The BINGO Solution presents...

Building the Case for Fundraising Investment

Tried and tested techniques to help you make the emotional and rational case for fundraising investment.

BINGO
Business Intelligence for good causes

May 2025

Introduction

About us and BINGO

You know how frustrating it can be planning budgets in Excel and being asked to make numerous changes? Well, what we do is provide an online budgeting planning tool that makes the whole process easier.

Not only that, we integrate with your CRM and financial system to provide quicker real-time reporting in a visually intuitive dashboard.

We're also incorporating AI-powered features to boost BINGO capabilities even further.

Get in touch and find out why the BINGO solution is trusted by organisations such as Amnesty International to help them plan their fundraising and investment in over 20 countries.

We also offer a range of data cleansing, strategy and automation services.

Data cleansing

- Preparing data for insight
- Data audit inc coding
- CRM set up advice

Planning

- BINGO planning tool
- Scenario development
- Investment assessment

Insight and analysis

- Actuals v budget comparison
- BINGO chat
- Dashboards
- AI-NGO

Application

- Automation
- Chatbots
- Supporter journeys
- Strategy
- Machine learning / modelling

Introduction

Daniel and Craig have been involved in building and presenting fundraising investment cases in multiple countries and organisations.

They know the hard questions that'll be asked. They've experienced the scepticism from finance, the chief executive and trustees. They've had the knockbacks and experienced the bitter taste of 'no'.

But there have been **multiple successes too**. Significant seven and eight figure investments secured to allow an organisation to grow income and flourish. For every setback there are multiple times we've secured the investment - even if it's taken a couple of goes!

This guides shares what we've learned over the last 20+ years. You can **avoid some of the mistakes** we've made along the way. You can use some of the tips and tricks we've picked up along the way and apply them so you can make a compelling case for investment in individual giving or your wider-fundraising programme.

<u>The advice we'll share applies to charities large and small, local and international.</u>

We've broken the advice into four areas:

a. Why do you need investment?
b. Building your case – doing your research
c. Developing your budget and knowing your numbers
d. Making the emotional case

We hope you find the guide useful. **Do share your feedback and let us know if we can help in anyway.**

Thanks for reading and get in touch with your own investment stories or share any advice we've missed.

Best of luck

Daniel and Craig
Co-Directors
The BINGO Solution

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Why do you need investment?

Why do you need investment?

We often see and read fundraising strategies that want to 'double income in three years' or 'grow fundraising from £7m to £20m in five years'. These are lofty ambitions, but **growth for growth sake isn't going to be enough by itself to secure investment.**

The starting point for any investment case needs to be about the impact the growth will make.

- What difference will it make to your beneficiaries?
- How will it transform human rights, the environment, healthcare etc?
- How will it make your board, chief exec and boss look good and help your delivery colleagues do more?

By couching the need for investment in terms of your organisation's mission, you'll be speaking to people's hopes and dreams.

You'll create a buzz and excitement around your plans. You'll set the direction of travel and help build a culture of making things happen.

Yes, your numbers need to be exact and open to question, but the mind follows where the heart leads. We'll show how to appeal to both sides of the brain later in the guide.

What's your big, hairy, ambitious goal?

So, how do you link your need your desire to grow income to the wider charity mission?

One is by setting your team a big, hairy, audacious goal (BHAG).

Perhaps, the most famous BHAG is JFK's challenge that the US

"should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon and returning him safely to the Earth."

He didn't say it might be quite nice if we tried, really, really hard to do this at some time in the next 50 years or so.

He justified this ambition in a famous 1962 speech in Houston Texas when he said:

> *"We choose to go to the Moon. We choose to go to the Moon...We choose to go to the Moon in this decade and do the other things, not because they are easy, but because they are hard; because that goal will serve to organize and measure the best of our energies and skills, because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one we intend to win, and the others, too."*

Nike's original BHAG was the pithy and challenging **'Crush Adidas'!** You can read more about other companies BHAGs and the theory behind the concept in this great article.

In terms of charities, March of Dimes in the US was set up to eradicate polio. It achieved its BHAG and arguably should've disbanded. It has since received criticism for drifting from its mission.

NSPCC's most successful fundraising campaign had the tagline **'Cruelty to children must stop. FULL STOP.'**

This clear, unambiguous message was the foundation for a record breaking fundraising appeal. Whilst sadly child cruelty continues, the campaign helped millions more children than a less ambitious goal would've achieved..

