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Magic Consulting Dust - Transcript

[Speaker 1]

Welcome to Charity Therapy, a podcast from Birken Law about building better nonprofits. I'm your host, Jess Birken. Hello and welcome to this episode of Charity Therapy.

Today I am joined by my friend, Clay Buck, who's the founder of TCB Fundraising. Clay and I have been Twitter friends for like a while now, and I know you describe yourself as a recovering actor and reluctant data geek, which feels like the perfect combo for nonprofit fundraising world. I just think that's great.

So, thanks for being here, Clay.

[Speaker 2]

Thank you for having me. I'm thrilled to do this and appreciate being invited.

[Speaker 1]

Oh, you're the best. How could I not? The tweeps got to get together in real life.

[Speaker 2]

It's so wonderful to make that connection.

[Speaker 1]

OK, so, you know, every nonprofit that we know, large or small, has fundraising on the brain, especially right now. We're sitting here on the eve of the end of November. So, I knew you'd be a great guest on the show.

And I know you emphasize using data and systems to improve your fundraising, which is awesome because I'm also a bit of a systems nut myself.

[Speaker 2]

You are. It's one of the many things I love about you.

[Speaker 1]

Right. Oh, we share that. So, to kick us off, why do you think data and systems are so important to successful fundraising in particular?

[Speaker 2]

There are two main reasons that I became a systems person and a data person. The first is the best fundraising and communications are always done with the data and the information that we already have. And I realize it's a luxury for a lot of nonprofits that some of are still building lists and that that is a part of it.

But there's the two key reasons. First, Adrian Surgent from the Institute for Sustainable Philanthropy just published some research last year on the impact of a fundraising plan. And when there is a written plan in place, I think it's like one hundred and fifty seven percent more.

Right. Nonprofits raise like one hundred and fifty seven percent more when there is a.

[Speaker 1]

Holy crap.

[Speaker 2]

Yeah, it's huge. It's a huge impact when there's a written plan. You really can't plan unless you know your history.

So, using data to go. This is what we have raised in the past, knowing how many donors we have, knowing how many people we have in our database, how many we can contact, what our response rates are, all of those kinds of things impact the plan that we create and help us create a better, more effective plan when it's written. And we can refer back to side note.

It also creates a lot of confidence with your board, your leadership and your external stakeholders. But that's a whole other podcast. So, the first reason is the impact of the plan.

The second reason is when donors are entrusting their gifts to us, when people are giving us their names to sign up for our newsletters, however it is they're interacting with us, they're demonstrating a trust in us. They're saying this is my information. This is my name.

You now have access to me. And there's a trust implied in that, that I think we are accountable to, to track it, to take care of it, to use it correctly and appropriately, to use it legally, all of those things and having the systems in place to support that makes it much stronger and much more effective for us. And it conveys trust.

[Speaker 1]

I love that. Also reminds me of Seth Godin, a little permission marketing there.

[Speaker 2]

Seth Godin says we are living in a connection economy. He is 100% correct. If that analogy is true, then data is the oil of the connection economy.

[Speaker 1]

Oh, that's a nugget right there. I love that. I love that.

That's so awesome. Okay. With that, are you ready for our first question?

[Speaker 2]

I'm so ready. I can't even.

[Speaker 1]

Clay was born ready. Okay.

[Speaker 2]

Here we go. It's so true.

[Speaker 1]

Here we go. All right. I'm the development director at my organization.

We've got a huge fundraising goal for this year. We decided to bring on a new consultant to help us get there. We thought he'd be focused on bringing in new donors, but up to this point, he's been doing a lot of board development.

Essentially, he wants us to meet with every board member, ask them for their prospects, and then assign a staff member to each board member for accountability. Our board is a mixture of wealthy and middle-class folks, and truthfully, they haven't been engaged in this way before. Most of our dollars have historically come from larger foundations, not individual givers, and I don't have a good feeling about this.

It almost feels like high-pressured sales. Should I trust my consultant and go with it, or do I say something?

