

Choosing the Right Event:

Fundraising events can be time-consuming to plan and expensive to produce. Before forging ahead, make sure you've selected the best one for your organization.

By Betty Stallings and Donna McMillion

Nonprofit organizations, schools and churches sponsor thousands of fundraising events every year, so it's no wonder you may feel overwhelmed at the mere thought of selecting the perfect one for your own group. Because the process can seem so daunting, selection of events often occurs in one of the following ways:

- You hear about a great idea from a group in Biloxi or at a conference in Chicago and decide to try it out at home.
- You repeat the same event year after year, not because it has been a success, but because it has turned into a sacred cow and no one dares to change it.
- A strong personality on your board of directors has a friend at the country club and suggests that your agency sponsor a golf tournament.
- Another group in town had a successful dinner-dance, so you assume it should work for you, too.

Any of the above motivations, coupled with vague decision-making criteria, can lead to disappointing results. It may be fun to brainstorm many types of events in the search for creative ideas, but it's important at the outset that you be clear about your purpose in sponsoring an event; the prospective audience for your event (their needs and resources); and the resources (money, time and people) your organization has available to produce the event.

The best way to select a special event is to consider the criteria that will lead you to one of two natural conclusions: "It looks like a good bet," or "Back to the drawing board!" To see which of those two directions you're headed in, consider the following questions:

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Do you have clear goals for staging a special event?

Is the purpose to raise money? Generate new donor prospects or volunteers? Increase public awareness of your organization? Bring attention to your cause or mission? Some combination of these?

Assuming that one of your purposes is to raise money, determine when the funds are needed and how much you can realistically expect to net. If you need funds immediately, an event that takes a year to plan and produce is pointless. A plan aimed at raising \$25,000 to support annual program expenses will be very different from one designed to generate a few hundred dollars so that your group can buy a small piece of office equipment. In the latter case, sponsoring a drink booth at the community parade might work just fine.

For most fundraising events, one of your goals should be to attract new volunteers and new donors. Otherwise you may be overtaxing current volunteers or simply redirecting current revenues. To generate new donor prospects, you need to plan how that will be accomplished; you should also include a plan for measuring the success of your efforts.

For example, if your goal is to identify 10 potential new major donors, you can measure your success by tracking the number of individuals whom you contact and cultivate as prospective donors after the event.

To increase your organization's visibility, you should aim for broad media coverage. While it may be hard to measure the impact of media visibility immediately, you can still set goals for various types of exposure. These include the amount of TV or radio air time you receive, the amount of newspaper and newsletter coverage, the number of Web site hits you get, as well as the actual number of people who participate in the event (regardless of whether it's a garage sale or a gala dinner).

Smaller grassroots groups and start-up organizations often endure painful debates about the purpose of an event. Some people may express concern that not everyone would be able to attend the event because of high ticket prices. But if your principal goal is to raise money, you'll have to overcome the notion that you are somehow discriminating against those who can't afford to attend an upscale event. On the other hand, if the major purpose of the event is to increase public awareness, having more people attend at a lower price may help you achieve that goal.

Too often we confuse the population served by the organization with the audience for an event. Although the two should be compatible with regard to the basic values of the organization, the audience for your event may be significantly different from the client population you serve. If, for example, you have a program that serves low-income women preparing for job re-entry, the target audience for the event may be successful business women who want to show support for this population and who also have the means to give significantly to the cause.

David Nelson, author of *Getting the Payoff from Special Events*, makes an interesting distinction between what he calls Type A events and Type B events. Type A events generally raise more money but generate less public awareness. They have the following characteristics:

- High individual cost to participate
- Smaller attendance
- Lower administrative and advertising investment
- More donor prospects
- Greater loyalty to the organization on the part of those attending.

What Nelson calls Type B events generally succeed at raising the organization's visibility, but they often require a bigger investment of time and produce a smaller financial return in the short run. They have the following characteristics:

- Low individual cost to participate
- Larger attendance / higher visibility
- Higher administrative and advertising cost
- Fewer donor prospects
- Less loyalty to the organization on the part of those who participate.

Whatever you determine your goals to be, don't just talk about them. Make sure they are written down—so that all who are working on the event will

have a clear picture of why the event is being held.

Do you have access to appropriate attendees, sponsors and underwriters?

Without connections to financial underwriters and without the interest of potential attendees, fundraising events are all but doomed. Nor is it enough to have one if you don't have the other. An organization may be able to solicit valuable auction items, for example, but it also needs to attract an audience capable of bidding on those items. We remember hearing about one group that held a charity auction where attendees received tremendous bargains. Unfortunately, those who contributed the items were less delighted than those who won them. The group was sorely embarrassed when a prominent local artist who had donated one of her paintings valued at \$2,000 learned that it had sold at the auction for \$50.

It's also important to find out if any other community activities will be competing with your event for the audience, volunteers and donors you are targeting. What matters isn't necessarily whether other fundraising events are scheduled to take place around the same time, but whether your target group—athletes, socialites, corporations—will have too many competing activities at the same time.