More recently the Bill and Melinda Gates Foundation have stated **"that all lives have equal value"** and want to eradicate common deadly childhood diseases such as malaria and TB.

So once you understand why you need investment you can take the next step and start doing your research and building your business model.

Building the case - research

Building the case - doing your research

Once you've established the need for investment, you need to start building the case to invest.

To do this you'll need to do external and internal research. Here are some of the tools we've used over the years to help with this.

External analysis: PEST analysis

Fundraising does not take place in a vacuum. You can know your organisation inside out but still not have all the facts to hand for a full and thorough evaluation of the opportunities.

The wider economic climate clearly has a bearing on your fundraising. It mustn't be used as an excuse to be unambitious or to blame it for the ineffectiveness of any of your initiatives.

When Craig and Daniel complete a new market analysis then the starting point is to conduct a PEST analysis.

It often throws up interesting learning.

For example, when undertaking research on Brazil, our tech analysis revealed that the banking sector had no equivalent of direct debits and so it would be hard to make monthly giving work in the same way it does in many west-European countries.

So what does PEST stand for?

***Political* –** are there political factors that might have an impact on your fundraising? For example, regulation might be on the horizon for a particular channel, such as face-to-face or telemarketing.

***Economic* –** how does the state of the economy, and the direction it is heading, affect your fundraising? Does it impact on some of your target audience more than others and should you change your plans accordingly?

***Social* –** what are the social and demographic trends that will have an impact on you? These could be an ageing population, public opinion on fundraising, or other changing social norms.

***Technology* –** is there technology that will make a difference to your fundraising? How does the rise of smart phones influence what you do? How can you use social media to involve donors? What developments are on the horizon that might have an effect on how you fundraise?

Sometimes environmental and legal factors are also included in the analysis, which, if you feel it appropriate, would change the acronym to PESTEL.

Want to know more? Read more about PEST analysis.

You often prepare this analysis in conjunction with your SWOT analysis (see below), where the analysis dovetails with your opportunities and threats. PEST takes a big picture view of those things outside your organisation that could have an influence on it.

External analysis: Assessing your competitors

Competitor research is essential to understand your place in the market and to evaluate what charities of a similar size and budget are doing.

It will ensure you remain strategic and don't just focus on the minutiae. It will also show you what is proving effective for others in the sector.

One of the biggest advantages of working in the charity world is that the vast majority of activity takes place in the public domain. We've also found that fundraisers are generally very willing to share their knowledge and best practice. **And we should certainly not see donations as a zero sum game.** Hence, the term *competitors* should remain firmly italicised.

To best inform your fundraising investment it is advisable to select a range of charities to monitor, some of which are of similar size, some which share a similar cause and others which are known to be market leaders in their areas of operation.

Take a look at their annual reports. How much are they spending on their fundraising? Do they break it down? Does the narrative share anything about investment?

This can be invaluable information to have to hand when you present your case.

No-one wants to be falling behind or missing out. Showing that your *competitors* are growing and investing can help you build a powerful case.

Benchmarking

Closely related to competitor analysis, benchmarking allows you to know the trends in the market.

For donor acquisition, this could be **retention rates, average gifts and cost per acquisition.** For trust applications it might be **success rate and average award**.

Benchmarking can be done formally. For example, Amnesty International are long standing members of the INGO Benchmarking group that shares information on individual giving, and in particular face-to-face fundraising.

It can also be done informally through networking and relationship building.

When he was a fundraising director Craig was part of an informal network that would meet informally and discuss trends, results and generally how things were going. This informal information was invaluable.

We often only hear about the successful campaigns. It is easy to wonder 'how can we possibly match that?' when you hear the results.

Informal benchmarking can provide reassurance and make sure that the numbers in your budget are grounded in reality and not tied to one outlier success.

In our experience, fundraisers are nearly always willing to share how things are going and be willing to share results.

Internal analysis: SWOT analysis

A SWOT analysis is one of the most common strategic tools used to assess an organisation's plans. It stands for strengths, weaknesses, opportunities and threats.

It provides a framework for assessing the characteristics of your organisation that give it an advantage or disadvantage over others.

It also considers elements that could give you an advantage and factors in the environment that could cause trouble for you.

A SWOT analysis is a good exercise to complete with your team and partners from across your organisation. **A SWOT acts as a good starting point to understand what you need to do to build your investment case.**

Past performance

Now is the time to start crunching your numbers. What does your past performance tell you?

Take a look at your lifetime value, your retention rate and average gifts. What has happened over time?