[Speaker 2]

Wow. It's a big question.

[Speaker 1]

And there's like, I love this because there's layers in there.

[Speaker 2]

So many layers to it. And in a way, this is like kind of fundraising 101. But let's start with the answer.

Should I trust my consultant to go with it or do I say something? Number one, absolutely say something. Sit down with that consultant, convey your concerns and fears and have an open, honest dialogue about why this consultant is recommending this process and procedure.

If you've got a good consultant and a good partnership, you'll have a good productive dialogue and true discussion, and both get on the same page. So absolutely find the time to have that discussion in an open and honest learning way because this consultant is giving you excellent advice. This is fundraising, this is good counsel, and the layers that you mentioned just that it gets to are the board's never been engaged in this way before.

Okay, well, it's time to evolve because this is pretty standard, and this is really the best approach. The real question that I have is, is this organization looking to make a move from being more foundation and organizational funded to more individual giving, which I also applaud wildly because that diversifies funding. We learned through the pandemic; individual donations are the strength of the nonprofit sector.

And when we can't rely on corporations and foundations, our individual donors are always there. So, if you don't already have a robust individual giving program or the start of one, this is the great way to do it. There's a little bit on board expectations if this wasn't laid out when they were recruited or brought on, sorry, it should have been, but that's a bit of organizational learning and institutional learning.

And perhaps that consultant might need to take a slight step back to explain to the organization and to the board why they're moving forward in this way and what the strength of it is. And I literally sit on a board where I can't because of my position as a consultant and my position in this community, I cannot bring forward a list of prospects. There are ethical considerations that I have to think of, right?

So, what about the board members that don't have a huge Rolodex, that aren't comfortable with this, that for reasons, many reasons, can't bring a list of prospects? The part that does give

me pause a little bit is, and again, I don't know the full details of what this consultant's approach or recommendation is, but what's the other plan, right? In addition to board prospects, what's the other plan to bring on individual donors?

Perhaps this is just the starting of it, right? And there's more, but how else are we going about bringing individuals on?

[Speaker 1]

Yeah, and I mean, the thing for me that pops here is this development director is clearly uncomfortable. Yeah. And because they're the development director and not the executive director, I also wonder if there's a little layer of like, I'm gonna cover my butt here because you're about to tell them that I haven't been doing my job.

[Speaker 2]

Oh, that's fair, you know, that's fair.

[Speaker 1]

And maybe they're not aware that they're feeling that way, but there can be a little bit of projecting or whatever going on there where the development director is maybe feeling like this third party's coming in and telling everybody what to do, but I'm supposed to be telling everybody what to do and there's some human elements psychologically going on here.

[Speaker 2]

Which is why I think the conversation with that consultant, a good consultant will recognize that partnership, will understand that you're working together, will support and champion that development director and have good details there. Let's fixate just a little bit on this feels like high pressured sales. I'm gonna commit a little blasphemy here.

[Speaker 1]

Blaspheme it up, let's go.

[Speaker 2]

Fundraising is not sales. And I will have that argument with every practitioner and consultant, and I actually do very publicly sometimes on Twitter, have that argument fundraising is not sales. Again, we can spend hours just on that concept alone.

What we're doing in asking the board to ask others is creating a methodology for people to invite other people to be a part of a mission and a vision we believe in. Right, I'm on the board. I chose to be a fiduciary of this organization because I care so much about this mission that I wanna invite you to be a part of it.

It's not about asking in a high-pressure way to make you donate because of our relationship. It's about who can I invite to be a part of this bold mission and vision that we have together and create an invitation. This is that culture of philanthropy stuff, right?

So, if we're looking at fundraising as sales as a transactional relationship, I know there are great salespeople that don't do transactional sales, I get it, right? So, caveat there. And if we're looking at it as that sales function, then I'm also gonna suggest that this development director and the consultant have a really long talk about how do we create that energy, that culture of we wanna invite people to be a part of this.

That's what we're doing here.

[Speaker 1]

Right on. It's more than selling someone a widget.