Many communities have groups that keep community calendars. Check out other potential competing activities and, as soon as you know the date of your event, make certain that it's included on the calendar. Get the word out quickly so that others will not plan competing events.

What kind of event will meet the goals and reach the targeted market?

Most events fall into one of these categories:

Audience Participation Events include things like dances, decorator showcases, art appraisals, celebrity cook-offs. These generally require extensive time to plan, market, and execute. For organizations with a dedicated group of volunteers who enjoy the social nature of sponsoring such events, these can be a good choice. They often generate good press coverage and ticket sales can be robust.

Unfortunately, organizations may be able to produce the event but lack connections to the right audience and/or sponsors. They end up with a great event that few attend. This can be terribly disheartening to the staff and volunteers who put in long hours and hard effort, and it can also be a severe drain on the organization's budget.

Food and Drink Events feature a meal or have special food served. Particularly popular now are wine tastings, "roasts" of special people, luncheons with fashion shows, dinners featuring ethnic foods, tea parties and restaurant openings. Like audience participation events, these generally require extensive preparation and attract people through ticket sales.

They can also become signature events for an organization—annual gatherings with potentially great financial returns. The costs to sponsor these events are closely tied to how much of the food and beverages are donated. New restaurants and hotels will often host or donate generously to major events that are positioned to attract people likely to patronize the establishment in the future.

Think about whether the price of entry will be all-inclusive or whether the attendee will have other opportunities to donate throughout the course of the event (by purchasing things like raffle tickets, auction items, pictures taken at the event, special souvenir collector posters or wine glasses). Of course, some people may prefer to write one large check and enjoy an evening without being asked to make more donations. As with all major events, however, those attending may consider the price of admission to be their major gift to the organization for the year. If that's the case, you may simply be getting their annual gift at an event rather than through a solicitation.

This is not necessarily bad, especially if event costs are low. Often people will donate more generously to a cause in a social setting than through one-on-one solicitations. This is particularly true in the case of auctions, when items have been donated by well-known community residents.

Holiday and Special Occasion Events are held to celebrate the season while raising funds for the organization. Since volunteer time is often limited around holidays, however, preparations for the event should be scheduled as far ahead as possible.

Lots of organizations choose to hold events corresponding to Thanksgiving, Halloween, Fourth of July, Valentine's Day and other special days or seasons.

The visibility and financial returns to the organization can be substantial or minimal, depending on the nature of the event. Such events range from youth groups doing a day of gift wrapping for donations, to organizations sponsoring a community Independence Day fireworks display.

Merchandise Events feature the sale of products or services. Examples are antique shows, flea markets, book and plant sales, arts and crafts fairs, garage sales, and the like. Organizations that make the most money with these sorts of events are often those that coordinate a large event and reap a portion of the profits and entry fees of all participants.

The advantage for those who choose to participate rather than sponsor the event is that they are spared the time needed to coordinate and market a large event. Profits may be minimal, but there are always exceptions to the rule. When you have a bake sale with cakes made by celebrities, for example, you can turn this type of event into a substantial fundraiser.

Entertainment Events probably carry the highest risk but can also produce some of the highest returns. Success is affected by the cost (or donation) of the “name” entertainment, how many tickets must be sold to break even, how much money is needed up front and whether there are back-out clauses with facilities if you determine that the event will not be profitable.

Weather can also be a factor if the entertainment is to be held outdoors. Probably the safest of these types of events is a preview or premiere of a play or popular movie, where the organization reaps the profits from the evening’s entertainment. At charity preview showings of Star Wars: The Phantom Menace, seats sold for \$500 each in venues around the country.

Athletic Events, such as marathons and 10K runs, are becoming increasingly popular. Because of the proliferation of such events, however, there can be intense competition for participants. National organizations that have established these as signature events, such as the National Multiple Sclerosis Bike-a-thon, have experts design, direct and market the events nationwide. Some large chapters raise more than a million dollars.

Organizations that have successfully attached themselves to marathon events can reap significant rewards relative to the labor involved. Examples include the annual walk to fund breast cancer research, AIDS runs, and the Bay to Breakers event in San Francisco, benefiting numerous local nonprofit organizations.

But you need the right contacts to set up a local athletic event. It should only be considered if you have access to the talent that assures the event is professionally managed. Large athletic clubs in your community are a good place to start looking for that talent. Serious athletes don't like poorly managed races; the fallout can be negative publicity as well as lost revenue. Most of the money is raised through pledges, and with so many people responsible for handling the money, the profits can be considerably less than anticipated.

Risk management and insurance are especially important in running athletic events, further substantiating the need for the event to be skillfully managed.

Non-events invite your donors to stay at home and pay for the privilege of not attending. Invitations to non-events should be cleverly presented—requesting, for example, that those invited contribute the costs of renting a tuxedo, purchasing a new gown, hiring a limo, participating in a raffle, and so on.

Some organizations send a menu ranging from an extravagant eight-course meal, costing \$1,000 for two, to a hot-dog- and-chips supper costing \$10. The recipient chooses his level of eating (giving).