Look by types of fundraising and products. **For example, how do individuals who give via direct mail compare to those who signed up via F2F fundraising?**

Recency, frequency, value analysis can be useful here. This allows you to see what percentage of your database has only given once, given £20 and not given for over three years versus people giving 20 times, including this year and have a total value of over £250. Sadly, there are usually more of the former!

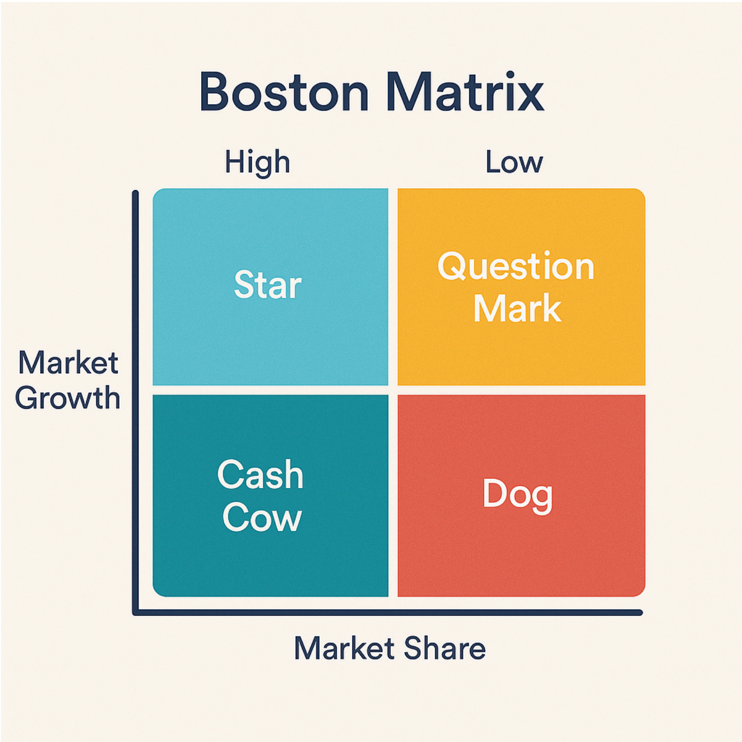
Whilst this analysis is useful, it needs to be considered in conjunction with other research too. RFV is great to help you understand what has happened, but it doesn't explain why.

Don't forget to link different income streams together too.

CASE STUDY: Link between IG and legacy giving
When Craig was preparing a case for investment he wanted to see if there was any connection between supporters and legacy giving. The charity he'd worked for had invested heavily in both F2F and direct mail around 15 years earlier. **The results were fascinating**. The internal consensus was that the F2F investment had done really well and the direct mail was more so/so. On the bare figures this was correct. However, when we cross-checked legacy income against the database a fascinating finding emerged. Not one F2F supporter had left a legacy gift (the main reason is these people were much younger than the direct mail supporters) but a significant number of direct mail supporters had. **This included one £1m+ gift!** **When the legacy figures were added into the direct mail performance it was had returned multiple times the original investment and provide a much higher ROI than the F2F investment.**

Portfolio analysis – the Boston Matrix

This tool helps you assess your current performance. What is working? What is growing? What is in decline?



In his book, Craig explains how each of your current fundraising campaigns/products/income streams will fit into one of the four following areas:

Cash cow: is an established steady earner. You need to milk this for as long as you productively can, but be aware that the potential for growth is limited.

Rising star: is a good area to invest in as it has room for growth and you already know it is a proposition/channel that is working well.

Problem child: you are unsure how this will pan out. There may be encouraging signs, but you need to keep testing and refining the target audience, channel, or product.

Decaying dog: this may be a past rising star or cash cow that is coming to the end of its product life. Don't get so hung up on products/channels/target groups that you keep pursuing them long after they've ceased to be cost effective. *You will want to move away from your decaying dogs, though you might never fully abandon them*. There could be an opportunity in the future to resurrect and recreate their previous success.

By plotting your fundraising acquisition methods and products in this matrix you can identify which areas to increase investment, which to stop spending money on and which to re-evaluate and refine.

It is likely that at any one time you will have fundraising products in all four areas. **Your job is to use this analysis to identify gaps, make decisions on investment areas and then implement your acquisition strategy.**

Your partners

The final piece of research to do is with your partners. This could include your direct marketing agency, your tele-marketing provider or your F2F supplier. **Don't just see them as a supplier.**

Spend time building trust and using them as an extended part of your team. Use their skills and expertise to build a broad picture of what is happening in the sector.

