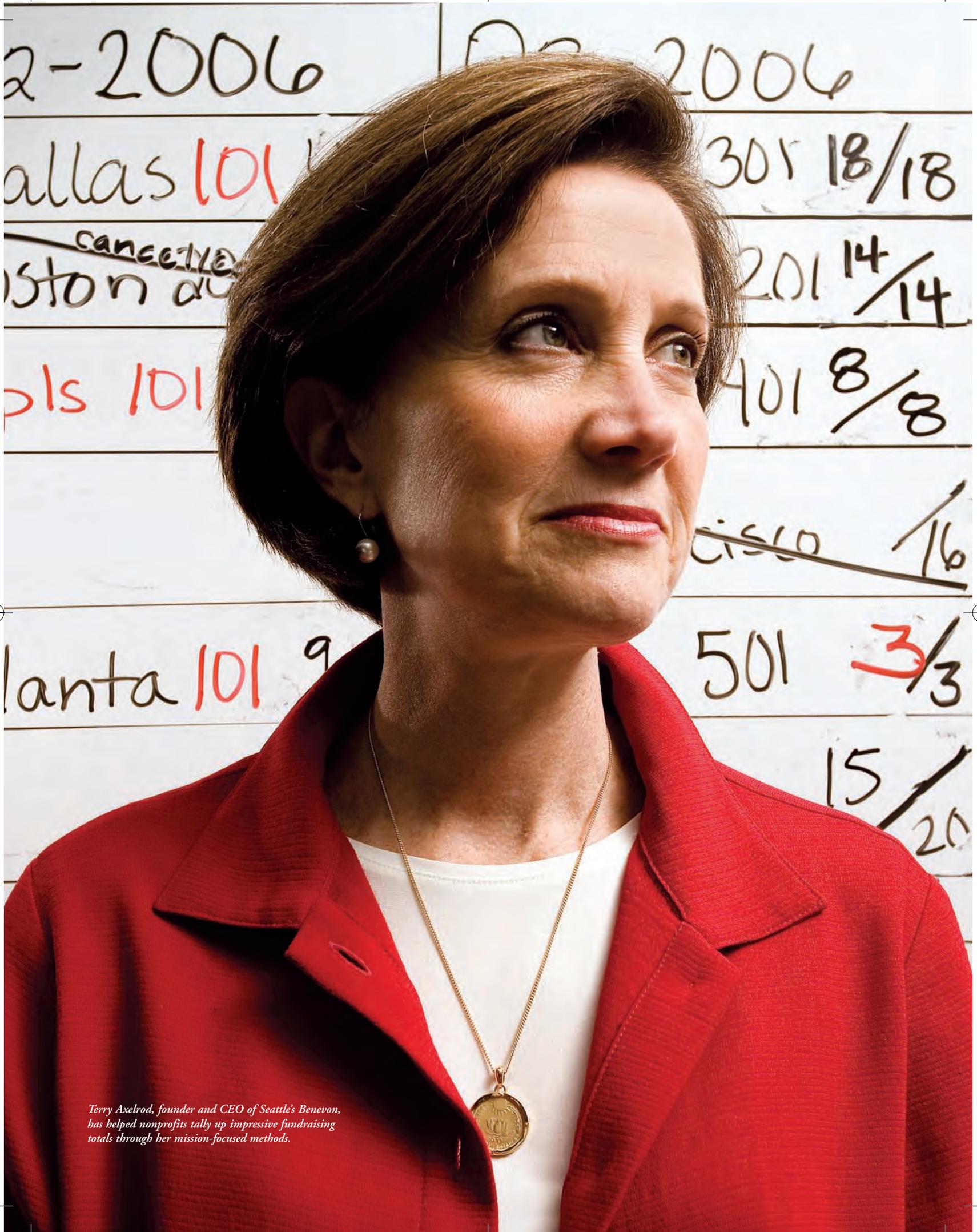


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Terry Axelrod, founder and CEO of Seattle's Benevon, has helped nonprofits tally up impressive fundraising totals through her mission-focused methods.

A photograph of a whiteboard with handwritten notes. The notes are organized into rows, each starting with a checkmark and a number. The text is written in black and red ink. The entries are: Q4-2000, Philadelphia 10, Chicago 101, Las Vegas 101, Orlando 101, Orlando 201, ~~Toronto 101~~, Orlando 301, Dallas 201 11, and EDUC FDN 10.

