

Guide To Successful Fundraising Programs

“Through these fundraising partnerships, we have gained new customers and also created a really positive profile in our community.”

Jean Gust
Owner, Valley Flowers

It seems that anyone in retail is constantly asked for donations. In addition to being asked for money florists are also often asked for product.

Fund-raising programs can be a solution. Done properly they can:

- Get you out of an awkward situation
- Increase sales
- Provide positive community exposure

Here's how it works. Let's pretend that you get a donation request from the local little league. Instead of simply giving (or refusing) them money you explain that you will be their fund-raising partner.

You then set up a special little league fund-raising program that sees a percentage of any sale generated by this program being set aside as a donation. You decide on the percentage and some other variables (discussed later) when you set up the program.

Once the program is in place and a customer makes a purchase and explains that they are taking part in the little league fund-raising program a percentage of their sale will be set aside for donation. After whatever period you decide you can run a report and see how much you owe to the program.

The idea is to turn the people and organizations who ask you for donations into your sales force. If they want the program to work they have to promote it aggressively to everyone involved - in this case the other parents, friends, co-workers, etc. Only by getting people to come into your store and spending money do they raise any money.

It is a very powerful strategy that not only increases your sales but raises your profile and improves your image in the community as well.

For the program to be successful it has to work for the customer, the fund-raising partner and the florist.

Designing A Successful Program: The Florist

What works for the florist? Let's think about what you want to get out of the program, what you want to avoid, and how it all fits together.

Increased Sales

The ultimate goal of a fund-raising program is to increase sales for your store. The idea is that your fund-raising partners will promote the program to their supporters who will promote it to their families, friends, neighbors and co-workers who will then come to your store to make purchases in order to support the cause.

“Try and choose things that you feel good about supporting. You'll be more inclined to really get behind the program and make it work.”

New Customers

In addition to increasing sales you want to expand your customer base by bringing in new customers. This means that you should look for partners who can expose you to new people - you don't want to just keep re-working your existing customer base. For example - if your store has an older clientele you might want to work with some school yearbook committees. It doesn't mean that you should ignore partners that target customers you already have but you should always be looking to broaden your customer base.

Positive Exposure - Possibly Even Media Attention

Fund-raising and being associated with good causes is good exposure for your store. And - in certain situations - a fund-raising program can even get you positive media attention. For example there might be an incident in your town where a puppy mill is found and it generates a lot of news coverage. A fund-raising program for the local SPCA would be very topical and if you sent a press release to local media outlets they might even give you some free publicity. In a case like this it is important to be very generous (by making a significant donation) so that it does not appear that you are exploiting the issue. Because we're talking about a percentage that can impact your profit margin this kind of program should also be short-lived as you just can't afford to do it indefinitely.

No Controversy!

You want to choose organizations and causes that are not overly political or divisive. Supporting something controversial might please one group but alienate another. Since the goal is to increase sales overall this doesn't make sense. Make choices that won't risk offending or upsetting customers.

Realistic Percentage

No matter how much you support the cause you need to be realistic about the percentage you promise to set aside for donation. Don't make a commitment that you can't afford to keep!

Easy Administration

Your programs should be easy to maintain and administer. You don't want to spend a lot of time trying to figure out applicable sales, reporting, etc.

Put The Terms In Writing!

The last thing you want is any confusion over the accumulated donation. You will look very bad if there is any way it could like you are renegeing on an agreement with a non-profit.

Feel Good!

Try and choose things that you feel good about supporting. You'll be more inclined to really get behind the program and make it work.

“Customers who respond to this kind of program want to feel that they are making a difference. Reinforce that. Tell them that you and the fundraising partner appreciate their support and that the donation from their purchase is going to a great cause.”

Designing A Successful Program: The Partner

What does your program need to offer the fund-raising partner?

A Reason To Get Excited

Give them a percentage that makes it worth their while. If you offer them 2% it probably won't get them excited. In turn they probably won't promote it and the program won't be very effective. Offer a percentage that will really motivate them to promote the program.

Ease Of Explanation

For this to work it needs to be simple. Why? Because your fund-raising partner needs to be able to explain it quickly and easily to get the word out. Too many terms and conditions will make it too hard to explain. You want something like “we get a 10% donation if you mention little league” and not “we get 6.75% if you buy red roses in person on the first Wednesday of each month and mention the special code word”.