They will often have details on trends, results and opportunities. Tap into their knowledge across multiple organisations to find out what is and isn't working. **Where are other charities putting their resources?**

Although don't necessarily follow the herd. There is a tendency in our sector to chase the 'next big thing' rather than concentrate on doing the fundraising basics well.

For example, lots of charities in the UK have invested large sums in subscription products in the last couple of years. For every success, there have been ***multiple failures*** where charities have invested huge sums of money into something that spectacularly failed.

Building a budget

Building a budget – planning your investment strategy

You now have a wealth of information that you can use to put together your final budget. Typically we would look over a five year period, although sometimes you may want to go up to 10 years.

Most fundraisers use Excel to work out their budgets, but this is where a tool like BINGO can really help with your planning. If you'd like to know more then get in touch for a free demo.

You'll want to include your current 'business as usual' performance to act as a baseline. Next come your lines for investment.

For example, your research may have uncovered opportunities in trusts, corporate and individual giving. You'll need to calculate all your costs and set-out when you will realistically start to see a return.

However, there are some common mistakes we see charities make when preparing budgets for new income streams.

Realistic timeframe

First of all, people to tend to be overly optimistic around timeframes. We underestimate how long it will take to set up income streams and overestimate the returns we'll see. Sadly the world doesn't operate in straight lines. There will nearly always be problems, delays, and unforeseen events that stall our progress.

Be honest and don't have lots of income coming in on day one. **You need to allow time for your investment to flourish.** If you don't the consequences can be catastrophic. We know of a branch of a large INGO that had to be rescued from bankruptcy. They'd been over optimistic on their timelines and had burned through cash.

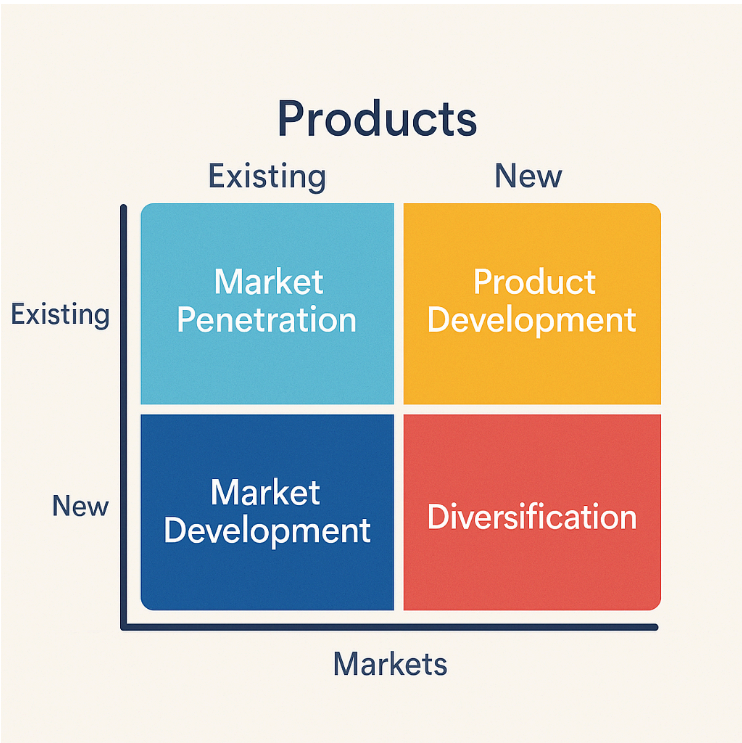
Although they were heading in the right direction and would eventually make good returns they needed to negotiate an emergency loan to see them through the gap and temporarily pause their supporter recruitment.

Diversification

Diversification in a programme is usually a good thing. There is an important caveat though. Make sure you have a sufficient budget to do an income stream justice and don't spread your resources too thinly.

Be realistic about how much time, energy and money it will cost to grow and establish a new income stream. If you've got a seven-figure investment then you'll absolutely want to lower your risk and have a diversified portfolio of activity. However, if you've got a much smaller sum, then you'd be much better focussing your efforts on one channel of fundraising and making it as strong as possible. Once this new channel is established, then you can look to diversify further.

One tool that we use to help identify opportunities for diversification is Ansoff's matrix.



Each of your current ways of fundraising will fit into one of the four following quadrants.

