

How to Select and Use a Fund Development Consultant

by Simone P. Joyaux, ACFRE

WISE NONPROFITS UNDERSTAND that fund development is about more than just money—it is about thoughtfully forging critical and potentially long-term relationships based on the match between the organization's goals and the interests and motivations of prospects and donors. Your fund development operation creates opportunities for donors to live out their aspirations. This means that you should not approach fund development as a quick fix, because it can impair your chances for sustainability.

Done well, fund development finds and keeps donors interested and supportive over the long term. Done poorly, it can be an embarrassing interlude that can cause credibility problems for years to come.

It's Not Only About the Money

Too many nonprofits still wrongly think that all they need is more money to make things work better. However, sometimes a steady income stream flowing into a weak organization simply covers up issues that will eventually get worse.

Similarly, many nonprofits believe that fund development consultants hold the keys to the gate of the money garden. This is fanciful thinking. Each organization has to work hard to get

through that gate—often with scratches and bumps—even when it gets extra support from friends and consultants.

Here's some of what development consultants can help you do:

- advise you on your funding mix;
- help you rethink your internal system for fundraising;
- instruct you on what is working in direct mail, online, etc.;
- help you to structure and organize special campaigns (endowment, capital, etc.) and events;
- help you tell your organization's story to different audiences (e.g., crafting proposals, case statements, and other instruments); and
- help you see where other problems may be obstructing your access to money.

This last item may be the most critical role a good development consultant plays. For example, if your organization has trouble planning more than three weeks ahead; or community members talk badly about your agency; or the last time you had a board quorum was...well, you can't quite remember; or you can't get a grant report out the door within the same year a grant ends; or last clean audit was four years and three executive directors ago; or any of a host of similar challenges, then you have more to do than simply develop a good fundraising strategy.

Are You Ready to Hire a Fund Development Consultant?

If you don't want to generate a truckload of additional work for yourself, your staff, and your board, you are not ready to hire a development consultant.

You *are* ready, however, if you know that preparing your organization for a new level of fund development will require other organizational improvements as well. Most fundraising problems are not actually fundraising problems at all. Needed changes may extend well beyond fundraising to governance, leadership, financial management, and program quality.

The changes you may need to make to approach fund development with integrity and success take time and may be painful. It is unwise to expect a quick and uncomplicated turnaround. What you *can* expect when you are finished, though, is a significantly strengthened operation in general.

Unfortunately, some consultants will just do as you ask, even when they know results will be short lived—if they are realized at all. These consultants may act shocked or angry when they find unanticipated blockades to their well-laid plans. This can lead to wasted time and money, and worse—to demoralizing or at least raising questions in the minds of important stakeholders, including potential donors.

After you have discussed your par-

ticular situation with potential fund development consultants, ask each candidate what other problems in and around the organization might need to be examined. Is the consultant's preliminary review of your situation and challenges insightful? If not, the consultant will probably not be able to skillfully guide you through an improvement process.

In the end, you want to hire a consultant who is honest to a fault, highly skilled, trustworthy, and with whom you feel comfortable—remember, you're going to share your problems, challenges, hopes, and dreams with this

person. You must also return the favor of being honest and reflective to allow the work to proceed well.

Board Involvement

Getting boards involved in fund development is always critical, but the ways in which this involvement is important vary. Beware the consultant who enters with absolute "shoulds" to be implemented without regard for your organization's specific conditions.

One "should" to watch out for is when consultants expect board members to trespass on their personal and professional relationships. This assumes a

model in which you recruit board members for their connections to affluent people and businesses, which is not necessarily going to lead to good governance. Pick board members for all the right reasons. Ask your board members to examine their relationships to determine if any of their acquaintances may be interested in your cause. Train them to ask, but make sure that the person being asked has exhibited some potential interest. Remember, it's about a match of the person's aspirations and motivations with your organization; it's not about using connections and favors.

Tips for Selecting a Consultant

Finding the right consultant for your organization requires a match between your needs and the consultant's skills, experience, and approach to work. Here are some steps you can take to make the best possible selection:

- Identify the strengths and weaknesses of your fund development program. Involve the board in this discussion.
- Identify consultant candidates. Refer to consultant directories. Ask other organizations if they've hired consultants, and whom they liked and why. Probe!
- Contact three to five consultants by telephone or e-mail. Briefly explain why you think you need a consultant. Ask the consultants to send information about their practice, representative clients, and other materials that would help you learn about them.
- Review the consultant materials and identify two or three consultants who seem to be a potential match with your organization. Contact the consultants for an interview.
- Interview the consultant and have the consultant interview you.
- Meet face-to-face, if possible. If not, schedule a telephone interview.
- Make sure that several board members participate in the interview. The purpose of the interview is twofold:
 - (i) The consultant should help you better understand your issues.
 - (ii) The consultant should give you ideas about how you might work together to meet your needs.