Ease Of Administration

Be a good partner. Don't make them do all the work. Don't make them chase after the money. If you agreed to settle up every month then call them each month, give them the stats and send the check. Remember - by that time they have already done their part. They have promoted the program and their supporters have given you their money.

Transparency In Reporting

Remember that you are asking the fund-raising partner to trust you. You are asking them to go out and promote your store in return for a potential donation. That means that you owe them straightforward and honest reporting. At the end of each period you need to be able to show them exactly how well the program performed.

Designing A Successful Program: The Customer

Make It Easy To Participate

If people come to your store in good faith because they want to support a cause don't make it hard for them. Don't insist that they know a special code or password. Don't insist that they show you a special card or ID. Don't start telling them the products/services they are interested in aren't eligible. If you do you'll give the customer the impression that you are using the fund-raising partner and trying to trick or “bait and switch” it's supporters. This is everything we don't want to happen - losing a sale, alienating a customer and giving your store a bad image! All the customer should have to say is something like “I heard you have a program with XXX?”.

Make Them Feel Good

Customers who respond to this kind of program want to feel that they are making a difference. Reinforce that. Tell them that you and the fund-raising partner appreciate their support and that the donation from their purchase is going to a great cause.

“...you want the fundraising partner and their contacts to get excited about the program - that means that the donation has to be interesting. You also want to make money!”

Reinforce The Program

If they took the time to make a purchase and mention the program they probably care about it. Tell them that it's getting a great response and that they should tell more people about it.

Designing A Successful Program: The Terms

How long will it run?

Make sure that any program has clearly defined start and finish dates. Indefinite programs are never a good idea - there should always be a specific ending date. It also creates more excitement and participation if it is a limited time offer. Also remember that it takes time to spread word about the program - if you make it too short it will be over by the time people here about it! Even if you are interested in long term programs with certain partners you should consider taking every third month off to maintain that sense of urgency.

Is the program only offered with certain types of payment?

You might want to specify that the donation is only applied to certain payment types but don't get too picky! Remember - the idea here is to increase sales so if you're too selective about payment types you just diminish it's effectiveness. For example - excluding credit card payments is probably a bad idea as it precludes phone orders and limits the program to walk-in customers. You won't see the same increase in sales. At the same time it's probably a good idea to exclude sales that are charged to an account - you could end up paying the donation before you actually get paid yourself, and of course there is always the chance the debt will go bad.

Are any types of items excluded from the program?

Are any specific products or services going to be excluded from the program? If so you need to be clear about it from the start. You never want to get into a situation where a fund-raising partner is expecting that a certain sale qualified only to find out that it fell into some kind of loophole. Remember - you want to make big donations because it means you're making more sales. The best way to make it work is to make it simple - the fewer special terms and conditions the better.

How much will you give back?

You need to be very clear about the size of the donation. What percentage of qualifying sales are you going to give back? There are two main factors to consider. The first is that you want the fund-raising partner and their contacts to get excited about the program - that means that the donation has to be interesting. You also want to make money! There is no point making the donation so big that the increased sales aren't profitable! One possible approach is to look at your marketing budget. What percentage of revenue do you typically invest in marketing? Since this is a marketing effort that number is a good place to start. Since many florists tend to under spend on marketing you might want to increase that number slightly.

“One new customer specifically said that she would never buy flowers anywhere else again - because Valley Flowers supported ‘her’ hospital!”

Jean Gust
Owner, Valley Flowers

When will you give it back?

Clearly specify when and often you will be reporting on the results of the program and making the donation. It should be at least once a month for a couple of different reasons. The first is that feedback on a successful program keeps everyone excited. If the program is making money the people involved should be kept informed because it will motivate them to keep promoting and taking advantage of it. It’s also important to not let a donation - which is a kind of liability - get too big. Let’s say you have a really successful program that generates a donation of a few hundred dollars each month - it’s best to give that money back before it starts piling up and you start spending it!

What will you give back?

It doesn’t always have to be cash. It might be credit or gift certificates/vouchers. It might be product. Whatever it is you need to be clear about it from the beginning!

Notes

List some groups/organizations that have asked for donations and would be suitable fund-raising partners:

Group / Organization: _____
Contact Name / Phone: _____
Ideas / Considerations: _____
Next Steps: _____

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“The end result? More sales. Launched just before Easter these programs helped increase her sales 30% over the previous year. ”

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Get Started!

For More Information

Please visit our website or contact one of our representatives to learn more.

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