<u>In most cases the easiest strategy to follow is to try to recruit new donors with a similar profile to those who are already giving to an existing fundraising product.</u>

The logic behind this is simple: you know that the current offer is working with that audience and so can be confident that if you get your profiling right the same offer will appeal to prospects of a similar nature.

However, it is likely you will need to adopt a variety of recruitment strategies, so you can try to create a balanced portfolio.

Your final decisions will be dependent on the recruitment objectives that you have set to meet your organisation's requirements. These can be basic, such as to recruit X new donors for Y cost, but you should take a more sophisticated approach.

For example, it is important to consider the quality of donors recruited, as well as the quantity. The phrase 'rubbish in, rubbish out' should never be far from your mind when you are considering your acquisition plan.

More than acquisition

It is no good recruiting lots of new supporters if they don't stick around. That's why it is so important to budget for supporter care and stewardship when preparing an investment case.

Retention matters. It is more expensive to find a new supporter than recruit a new one, but so often this is where our focus is. Whatever income streams you plan to invest in, then make sure you also budget for related stewardship and retention activities.

It is not just retention. You need to make sure you've got the infrastructure in place to support your investment:

- Is your CRM fit for purpose?
- Can you report speedily and accurately?
- Do you have enough staff to deliver the plan?
- Is your website donation process the best it can be?
- Have you got an innovation and testing budget?

These are all questions you need to consider when putting together you plan.

Scenario planning

Scenario planning helps you to make flexible, long-term plans.

Typically, we'd look to prepare three scenarios when presenting a fundraising investment case: **a best, worst and predicted outcome.**

This gives a range of outcomes and means people won't get fixated on just one number. The team approving the investment can decide how comfortable they'd be with the returns in the worst scenario and contrast this with the potential upside in the best case.

Generally, **charity boards and chief executives are conservative and loss-averse.**

Scenario planning is important because it can help them understand the range of outcomes that may come from their investment. <u>It is also important to compare your scenarios with the status quo – doing nothing.</u> We'll look at making the emotional case for investment in the next section, but showing the outcome of no action can sometimes jolt them into realising the importance of investing.

Scenario planning is something that BINGO can really help with. There is a built in scenario planning tool that allows you to quickly and easily to assess the impact of changes to your overall performance.

Protecting the investment

The final thing you need to do when building your investment plan is to show how you will protect the investment and report against your progress.

Setting out your key milestones and performance indicators can help build confidence and trust in your plans.

You need to show a timetable for the investment and build in some delays. We often recommend phasing the investment with future tranches only released if key numbers and milestones are met. These milestones could be connected to having the necessary infrastructure in place, through to an acceptable second gift rate, cost per acquisition or application success.

Nearly every charity will have a risk register. We recommend you use this as a template and develop a version for the investment. This shows how serious you are taking the project and can help build trust. Work with colleagues to identify the biggest risks in your plan. Put a score against them and show how you plan to mitigate the risks you've outlined.

Showing you understand the risks involved in your plan and that you have ideas in place to reduce those risks builds your credibility and likelihood to be successful in your investment case.

Building the emotional case

Building the emotional case

You've now got a well-prepared, carefully cost investment plan. It lays out the numbers and potential returns in a clear, logical way. Well done.

You'd think that would be the hard part. In many ways it isn't. People aren't always completely rational in their decision making. Therefore, you need to spend time to **address and overcome the emotional barriers that may stop investment.**

Who are you allies?

The first thing to do is to identify the people who will be ultimately making the decision about the investment. You'll no doubt have the support of your immediate boss, but what about their boss? The chief executive? The board of trustees?

Before you present your case, make sure you've taken the time to speak to the key stakeholders involved in the decision. Get to know the personalities involved too:
Who is the details person who will want to question every line?
Who is the Jonah and eternal pessimist?

CASE STUDY: From rejection to success
The first big investment case Craig presented was rejected. He prepared a well-budgeted, logically argued case and had the support of his team and manager. However, when it was put before the board it was flatly rejected. Not for any rational reason, but because the trustees had never met Craig before and he hadn't earned their trust and credibility directly. Before the case was re-presented, Craig made sure he went out to lunch with the chair, met up with the key finance member and listened to their concerns and fears. By doing this, he earned their trust. Therefore, when the case was presented again, it was unanimously approved.

And **who is** the inspiring speaker who can rally their colleagues to make a decision in your favour?

Once you've done this then make time to meet with them separately. Listen to their worries, concerns and ambition for the charity. Soothe them, address their concerns directly and earn their trust so they know any investment they make will be in safe hands.

