



Feast or Famine: the choice is yours (or how can charities survive the recession)

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A rule, a question and a warning

- The rule: most things that are done in a recession would make sense outside a recession
- The question: how many donor decisions would it take to lose half your income
- The warning: perception is reality when it comes to giving

Ten things to do in a recession....

Step 1: Cut fixed costs

- Staff are fixed costs
- Focus on support staff
- 1 to 10 not 1 to 1
- Create sustainable savings

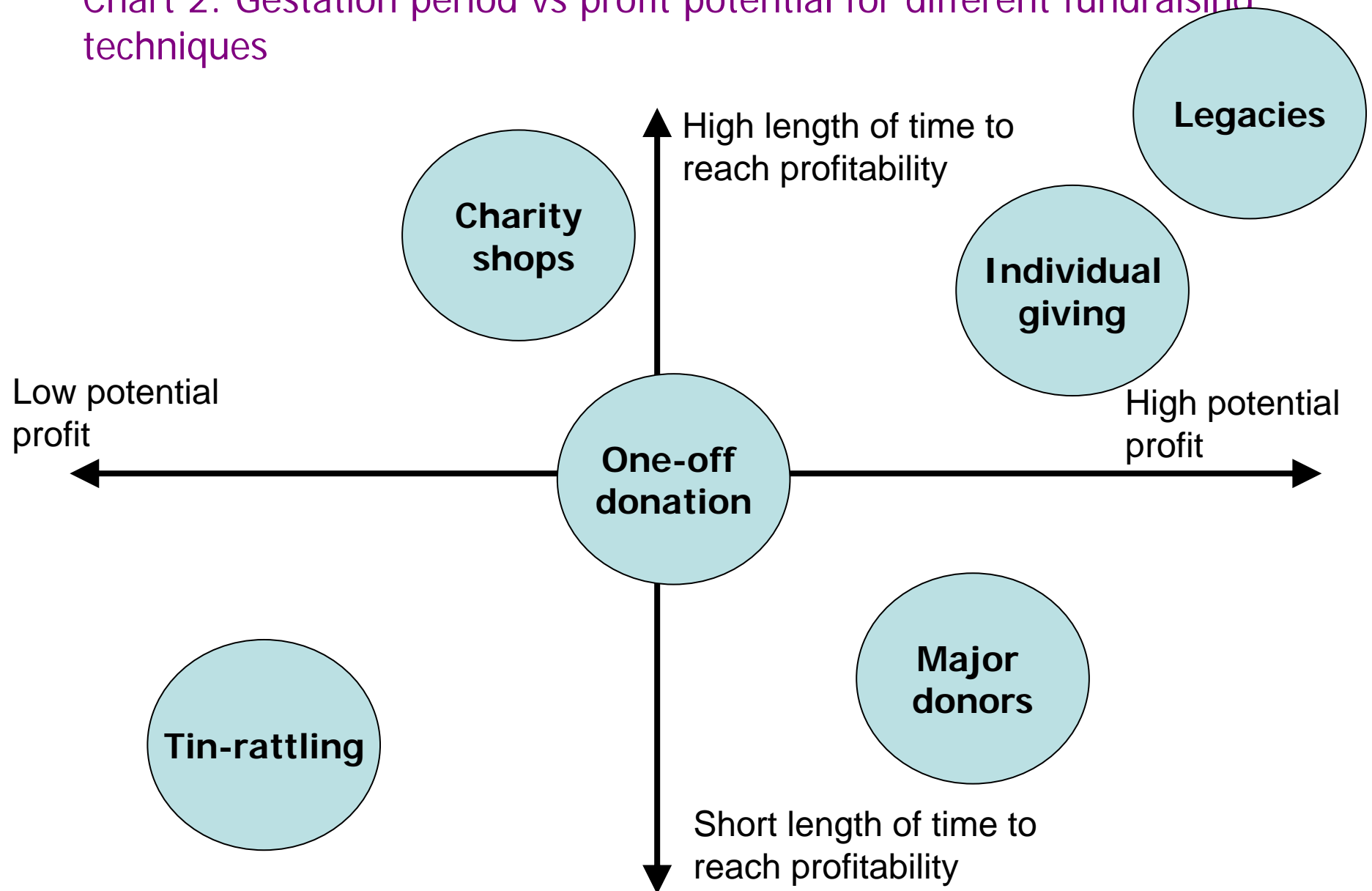
Step 2: Review variable costs

- Print
- Travel
- IT
- Properties
- Training
- Postage
- Consultants
- Research

Step 3: Prioritise expenditure which delivers shorter-term results

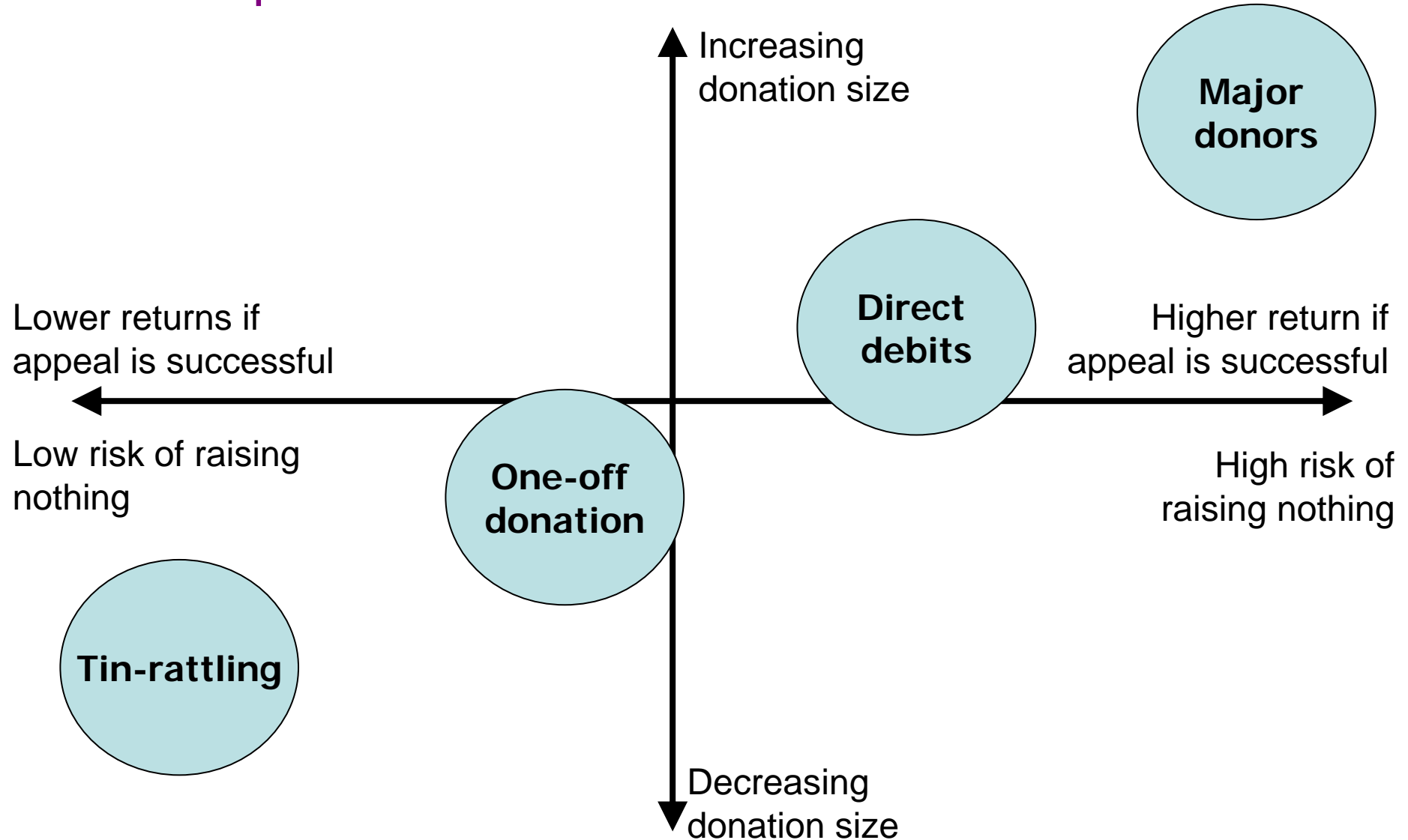
- How long before profitable
- How much profit
- How much risk

Chart 2: Gestation period vs profit potential for different fundraising techniques



Step 4: Create a balanced portfolio of risk and return

Risk vs return matrix for different fundraising techniques



Step 5: Have a clear income strategy

- Helps decide the most importance activities
- Helps makes decisions about where to invest resources
- Stops tactical responses to the latest opportunities
- What are your top five priorities for the coming year?

Developing ideas for growing your income

- The next chart helps identify the options
- The key is to systematically explore each of the options – using brainstorming, desk research and competitor analysis (and brutal self analysis)

Identifying your strategic options

Increasing net income

Increase revenue

Cut Costs

objective 1.
Increase revenue
by increasing the
number of
relationships

objective 2.
Increasing income by
increasing the value
of each relationship

objective 3.
Cut fixed or variable costs

strategy 1.
Increase no.
from existing
markets

strategy 2.
Increase no
from new
markets

strategy 3.
Get relationships to
last for longer

strategy 4.
Increase value of each
relationship activity

strategy 5.
Get donors to do
more each year

strategy 6.
Cut variable
costs

strategy 7.
Cut fixed costs

BRAND-BUILDING ACTIVITIES

Step 6: Remember the three legged stool

- Income that's given
- Income that's earned
- Income that's granted

Step 7: Make everyone a fundraiser

- Many of the best fundraisers are not fundraisers – but frontline staff
- Fundraising shouldn't be ghettoised and left to fundraisers
- The CEO should lead the fundraising way

Step 8: Be passionate, persuasive and personal

Step 9: Be really clear about your target audiences

Step 10: Start preparing now for the next recession

Any questions?



helping non-profits thrive

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