You get to know each other a bit to decide if you might want to work together, then you can request a proposal—or not!

After the interview, debrief with your colleagues. Decide which consultants you want to submit a proposal. Contact the consultant(s) and request a proposal that details the activities to be undertaken; goals and benchmarks to be achieved; and a proposed timeline and budget. Check references. Speak with both staff and board members who have worked with the consultant. Review the proposals and make your selection. Keep in mind that a proposal is just a proposal. If you have questions, call and ask. If you like the consultant but don't like all elements of the proposal, say so. Negotiate! Call the consultant and close the deal.

What Expertise Should Your Fund Development Consultant Have?

Your consultant must be an expert with absolute currency in fund development. The most effective fund development consultants are generalists, experienced in development planning, systems design, industry standards, direct mail, face-to-face solicitation, and special events. Your consultant should know prospect research and proposal development; budgeting and financial management; and volunteer recruitment and training; and should be absolutely up to date with philanthropic and funding trends.

In summary, your fund development consultant must possess all the knowledge and experience required to be certified as a fundraiser. For a quick briefing on what this knowledge is, go to CFRE International (www.cfre.org), and review the test content outline. Use this information to screen your prospective fund development consultant.

A fund development consultant also needs to know organizational development. As noted earlier, barriers to fundraising are often located elsewhere in the organization. Complaints about one area, may indicate deeper systemic challenges for the organization, for example:

"Board members won't help fundraise." This familiar refrain may indicate a recruitment, motivation, or

board-orientation problem—or all of the above, and then some!

“Donors aren’t interested. They don’t understand.” This could be due to any number of things, from your organization’s image and reputation to an unclear or irrelevant mission to the lack of a communications strategy.

“Staff and board members are upset about a proposed fundraising event.” This could be a values conflict.

A fund development consultant needs to understand organizational development to help identify and address barrier concerns like these. Your consultant must be very knowledgeable in governance and planning, facilitation, and participatory decision-making. He or she must also understand systems thinking to help analyze what is happening—both good and bad.

Your consultant helps you solve the problems that affect fund development—even when they are not fund development problems. For more information, see the free monograph “Choosing Your Road: Organizational Development Specialist or Just Another Fundraising Technician?” at www.simonejoyaux.com/resources/pdf archive.

Warning label: Good consultants match their approach to the particulars of a situation. There are consultants who will try to sell you on their own personal latest, greatest package complete with a nifty name. Beware! If

someone is trying to sell you a trademarked secret or magic pill, don’t buy!

A Common Mistake

Don’t ask for proposals without first interviewing prospective consultants. How can a consultant personalize a proposal to your agency without actually speaking with representatives from your organization? If you develop a Request for Proposal (RFP) and send it out to prospective consultants, you may just be wasting their time and your own. You are not buying a commodity; you are creating a trusted advisor relationship.

Consulting is about the match between you and the consultant. Consultants will

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have the same or remarkably similar expertise and experience, but some consultants will be just right for your organization. Meet candidates who look right on the surface. Talk with them. Ask them questions, and listen to the questions that they ask you. Listen to the stories they tell you about their work. Ask them about their volunteer work in philanthropy. Ask them why they got into this work.

You’ll learn a lot. You’ll learn who is right for you, and the consultants will learn if you are right for them. It’s the match that counts.

A Little Success Story

Imagine a small organization struggling with challenges at the board, management, and fund development levels. Faced with growing client needs and a budget unequal to those needs, they elected to hire a development consultant. Some of the staff and board embraced change. Others were more cautious, but they all tried.

For two years the organization invested time and money. They assessed every area of operation and they found problems in program design, pricing of their services, and board focus. They reorganized and reorganized again. They thanked and released volunteers and staff. They started over and over.

And at the end, they were successful. The executive director commented, “If you are committed to making your organization the best it can be and are not afraid of hard work—then hire a consultant like this. Roll your sleeves up, because you’ll work. But the payoff will be huge. We credit our tremendous success to our partnership with this consultant. All we had to say is: ‘We are ready.’”

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Educate Yourself about the Ethics of Fundraising

Code of Ethics, Standards of Professional Practice, and Performance Expectations of the Association of Philanthropic Counsel (www.apcinc.org)

CFRE Test Content Outline at www.cfre.org. CFRE International is the certification body for fundraisers. The test content outline represents the knowledge that all fundraisers should possess at the five-year level. Use this information to screen prospective fund development consultants as well as prospective fund development staff.

Code of Ethics and Standards of Professional Practice for the Association of Fundraising Professionals (www.afpnet.org)

Donor Bill of Rights, located on various Web sites including www.apcinc.org, www.afpnet.org, and www.simonejoyaux.com