

Frictionless Fundraising: How the Internet can Bring Fundraising back into Balance. Michael C. Gilbert, January, 2003. Nonprofit Online News is a program of The Gilbert Center at <http://news.gilbert.org>.

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Michael Gilbert reaches the nonprofit community with his electronic newsletter containing articles, workshop opportunities and solicitations for his organization. This article seemed particularly appropriate for faculty involved with community based organizations working on fund raising campaigns. It emphasizes a back to basics approach that combines technology with the four elements of professional fund raising.

Gilbert starts with the caution that it is inappropriate to start with explaining the technology but to begin with defining fundraising. He uses a mapping concept as a four part diagram that depicts a series of stages of communication with a potential donor. The map begins with moving the donor through the first stage called "prospecting" which is the act of "initiating a relationship with a prospective donor." (p. 2) This stage includes marketing and promotion. "Cultivating" follows the prospect stage and here the relationship is developed with the donor so that the appeal might have a better chance to be successful. "Asking" follows the cultivate stage and this is the formal request for a donation. "Stewardship" is the process of nurturing the relationship with the prospect or the donor over time.

Gilbert's point is that modern fundraising is not working as well as we are led to believe, i.e. it is out of balance. Fundraising for most organizations involves costly communications with donors which creates an environment that is in a state of constant friction. He says that the communication stages are out of alignment because the emphasis is on the "ask" part of the equation. Most fund raisers are obsessed with the asking part of the equation and give very little attention to the other three parts, particularly the processes of cultivation and stewardship. The "ask" becomes increasing urgent with every new campaign and it increases as the goals get higher. Only the major donors have a balanced relationship with the organization because they are treated with respect. All other donors are treated as sources of money. Balanced means that the four parts of the equation are equal although not necessarily the same with all donors.

Accepting credit card transactions is a great way to increase online fundraising but it does little to give balance to the four part fund raising equation. Gilbert says that the capability to raise funds through the internet could be limiting to the organization because it gives little attention to the donor's need for cultivation and continued stewardship and therein lies the danger of relying exclusively on technology as a fund raising. Letting technology drive the fund raising effort put an emphasis on the capabilities of technology and ignores the human aspects of the organization primarily the donors and the staff who



deal with them. Gilbert notes this emphasis shifts the fundraising to technology support staff and away from the fund raising professionals.

He makes the point that credit card transactions are not fundraising and this perception that they are creates an imbalance by combining the worst aspect of fundraising with available technology. This approach will raise funds but because of the scale of unsolicited email, it also has the potential of creating spam and throwing the fund raising equation further out of balance. The use of internet technology is the direction many nonprofit are going rather than creating a system of communication with their stakeholders that goes far beyond receiving an email solicitation. Gilbert says this is the philosophy of a quick return on the dollar similar to that of direct mail campaigns. Both of these practices will be detrimental to the organization because it erodes goodwill of the public and prevent online fundraising from being successful to the extent it might be otherwise.

The potential exists, according to Gilbert, to treat every donor like a major donor. "Prospect" them with respect and permission. "Cultivate" them in a personal way. "Ask" for the right amount at the right time. "Steward" the relationship in such a way that loyalty from the donor is created and lasts for a long time. This balanced equation decreases two costs, communication and personalization. He proposes the integration of email, the web, and selected databases will reduce the cost to reach potential donors. The nonprofit incurs the cost of email, web sites and building databases. The donor will supply the stewardship to sustain the relationship through email and web site visits. He says this plan maintains the four stages of the fund raising equation and reduces the friction of fundraising by restoring equilibrium to the process.

No longer will "prospecting" be on just new donors. The emphasis will be on developing lists of donors that have been approached with respect and permission. This will be done through a process called "chaperoning" rather than renting email lists. Nonprofits will "cultivate" these relationships by redesigning websites and the messages they send out so that it is not campaign on fundraising but on developing relationships. The "ask" becomes much easier because the prospecting and cultivation stage has been carefully crafted and carried out. All this work will be rewarded as the nonprofit develops and maintains a stewardship approach to the donors. Funding solicitations will not be combined with news about events or birthday greetings. From this process it will be learned how the donors want the nonprofit to be stewards of their donations.

Gilbert says nonprofits need to get back to basic theory of successful fundraising that does not lose sight of the human element. Technology is a wonderful tool but it should be used effectively to create communications with real people on the other end. In that way it will seem frictionless because all the elements in the equation are balanced and operate in harmony. Relationships are the most important part of fund raising and technology will not replace these but if used appropriately and effectively it will enhance nonprofit donor relationships.