✓	Q4-2000
✓ 8	Philadelphia 10
✓ 4	Chicago 101
✓ 3	Las Vegas 101
✓ 16	Orlando 101
✓ 3	Orlando 201
✓ 20	Toronto 101
	Orlando 301
	Dallas 201 11
	EDUC FDN 10

— Donation Sustained —

Nonprofit groups are singing the praises of **Terry Axelrod** and her 'Benevon Model' for refocusing their fundraising efforts on the right donors.

BY CHERYL MURFIN
PHOTOGRAPHY BY BRIAN SMALE



When I recently picked up a copy of Terry Axelrod's newest book, "The Joy of Fundraising," my reaction was

immediate: Am I the only one who sees an oxymoron in this title?

While I love my job as executive director of the Seattle Midwifery School, one of the oldest and most well regarded institutes of midwifery education in the nation, I have to admit that the words "joy" and "fundraising" rarely, if ever, meet in the same sentence.

Washington state is home to more than 30,000 nonprofit businesses—most of which rely on donor benevolence to meet annual operating costs. Many volunteers at groups such as these are disenchanted by the traditional "nickel-and-dime" methods of fund development—cold calls, phone-a-thons, mass mailings, etc. These techniques work to a degree, but only because they guilt the donors into writing checks of support. Each year, they have to be contacted again to help meet higher and higher fundraising goals.

Were I to write a similar book, the title would be more like, "The Pain of Event Planning and the Agony of Year-Round Donor Begging."

Luckily, Axelrod, whose book is subtitled, "How to Stop Suffering and Start Enjoying Asking for Money for Your Favorite Cause," is much more hopeful—and helpful. In a little more than 100 pages, the CEO and founder of Seattle-based training firm Benevon, explains how most nonprofits are going about the tough business of fundrais-

ing the wrong way—by trying to convert the masses instead of focusing on the potential donors who feel a personal connection with their particular causes.

The so-called "Benevon Model" eschews mass mailings in favor of a personal touch. While large-scale solicitations may be successful in bringing in a considerable number of small donations, they fail to nurture the kind of lifelong giving or endowment-level, multi-year gifts that are necessary to sustain an organization for the long term.

Conversations with funding directors using Benevon, however, left me scratching my head. What is it about this model that has seasoned fundraisers rethinking their luncheons? What kind of model promotes a shorter donor list over a database of thousands?

Noting my inability to identify the special ingredient of the Benevon recipe, Axelrod says, "It looks like white sauce on a burger, until you take it and realize it's the secret sauce!"

- All in the timing -

FORMERLY KNOWN AS Raising More Money, Benevon was rebranded with its current name last fall. Since its inception in 1996, the private company has grown from two to 45 employees. More than 2,500 nonprofit outfits of all sizes have paid handsomely to learn the Benevon Model over the past decade. In 2005, those Benevon graduates raised a combined \$51 million to serve their missions.

On its face, the model closely resembles traditional fundraising efforts. The company still encourages the time-tested planning of special events and solicitations to grab donors' interest. The main difference is a matter of valuing quality over quantity.

In a nutshell, here's how the Benevon Model works: Potential donors are invited to come to a short get-to-know-you event. Those who show interest in the group's mission—and *only* those people—

THE BENEVON MODEL

Four Steps to Sustainable Nonprofit Funding

Between workshops, nonprofit clients have access to attentive Benevon coaches trained in implementing the program, along with an online resource center and an extensive collection of books, videos and other media. All of this training is focused around a simple four-step "circular" process that Benevon founder and CEO Terry Axelrod calls nothing short of "transformational."

- Step 1 -

POTENTIAL DONORS—who can be anyone, rich or moderate of means—are invited by someone connected with the fundraising organization to a one-hour, well-rehearsed "point of entry" event. The point of entry is often an open-house style tour of the organization. Guests meet key organization leaders, learn

about the mission of the group and hear inspiring stories aimed at connecting potential donors to the mission by a heartstring. At the end of the hour, an event leader asks visitors for permission to call them in the near future, merely to solicit feedback. If the visitor says no thank you, that person is "blessed and released" (a concept that Benevon has trademarked), and is not contacted by the organization again.

- Step 2 -

GUESTS OF A point-of-entry event who have given their permission to receive a follow-up call are asked for feedback about the presentation. They are also asked if they would like to get involved in any way and if they know of anyone they'd like to invite to another point-of-entry event. Again, those who do not want to become involved are blessed and released. Those who express interest are invited to become involved further in whatever way they prefer, be it volunteer-

ing, spending more time learning about service, receiving written materials or some other way of connection.

