Resource: Fundraising strategy - Creating a membership group

CIRCUITWES

What	How	Ideas	Your ideas	Measures
Creating a membership group	Implementing an effective fundraising strategy is about development of revenue streams outside government funding and venue sales. It can be effective to begin by a membership group the organisation can approach for donations. Members are said to be 10 or more times as likely to donate as those with informal or no connection to a venue or producer. Membership programs are an excellent way to increase engagement. A membership programme can increase loyalty from supporters to become advocates for your organisation and its work as well as provide donations income.	Consider the people that are on your database and what the take up of membership might be. For a guestimate, look to those who have some loyalty and visit you more than once year or volunteer with you, especially people over 40 years old. A well structured and promoted programme attract up to 25%-50% of these stakeholders.		Guestimate of size of membership
Weigh the pros	Pros Raise revenue Offer your supporters a chance to deepen their commitment to your organisation and what it delivers Increase attendance Improve the organisation profile Connect to the community Grow the supporter base Increase loyalty Have a feedback channel for planning Increase volunteers Donations are unencumbered by grant applications or acquittals Programmes can open the door for higher value corporate membership Member programmes often uncover major/bigger donors			Your pros
Weigh the cons	Cons Takes time to see a positive return There are resources required to build and maintain the programme There are costs to printing and rewards There are resources needed for new tax and record keeping requirements Members will expect more of the organisation Members are more like to communicate and express concerns Supporters may not want to be donors There are tax implications for donated funds Some donors will expect tax deductibility status to donate There is a lag time before a programme will generate any income			Your cons
Calculate/estimate the possible value	In creating a fundraising strategy, start with an estimated target calculation al of what your organisation might achieve in terms of revenue over several years	Here is an example of a calculation Theatre Bray has 400 people who regularly attend some sort of production The theatre has decided it will create a membership programme at a cost of $10 called Bray Theatre Lovers It estimates only half of the regulars will join – bringing revenue of $2000 It plans to conduct two donations drives a year to fund its children's theatre programme which is currently a bottom line cost It estimates that only half the members will donate and the average donation will be $50 – 2 drives x 100 people x $50 = $10000 plus membership revenue of $2000 = $12,000 Plus, one member offers to become a gold donor for $5000 = $5,000 additional funds The cost of the programme – which will include a bumper sticker, a comp ticket each year and an afternoon tea bi-annually at a cost of $2000 Revenue remaining = $15000 3 x kids theatre programme each year = 3 x $5000 = $15000 Programme is 100% funded		Your calculation
Calculating customer lifetime value (CLTV)	Calculating customer lifetime value (CLTV) One of the major advantages of a membership programme is that members tend to over years and reduce the need for acquiring new donors constantly. Rather than look at the value per annum it is worth calculating lifetime value of a member If you have 100 members that contribute $50 each a year over 10 years they are worth $50,000. This is an important calculation when amortising the costs of the programme and calculating revenue	Develop a guestimate of how many members yoou might retain over a long period (33%-50% is common but it can be less) What is the period you want to use as the lifetime of the programme (10 years is quite a maximum time before a program would need further consideration but it can be longer)		Your CLTV for a programme
Creating a belonging called membership	When constructing a programme, it is worth researching with members what they would perceive has value and looking at other successful programmes. Begin with research Membership programmes vary greatly and usually have one or more of four distinct types of benefits. • Recognition – e.g. in the form of membership tokens, like bumper stickers, public facing media such as honour boards on websites and in venues • Fraternity – e.g. creating the membership group name, having annual gatherings, connecting members • Reward - e.g. complimentary tickets, special member pricing, functions for members • Communication – e.g. personal letters from organisational leadership, newsletters, agm invites Building a membership based means first and foremost identifying what it is that people like about your organisation and creating some identity and fraternity around that.Take advantage of your regular patrons connection to what you do and give them something they can proudly state to their community. It is common to see memberships for anything from football to dance clubs emblazoned on clothing and vehicles and theatre patrons are just as parochial.	Next time you have an event, ask 6-10 of your regulars in for a drink in advance and research their thoughts		1. the recation to you research 2. The conponent of the proposed programme
Case for support	Organisations should develop a promotional strategy to attract members based around a case for support. This case for support gives the target market a cleer reason to join or donate A Case for Support is the rationale for supporting your organisation based on both the emotional, the factual background and those beneficial, worthwhile important services you provide to the community. It must be the expression of your organisation's importance and community need for it to exist, and it must answer any question anyone could possibly ask. Performing arts donors are often attracted because they love performing arts. The fact than an organisation delivers performing arts is a case for support but it may not be enough on its own Be wary of developing lengthy documents on your organisation and all the things it has achieved. Keep your case for support brief and convincing. There are four components to consider	1. Why your organisation exists It pays to consider possible statements that support why the organisation should be considered • Because our town deserves a stage to play on • Because every dancer should have a place to dance • Because we deserve to see great entertainment in our town • Because our kids need to grow with every experience we can give them • Because arts and culture matter are part of who we are 2. What your organisation brings to the region It is worth listing major achievements to show the importance of the organisations. These are some examples • 50 years of service to our community- 1372 performance nights • 2100 people came to us for entertainment last year • 7 dance schools performed 137 dance numbers over 3 nights in 2017 • The venue that brought opera to York • 121 future opera stars sang with us last year • 12 amazing theatrical productions last year • The home of all of our home grown stage talent		The components of your case for support