Often the organization notes that you're probably tired of attending events and suggests that they're doing you a favor by letting you stay home. Some include a tea bag and suggest that you have a nice cup of tea by the fire. This can be an effective fundraising method, but be certain that the mailing goes to a broad range of people, not just your members and loyal supporters. If it's mistakenly perceived as your annual drive, you won't be earning new money.

Finally, keep in mind that the kind of event that works for one group may not work so well for another. Some organizations can sponsor golf tournaments that generate more than \$100,000 while another group across town is exaggerating when they announce that they made \$2,000 on a similar event. Nor is there always a direct connection between the investment of resources and the financial results. You may have to spend just as much time and effort raising \$2,000 as another group spent raising \$200,000.

Is the event appropriate to the organization's purpose and mission?

Although the participants attending an event may not be the organization's clients, it is important that the theme and nature of the event not be at odds with the organization's services and programs. For example, it may well be inappropriate to serve alcoholic beverages at a fundraising event for a drug rehabilitation program.

Sometimes organizations try to highlight their mission by integrating it into the event theme. Cardiac Arrest, sponsored by the American Heart Association, is "a jail-and-bail" event where friends of the organizations are symbolically "arrested" and individuals are asked to pledge bail money for their release. Women of Taste is an event featuring female chefs, sponsored by a local chapter of Girls, Inc. Sole Revival is the theme of a county volunteer center's "Human Race" event. And "Lights, Camera, Auction" is a popular event for a theater group.

Is there adequate staffing?

Before committing to a fundraising event, be certain that you'll have enough volunteers and salaried personnel to carry it off.

Do you have an effective leader who is willing to chair the event? Not the reluctant volunteer who gets her arm twisted and responds, "Well, if no one else will do it, I'll give it a try." You need someone who's not just qualified, but excited about doing the job.

Often an event will have both a celebrity chair and an organizing chair. The celebrity chair agrees to be associated with the event, attend it, make some important contacts, and sign some letters endorsing the event or encouraging people to attend. The organizing chair coordinates the actual process of producing the event.

Nearly all events require some salaried staff time. But the less of it the better for the organization, since staff time is truly an expense of the event. Too many organizations rely excessively on staff, resulting in less time for their usual responsibilities.

Those planning the event should present a realistic proposal regarding the projected time that staff will be supporting the event. They should also

determine whether there are timing conflicts with other known business of the organization.

Insofar as possible, event chairpersons should arrange for preparation details to be handled separately from the daily running of the organization (though this may be difficult for smaller, start-up or grassroots organizations). If you understand beforehand how much additional work will have to be done, you can plan for extra volunteer coverage when the workload associated with the event will be heaviest (ticket sales, week before and after, and day of).

Is the project budget in line with your goals?

When putting together a budget for the event, be sure to calculate the real costs for all major expenses. At the same time, take into account in-kind contributions, underwriting and sponsorships that could significantly reduce those actual costs.

In addition, make sure you research the cost for things like insurance, taxes, and permits before you decide to proceed. You don't want these "hidden expenses" to surprise you down the road. Sometime, those expenses can make the critical difference in determining whether a particular event is financially feasible.

Discuss your plans with your insurance agent. Some organizations already have policies that will cover the event. Or you may be able to buy a special rider policy to cover the event only. But do make sure you have adequate coverage in place before putting on the event.

Does the organization have enough up-front cash to cover expenses as they occur? Money from events generally comes in at the very end of the effort, so you may need to tap into a reserve account. Encourage sponsors to underwrite early expenses, since that's when you'll need the cash most.

Creative marketing can also help. One organization needed money in December to cover expenses for an event to be held in February. That spurred the public relations task force to design a campaign to offer the tickets as holiday gifts and prizes at office parties.

And don't forget to devise an escape plan, just in case activities and planning aren't panning out. It's better to cut your losses and cancel the event than to go ahead with a surefire money-loser.

Do staff and board members know what is expected of them?

Many events leave a bad taste for board members because they were made to feel guilty about not selling enough tickets or about failing to pitch in where needed. Every board member probably understands that he or she is obligated to support an event. The real question is how. Support can mean anything from attending the event to being integrally involved in the planning process to selling a large block of tickets. Whatever it is, board members should know what's expected beforehand, rather than after the event has happened.

The same is true for staff. It is no wonder that staff members may cringe when they hear that another fundraising event is being planned. They may remember having to handle all the details of the last event, when they hardly had adequate time to carry out their designated jobs. Even when staff members are more than willing to help out, the agency's real mission may suffer when precious time is redirected from client services.

The sooner you can build a network of reliable, talented volunteers who enjoy event planning the better your organization will be served.

What's the payoff?

Will the benefits of this event be worth all the time, money and effort needed to carry it off? That's the bottom line in deciding whether or not to stage an event. If you fail to carefully consider this critical cost-benefit equation, you may well end up with very big expenditures and very little return.

Finally, it's important to remember that the true benefits of many events come after they are over, when those who have become better acquainted with your organization decide to support your programs as volunteers, donors or both.

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