- Step 3 -

AFTER A PERIOD of cultivation—the length of which is different for every person—the potential donor is ready to be asked for money. The request occurs either one-on-one or during a one-hour "ask event," in which numerous donors are invited to join the organization's "Multiple-Year Giving Society" by pledging at specific levels every year for five years.

- Step 4 -

DONORS ARE consistently reconnected to the mission through the years at "Free Feel-Good Cultivation Events"—things like a special breakfast with the CEO, a major donor lunch, a special outing with consumers or a gala. From here on, they are encouraged to invite new people to point-of-entry events, which brings the process back to Step 1. —C.M.

are personally recruited through a series of follow-up meetings and, eventually, are invited to make a five-year financial pledge to the organization. (See sidebar, below left.)

Attracting the masses, Axelrod says, takes time and energy away from the much shorter list of supporters who truly “get” the mission, don’t need a gala to commit to it and are most likely to invest in it for the long haul.

Axelrod has two words to describe her company’s fundraising techniques: mission centered. “We teach [clients] how to grow sustainable funding,” she says. “We teach them how they can build enough assets so that they can live off the earnings. It’s about connecting people to the mission, not strong-arming people into giving.”

Timing is also important in the Benevon Model. Workshop instructors and fundraising coaches encourage clients to get to know their donors and to weave them into the fabric of the organization before any discussion of money arises. With this extra legwork, the donor is more likely to stay attached to the organization, even if the individual who first made contact with the donor leaves.

“Even if they have a million dollars, we don’t ask them for money until we know they know our mission,” Axelrod says. The model, in essence, tells potential donors, “If our mission doesn’t rock you, we don’t think you should give us your donation,” she explains.

- A tough sell -

ALTHOUGH BENEVON HAS a proven track record, selling cash-strapped nonprofits on its methods can be an uphill battle. Not only is the Benevon Model counterintuitive in its less-is-more approach, it is expensive.

The first three Benevon Model workshops/coaching packages cost \$12,000 apiece and require a two-day commitment for each class, at least seven participants (including board-level staff) and an entire year of follow-up coaching. For the full five-year program, the price tag is \$80,000. For the truly budget-conscious, however, Benevon also offers a one-day workshop for \$1,250 per person.

“This is our eleventh year. That’s a long time and we’ve tested and made a lot of mistakes,” Axelrod says to the skeptics. “What we’ve learned is that it really requires a team to implement this model. It’s not about one person. We want seven people at the workshop because when each one has that ‘aha!’ moment, it will move the group and the organization forward.”

As if the costs were not daunting enough, Benevon’s website states very clearly: “There are no guarantees.”

Wow.

My organization’s entire fundraising goal for fiscal year 2006–07, I should point out, is \$200,000. I can’t even imagine attempting to sell my board on an \$80,000, five-year investment in any single fundraising model with no guarantee. How can I trust that Benevon will help my organization recoup its costs and generate substantially increased donations in a year, or in five?

But Benevon customers, for the most part, say that, if done right, a



“We teach nonprofits how to really cultivate lifelong donors who connect with the mission and then listen to what donors want,” Axelrod says.

Benevon client can receive back far more than was paid into the model. If an organization applies the program without veering off its strategic, step-by-step path one iota, buying into Benevon can be a prudent move.

“We follow the recipe; we do not deviate because we trust what [Benevon] has learned through the years,” says Donna Batter, fund development director for Washington Women in Need. “Everyone thinks they know everything about fundraising and that doesn’t work. This is a system—it’s organized, it’s very strategic and it does work. The whole thing is about connecting individuals to the mission and not to a specific person in the organization.”

Batter admits that while members of her organization were at first leery of Benevon and its price tag, the leadership at Washington Women in Need now swears by the model. Since 2004, when Batter and others at her organization signed up for their first Benevon workshop, the group’s coffers have grown dramatically. Between 2004 and 2006, the group’s long-term pledges and one-time donations jumped 311 percent to \$857,000.

Kristine Frost, fund development director at Mercer Island's Children's Institute, a therapeutic day school program for children with learning, social or developmental differences, believes Benevon is worth every dime her organization has spent.

"I've been raising money for 27 years," she says, "and I've done everything from selling wrapping paper to walk-a-thons, and the fact is, those things are just not very effective."

For 13 years, Frost notes, Children's Institute would raise about \$20,000 each holiday season by wrapping gifts for donations. "But it wore out 400 wonderful [volunteer wrappers] and it was a nightmare to manage," she says. "The problem is it wasn't mission-focused. People walked away with a gift, but they didn't know anything about our school."

