

Engaging a Fundraising Consultant – the Why and the How



RED FLAGS

Proper ethical and professional behavior is important. Be cautious if a potential consultant does any of the following:

- Requests to be paid a percentage of funds raised. This can result in major conflict-of-interest problems.
- Promises to raise funds on the client's behalf. Contract fundraisers are not the same as fundraising counsel and fall under different state and federal laws.
- Promises to bring a portfolio of big donors. Odds are pretty good that they are peddling these donors to every potential client they have — and won't hesitate to do so again.
- Guarantees an amount they will help raise. The most successful consultants know that fundraising goals are best set collaboratively with the client, and after careful review of internal capacity and external interest.



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Engaging the right consultant is one of the best decisions an organization can make. Engaging the wrong one can be damaging.
by Richard Tollefson and Michal Tyra

▶ As nonprofit board members and professionals, it can be hard to ask for help. Emotion, pride and passion can be difficult and often cloud the more practical pursuit of enhanced business performance. Additionally, in a sector that often prides itself on making do with less, the idea of “scaling” programmatic and fundraising performance — and paying an outside consultant to lead this charge — may seem daunting.

Thankfully, help is out there! Professional fundraising and nonprofit management consultants can provide major value to fundraising operations by helping build internal capacity for sustained, long-term success. They bring years of experience, and a breadth and depth of knowledge that can take organizations to the next level.

WHY ENGAGE A CONSULTANT?

Broad and Deep Experience — Good consultants have spent years, and sometimes decades, working in the field as professional fundraisers or nonprofit executives. Often, they have worked in multiple sectors, with organizations both large and small. They have personal, hands-on knowledge of industry best practices and emerging trends. This is a level of experience and expertise that nonprofits may not have on staff, and these insights can transform the way nonprofits operate.

Objective Third Party — Being in the trenches every day, it can be easy to lose perspective. This is especially true in nonprofits, where passion and commitment can sometimes mask organizational issues. As an objective third party, outside counsel is able to wade through the weeds and identify problems that are keeping organizations from reaching their true potential.

Additionally, they can deliver tough love effectively. Consultants, especially those with extensive experience, bring a level of respect and frankness that can often break through recalcitrant board members or a stubborn commitment to the status quo.

Performance Acceleration — Often, outside counsel can introduce innovative thinking and a level of energy that raises expectations and drives a fundraising initiative forward. This “jump-start” can help reverse declining annual fund performance, help reinvigorate a stalled campaign, or reengage and energize board or staff.

Lower Overall Cost — It's true that, for the uninitiated, the sticker shock associated with engaging a consultant can be jarring. But the bottom line is, overall, the cost of engaging a consultant is not exorbitant and well worth the investment. Why? Because current fundraising challenges are likely beyond the capacity or experience of existing staff to manage. And



cost in salary and benefits to hire on new staff with that advanced expertise is almost always going to be significantly more in the long run. While a consultant may involve higher upfront expenses, the increased internal capacity they generate will more than pay for their expertise.

ALIGNMENT OF CULTURE AND VALUES

Not all consultants are created equal, and far from pushing operations forward, engaging the wrong consultant can actually be counterproductive. It's important to hire a consultant who truly understands the mission and the unique culture of an organization, and addresses its specific needs and concerns.

For example, a small human services organization likely doesn't want a “fancy suit” who flies in once a quarter from out of town. It wants someone willing to spend some significant time in the office, getting to know its leadership, staff, board and clients. It wants someone willing to dig into the spreadsheets and donor files to assist in crafting next steps and collaboratively work with the organization to find solutions.

SET EXPECTATIONS EARLY

Even the best consultants aren't miracle workers. They can't come in, wave a magic wand, and suddenly have major gift donors breaking down the door. The road to sustainable success is long and winding. Successful navigation requires a willingness on the part of the organization to take criticism, be willing to make changes, and have realistic expectations.

Additionally, it's critical that the client and the consultant get on the same page early in the process. Conversations should be had to work out deadlines for deliverables, roles and responsibilities, and expectations for outcomes and communication. Doing this early will not only save headaches later, it will ensure a more productive working relationship and greater ultimate success. ■