[Speaker 2]

Correct.

[Speaker 1]

It's not, we're not dealing in widgets here, people. All right, let's go on to our next one. I'm on the board for a small nonprofit that for the last six years has been mostly funded by our president.

I'm taking over marketing and fundraising and I'm trying to get us more sources of revenue. What have been some of the best and most creative ways you have found to raise money without overtaxing your community? I work in the deaf community and most of them are below poverty level.

So, I'm depending on the hearing businesses and individuals out there to support our mission. This is also layered, right?

[Speaker 2]

It's so layered. And again, there's that key phrase, overtaxing your community. Trust me when I say your community is not overtaxed.

Let's bust the myth that there's only a limited pool of funds and there's only a limited pool of donors, right? I guarantee you your community is not overtaxed, number one. Number two, I guarantee you, I guarantee you there are people in the community that have been impacted by hearing loss, by deafness and understand it far, far, far more than you know or far, far, far more than are using your services.

I worked for a number of years in the blind and visually impaired community. And we learned very quickly that, you know, something like 70% of the population actually has some sort of visual impairment. And I have the benefit of seeing you, we're both wearing glasses, right?

That does not equate to blindness. I understand that, right?

[Speaker 1]

But there is more than- Oh, if I take these glasses off, I'm pretty lost.

[Speaker 2]

Right, right.

[Speaker 1]

That's serious.

[Speaker 2]

Right, right. And the same thing is true in hearing loss. Far more people will care.

It is on you, it's on you to really come up with the, what is the impact of deafness and hearing loss within the community as a whole? How does that impact all of us? What does it mean to be serving this population for the community at large?

How does that build, right? How are we building the future of this community by helping our deaf population? So, let's, again, let's take out the overtaxed community, just release that worry right there.

Some of the best and creative ways. The only best and creative way is to invest the time, the focus and energy in really defining your story and your value proposition. Who are we?

What do we do? Why do we do it? And what's the impact of that?

You nail that and you don't have to worry about who your donors are or what they're coming from because somebody will always care if you tell a really great story.

[Speaker 1]

Yeah. One thing that I feel like is in this questioner's text here is this sort of underlying scarcity mindset.

[Speaker 2]

Yep, yep.

[Speaker 1]

And that's so endemic in the nonprofit community. And I just wish I could like had a surgeon's scalpel that I could just like cut that part of everybody's brain out. It's just the idea that, well, there aren't enough donors, there aren't enough supporters, there isn't enough money.

It's a fundamental mindset this person is bringing to the table that I wish that we could somehow magically sprinkle our consulting dust on people and just fix it. And then the other like kind of thing that this question and the other question share is two organizations that are trying to grow beyond having a limited source of fundraising. And I don't wanna miss that because that's something I see a ton is like, and I'm sure you do too, right?

The last question, well, we mostly get our money from big foundations. Well, great, what happens when that foundation changes their focus and all of a sudden you lose 40% of your money because you've been counting on this big grant that you keep getting every year, right? Well, what happens when this president who's been mostly funding your organization decides that they're leaving the organization, they're retiring, or they don't have the money anymore?

You cannot continue to build on that sort of a platform. You have to diversify. And it's like, you have to have an attitude of abundance in order to bring in that diversity of sources.

So, it's like this weird tug of war mentally, I feel like that goes on.

[Speaker 2]

The fundamental question we have to ask in the sector and for these two organizations specifically is, are we going to value philanthropy at all levels? Meaning is the \$50 donor as valuable to us as the \$50,000 donor? Because diversifying your fundraising, diversifying your funding streams and inviting people to be a part of this great work that we do means we've got to build the systems to allow everybody to be a part of the philanthropy.

The scarcity mindset, I believe, comes from this concept that philanthropy is the realm of the wealthy and well-heeled. And if we believe that there are only limited funds to go around, then that's going to come from that, right? But there are donors at all levels, right?

And if we build our fundraising to allow everybody to participate in the philanthropy, what about the grandmother who has a deaf grandchild who just happens to fall on your list, right? And you have no idea that she's impacted, and she can do \$100, right? Are we going to value that as much as we're going to?

