

# DECREASING DEPENDENCY ON EVENTS FOR FUNDING

## THE SITUATION

For many nonprofit organizations, a good portion of operating revenue is often derived from a marquee annual event. The Grant County (WA) Economic Development Council was no different, depending on an annual golf tournament and gala to help meet the organization's annual budget. While this event had traditionally been successful, there had been a steady downward trend in participation and investment. This led leadership of Grant County EDC to begin questioning the future sustainability of one annual fundraiser... one which required a significant amount of staff time to execute successfully.

## PROJECT GOALS

- › Raise \$1.7 million over five years
- › Secure 60 months of cash flow, allowing staff to focus on strategic planning and economic development activities
- › Increase average amount per investment, versus focusing on total volume of investors

## CHALLENGES

- › Educate a relatively small pool of investors about the need for increased investment to support a five-year strategic plan
- › As with many nonprofit organizations, there was some reservation to hire a professional outside fundraising consultant such as Convergent



## THE CONVERGENT APPROACH

Convergent began with a feasibility study to determine the scope and focus of a capital campaign. Beyond arriving at the \$1.7 million figure over five years, the feasibility study determined:

- › While the regional business community appreciated the Grant County EDC, the majority did not fully understand the organization's role and impact in improving the region's economy
- › As a relatively remote area, attracting retail business would be key to ensuring sustained growth
- › The region's business community was extremely pro-growth and would support such an expanded economic development effort, but it must be communicated and positioned properly

The theme of the capital campaign, "Building Prosperity," signaled the need to truly show the business community the potential return on their investment in this campaign. This, according to Grant County EDC Executive Director Jonathan Smith, was the most notable takeaway for him.

“Many of our investors participated in our golf tournament and gala for years, investing the same amount each year,” said Jonathan. “However, after Convergent launched the campaign and explained the overall vision and the expected ROI to these businesses and individuals, many increased their investment significantly, in some cases doubling or tripling the previous amount. It is clear to me that properly communicating our vision has been the key to our early success.”

---

## RESULTS

- › Total commitments of \$1.9 million over five years; 12 percent over goal
  - › Total number of investors decreased, while average investment increased by 42 percent; very small investments were virtually eliminated and the goal was still exceeded, leading to a far more efficient investor communication and follow-up program for staff
  - › By replacing the golf tournament and gala with the five-year capital campaign, Grant County EDC staff have significantly more time to devote to bigger picture and longer term economic development activities
- 

## CLIENT FEEDBACK

“The increase in time I and my staff are able to spend on economic development activities versus event and fundraising activities is hard to put a price tag on.”

“Our previous approach often led to initiatives from our strategic plan being cut due to budget issues. Having an accurate, 60-month cash flow projection has fundamentally changed the way we do business as an organization. We are able to plan based on real budget numbers and are able to be proactive versus reactive.”

*- Jonathan Smith, Executive Director*