In its first year under Benevon's tutelage, Frost's institute raised a total of \$55,000, including one-year gifts and multi-year donations. By the second year, the school more than doubled its donation income, bringing in \$122,000 in individual donations, plus an additional challenge gift of \$100,000. During its third year, the total rose again to \$142,000.

The program, say those who swear by it, takes the guesswork, awkwardness and discomfort out of asking for support.

"Our donors come and see our kids in action," Frost adds. "We don't bug 'em. We don't send 'em letters or anything like that any more. There is absolutely no pressure asking for money because ... they are ready. They expect it because they are already committed."

- Overriding the scarcity mentality -

A COMMON OBSTACLE TO fundraising success is the perception of a donor shortage. In actuality, Washingtonians ponied up \$444 million to charities in 2005.

Nationally, donations to charities amounted to \$260.3 billion in 2005. That's a 2.7 percent increase over 2004 figures after inflation. The 2005 total, which was reported in *Giving USA*, was close to the country's all-time high of \$260.5 billion in 2000. Of the 803 charities that were surveyed by the Giving USA Foundation, nearly 60 percent said that they were able to raise more money in 2005 than they had in 2004.

These numbers show that money is not as scarce as many nonprofit leaders believe, says Axelrod. "It's more that [groups] don't know how to cultivate," she says. "You don't know when to ask, and you override your instinct out of a scarcity mentality."

According to Benevon figures, the average nonprofit customer raised \$195,000 in gifts and pledges in the first year of using the organization's method. That average has gone up even in times of major economic stress or national crisis.

Batter, Frost and others using Benevon maintain that "donor fatigue"—the idea that with so many people asking them for money, the public gets tired of giving—is a myth.

"We don't ever burn them out," Axelrod says of her clients' donors. "We want them to give because they are motivated by and about the mission. We teach nonprofits how to really cultivate lifelong donors who connect to the mission and then to listen to what donors want."

Flexibility is another attractive aspect of the Benevon Model. While an organization's individual donor events and connections are unique, the model is the same for all.

That's a breath of fresh air, really. The amount of donations that

individual 501(c)3 or other tax-recognized nonprofit organizations raise is open to public scrutiny. But, frankly, some of us still treat our fund development plans like U.S. government-stamped top-secret documents. We worry that sharing information with other organizations on exactly how we go about pleading for financial support would result in losing our chunk of the donor pot—as if our luncheons, auctions, golf tournaments and fun runs are unprecedented.

- A history of success -

THE FACT THAT BENEVON'S expensive program can inspire intense customer loyalty is as much a tribute to Axelrod's sales acumen as it is to her model's effectiveness.

The former social worker turned fundraising guru made her name in the industry when she helped transform a tiny, inner-city private school for African American children in Seattle, called Zion Preparatory Academy, into one of the fundraising super-stories of the 1990s.

Zion, which at the time served about 550 children, had no fundraising history. The school was struggling along on a monthly tuition of \$190 per student, while teachers were barely surviving on a salary of \$1,200 per month with no insurance or pension.

A brief visit to the school led Axelrod to step up and lead Zion's fundraising efforts starting in 1992. "We needed to raise \$500,000 by June, at the rate of \$50,000 a month," she wrote on the Benevon website. "And we were already three months behind."

During the next two and a half years, Axelrod pushed Zion to raise \$7.3 million. When she left the school in 1995, Zion could count on pledges for unrestricted operating funds for \$850,000 for each of the next five years, or more than \$4 million. An additional capital campaign had raised \$3 million.

Her experience at Zion helped to forge the heart of the fundraising model she champions today—lifelong donors must connect to the mission and continually be personally reconnected to the organization.

"Everyone knows the Zion story," Batter says, adding that the school's success has helped nudge nonprofit executives to attend informational sessions with Benevon.

- Strategy for a secure future -

AFTER READING AXELROD'S interviews with the executives at various nonprofits whose funding (and fund development team sanity) has been substantially improved using the Benevon Model, I am ready to buy the book for every member of my board of directors.

I often lie awake at night thinking about a multimillion-dollar endowment that would ensure the financial stability and future viability of Seattle Midwifery School.

Following Terry Axelrod's suggestion, I am starting to see the fund development forest for the trees. I can raise \$1,000 one dollar at a time by, say, sending out 2,000 letters to people who know a little about my school. Or I can raise \$1,000 by asking one person who loves my school and has the resources and interest to write a single check.

Investing in a plan that carries no guarantees can be scary. But spending \$12,000 to raise a potential \$195,000 per year without ever writing another solicitation letter is a far better return on investment than we see with our current strategies.

Come to think of it, I've never met a fundraising strategy that came with a moeny-back guarantee. **SB**