And that to me is the answer a little bit to everything, right? Make it available and open and be in that abundance mindset of we welcome all donors at all levels and value them.

[Speaker 1]

Yeah, I love that. So, I think that's probably a good place for us to wrap. And I've gotten some takeaways that I've made a note of here.

And I'm going to just highlight those right now. And if you think I missed one, feel free to chime in. But I've sort of identified five things here.

And the first, which I'm going to butcher your nugget, but it was basically that the fundraising data is the gas that powers the connection economy.

[Speaker 2]

Oil, yeah.

[Speaker 1]

The oil. Yeah. So, is it powering or lubricating?

[Speaker 2]

Is it greasing the skids? It's all of it. It's all the things.

[Speaker 1]

Data is so important. You can't tell where you're going if you can't see where you've been. And data is the answer to that.

Not anecdotes or how you feel about it, but like look at your data, right? And build systems and plans that are based on data. And then another one that jumped out to me was board giving or board fundraising is a basic fundraising 101.

And if you are not doing that right now, you need to start getting your board educated on what that is and why it's important. And then third to sort of piggyback off that, you got to have a diverse source of money. Diverse, just like in your personal finances, you don't have all your eggs in one basket financially, or you shouldn't personally.

And the nonprofit shouldn't either, right? So don't get too heavy on the one donor or the one foundation or the one stream of money because that's risky.

[Speaker 2]

It is, agreed.

[Speaker 1]

And then fourth, I love this and it's controversial, but fundraising is not sales, right? We're not selling widgets. We're inviting people into the mission.

That's it. And I love that so much. We should just do questions about that stuff.

I'll drum some up. And then the last, and for me, this is the most epic because it touches so many things beyond just fundraising is stop it with the scarcity mindset. There is enough.

Your organization is enough. You are enough. There are enough donors.

There are enough dollars. Have an attitude of abundance in everything you do.

[Speaker 2]

Can we dwell just on that real quickly as we're closing out? You are enough. I don't wanna shame people into, you need to have a culture of abundance.

You, the fundraiser, you, the executive director, you are enough. You've got this. You can do this.

If you open yourself to inviting people in and believing, and I don't get all manifestation woo-woo about stuff and I don't generate folks who do, but right, if you open yourself up to that and believe that, if you believe that your mission is powerful enough, you are enough to bring others into it. Change that mindset and you open yourself up to a whole world of potential.

[Speaker 1]

I love it. Clay, thanks so much for being here.

[Speaker 2]

Oh, it's my pleasure. Thank you.

[Speaker 1]

Yeah. I mean, we're gonna have to have you back and soon.

[Speaker 2]

Of course, anytime.

[Speaker 1]

If listeners wanna connect with you and learn more about what you do, where can they find you online?

[Speaker 2]

Easiest place to find me is on my website at tcbfundraising.com, T-C-B as in T. Clay Buck. tcbfundraising.com, just reach me through there. I'm also on Twitter at T. Clay Buck and on LinkedIn as well, which is also T. Clay Buck.

[Speaker 1]

I can personally promote the Twitter, T. Clay Buck. He's pretty amazing.

[Speaker 2]

There are lots of pictures of dogs, I will tell you that.

[Speaker 1]

Right on. If you enjoyed this episode, folks, do me a huge favor, share it with a friend, rate, review, and subscribe on your podcast app. It really helps me out. If you have a question or a story, I'd love to hear from you.

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About the Author



Hi, I'm Jess Birken.

I'm the owner of Birken Law Office, I help nonprofits solve problems so they can quit worrying and get back to what matters most – The Mission. I'm not like most attorneys, I actually have an outgoing personality, and – like you – I like to think outside the box. Most of my clients are passionate and have an entrepreneurial spirit. I'm like that too. My goal is to help you crush it. Getting bogged down in the minutia sucks the joy out of the important stuff. My clients want to do the work – not the paperwork.

Let's connect!

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