		3. Emotional human connections to your organisation		
		In the area of altruism, people do like to visualise the positive contributions their involvement brings. This is often achieved with imagery and video showing your organisation in full swing, illustrating how people connect with the organisation, faces of happy attendees and so on. It is also useful to have testimonials from those who use the organisation on what it means to them. 4. Planning and goals Include organisational plans, hopes and dreams for the future and what can be achieved with the help of members. So, if you want to have doubled the number of stage performances by 2019, make that goal known.		
Goals for donations	Successful programmes are those which can detail what donations are for. This can be something based on the overall goals of the organisation (e.g. bring 4 productions per year to Cue), or specific projects as that are planned (e.g. bring our stage lighting into the 21st century.) Many members need to feel that they are going to get something out of being a member. Some may feel that they have received enough just knowing that their fees/donations are working towards supporting an organisation close to their hearts, while others will want something measureable.			what will you spend donation on
Calculate costs	Membership programmes should have a cost, however small. The charge should be commensurate with what members are offering in the programme but kept affordable depending on the demographics of your loyal customers.	Example calculation 150 member programme benefits Bumper stickers $100 Website honour board - nil Comp tickets nil – one per person per year 2 member morning tea events $1800 Postage $300 Total costs: $2200 (non labour) Cost per membership (without labour : $15		
Finding members	1. Start with your database - send personally addressed direct mail making your pitch for members inviting people to join stating the case for support. 2. Follow up a few weeks later by email with a link to a payment page 3. Carry point of sale material in the venue selling your membership programme – especially I food/beverage areas and of house for venue users 4. Use online booking links and ticket confirmations emails to market the programme 5. Include membership monthly in social media 6. Include a membership digital promotion in all events pages listing what's on. 7. Write to everyone in a leadership role in government or commence in the region – focus on relevant portfolios in metropolitan areas, and local government leaders in regions. See business leader known to support causes. This campaign is a membership drive and can be undertaken annually.			What are the 3-5 componen you will use to find members
Make it easy to join?	Create a simple process – online payment, drop a form and payment into the office or post in make the forms easily available and retain the smallest amount of information you require If it takes longer than a few minutes to join, it's too long. Ensure options like encrypted credit card and Paypal are available online. Becoming a member should be as easy as typing or writing down your name and address.			What will be your joining process
Communicating	There need to be a strategy to communicate with members The objectives will be 1. To attract new members (See sample supplied with this resource) 2. To welcome members once joined 3. To communicate news, invitations and updates to members 4. To ensure members renew annually			
Renewals	An important aspect of programmes is to ensure record keeping/database management so that members are sent an annual renewal. This is an administrative task that needs to be scheduled monthly once the programme is launched. This is an essential component of your planning			
Point of contact	Programmes are most effective where someone is the point of contact for the programme. This develops relationships and opens up 2-way communication. This does not need to be a management role, and it can be multiple roles but it should be allocated to people who are in the organisation regularly.			Who are the points of conta
Database	The easiest way to manage membership is through a database solution . This will ensure accuracy and retention of maximum information. More important it can act as a trigger for renewals, manage accounting functions and track activity over time. It is also possible to manage records and payments through most accounting systems However, it is possible to administrate membership through a spreadsheet if that is all that is available, although because of the risks to data it needs to be backed up to ensure security of information.			Where will you retain information?
	(See sample letter supplied with this resource)			