Moving the elephant and clearing the path

Although we like to think we are rational in our decision making, science has shown that **emotions play a bigger part than we'd care to admit.**

In their book, *Switch*, Chip and Dan Heath use the following analogy to show the power of emotion.

They describe a person riding an elephant. The rider represents the rational, analytical part of the brain. The elephant is the emotional and instinctive part of the human brain. We'd like to think that the rider would be in control of the elephant. However, the reality is that any time that the elephant and rider disagree on the direction of travel, the rider is going to lose!

To help the elephant along the way and to reduce the risk of it going off in another direction **we need to clear the path to make the journey smooth.**

So, how we can tame the elephant and create a clear path? Allaying people's fears, as we showed in the last section helps.

There are other things we can do too.

We can show case studies and examples from other similar organisations about how investment has transformed their fundraising. By analysing these bright spots and learning the lessons from their successes we can help the elephant overcome its reluctance to change.

As we said right at the start, we should also couch the elephant and rider's destination not in money, but in terms of what it means for beneficiaries<u>. How will your investment help you get closer to curing cancer, protecting the environment, changing the law etc?</u>

By making people feel something (rather than just knowing it) then you're more likely to make change happen.

Show, don't tell: direct from the supporter

In a consultancy project Craig was working with a fundraising team to help them improve their stewardship.

The part of the presentation that really made a difference and inspired change was playing the real testimony of supporters and them passionately explaining how other charities were so much better at thanking and showing impact than the cause we were discussing. **Hearing the real voices of supporters brought the problem to light in a way a presentation or paper could never.**

Many of the problems and concepts we deal with can be abstract and hard to grasp. Find a way to demonstrate the problem or use an analogy to being the idea to life.

Show don't tell: the leaky bucket

For example, in a presentation to his board of trustees, Craig showed that if the current flow of attrition wasn't stemmed, then the charity would be down to a handful of supporters in a few years. <u>This would mean cuts and less money for services.</u>

However, he didn't just show this on a graph in PowerPoint. He brought the idea of a 'leaky bucket' of attrition to life. <u>*During the presentation he produced a bucket with holes in and poured water into it*</u>. He then compared the charities attrition with the leaky bucket. It was an **'a-ha!'** moment for the board, who knew in the abstract about attrition, but didn't have the right mental image.

By using a prop and showing the consequences of the status quo, he was able to show them the importance of investment in retention, acquisition and diversification in the portfolio.

Finally, people tend to avoid change and want to maintain the status quo, even if this is detrimental. This can be hard to overcome. One way is to couch the status quo in terms of loss.

People don't like loss and generally prefer to avoid a loss than make a gain. So rather than just show how much they'll gain by investing, also demonstrate what they'll lose if they don't invest.

This is a subtle change, but by explaining the lack of investment not as maintaining the status quo, but as a loss of income and impact you can help influence people to back your plans!

Conclusion

Summary and conclusion

Securing investment for fundraising is as much about people and emotion as it is about numbers and logic.

Building a successful case requires more than just a strong budget or forecasting tool. **It demands strategic thinking, sector insight, and the ability to inspire confidence and belief in your plan.**

Through this guide, we've shared the essential building blocks for crafting a compelling investment case:

- understanding why the investment is needed
- doing your internal and external research
- developing a realistic budget
- addressing the emotional aspects of decision-making.

<u>Every charity - big or small - has the opportunity to grow smarter, more sustainable fundraising programmes.</u> But doing so requires clarity of purpose, a deep understanding of your audience, and the right tools to guide the process.

Whether you're presenting to senior leadership, your board, or a funding partner, remember that data earns you the right to speak, but stories and trust win the argument.

Our hope is that this guide equips you with the knowledge and confidence to take your plans forward. The journey may not always be easy, but with the right preparation and support, it's one well worth taking.

Best of luck - and keep building for the future.

Get in touch

If you'd ever like a chat or a fresh pair of eyes on your investment plan, then do get in touch. No hard sell, we promise.

Also, if you'd like to find out how BINGO can support your strategy and give you the insight needed to build your case and grow your fundraising, please do get in touch.

It's always lovely to chat to fellow fundraisers. Craig can be contacted on 07540566804 and craig@thebingosolution.com

Daniel can be reached at daniel@thebingosolution.com

OUR SERVICES

Data Cleansing

- Preparing data for insight
- Data audit inc coding
- CRM set-up advice

Planning

- BINGO planning tool
- Scenario development
- Fundraising investment assesment

Insight and analysis

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