

*Is it time to fundamentally rethink your event fundraising and marketing playbook? Perhaps your board or a major donor is encouraging you to hire a fundraising consultant. Before you take the leap and hire an expert, here are eight questions to ask a prospective event fundraising consultant:*

## 1. WHAT'S YOUR AREA OF FOCUS?

Does the firm focus specifically on event fundraising in the nonprofit space? Many marketing and event production firms occasionally dip their toe into event fundraising. These forays seldom work. While producing concerts, competitive races, or product launches is impressive and complicated work, it isn't event fundraising. Event fundraising is a specific discipline that involves creating an impactful experience to reflect an organization's mission and coupling it with an effective, directed ask for support. It is one thing to create a fun event to sell a new product; it is something altogether different to create a moving experience that convinces someone to contribute money out of generosity and empathy. Look for a firm with specific competency and experience in coupling event production with fundraising; this means experience not only in traditional marketing, but also in traditional fundraising practices as well. A good event fundraising firm understands the development pyramid and can speak to issues like donor retention and donor migration.

## 2. WHAT ARE YOUR PROFESSIONAL AFFILIATIONS?

Following from the above, a firm truly specializing in event fundraising will have affiliations to prove it. Is the firm and its principals members of the Association of Fundraising Professionals? APRA? The Giving Institute?

## 3. WHAT IS YOUR FEE STRUCTURE?

As you begin to talk with a firm, do not hesitate to discuss fee structure right up front. In fact, doing so can save you much consternation later.

- How much? A good event fundraising firm will be able to tell you a range for their fees, and be willing to refer you to another group if your needs do not match their usual profile (more on that below).
- Flat or proportionate? It is against the AFP Code of Ethics to base compensation on a percentage of the amount of money raised. Per capita structures that are based on the number of participants who attend or the number of web hits received are just cloaked percentage structures. It is tempting to believe that such structures "align incentives;" what they really do is give a firm a reason to overcharge you if they simply do their job, and a reason to ignore you if a program doesn't take off. A real event fundraising firm is going to say, "This is our fee." It should be a number, period. If you have to break out a calculator to understand the fee, it might be time to end the meeting.
- How are participant registration fees treated? Do you get them? Some events, particularly athletic events, charge participants a registration fee in addition to required fundraising. These registration fees are your money, not the consultant's. Sadly, with the rise of pseudo-charitable events that give a "portion" of their income to charity, this wall is eroding. An event in which you receive a portion of the net and none of the registration income is a cause-marketing relationship, not a fundraising effort. In either case, participant registration fees should be part of the nonprofit's income, not the income of the event fundraising firm.
- Are performance bonuses involved? In some cases, firms will ask for a performance bonus upon attaining some level of achievement. Such bonuses are not unethical (as long as they aren't based on percentages), but can be abused. Make sure the performance in question is actually the goal you want to hit.

## 4. WILL YOU PROVIDE FINANCIAL PROJECTIONS?

Once you get further down the road and begin talking about the specifics of an event, you may see some registration and income projections. Here are a few things to watch for.

- Did you pay for the income projections? A good event fundraising firm, like any good fundraising firm, will be very wary of giving you income projections without first being engaged (that is, hired) as part of a defined, focused feasibility effort. This means a commitment on your part – but it ensures you substantiated, researched work. Be wary of income projections that float into your office free of charge.
- Are they intuitively realistic? Use your gut, does a concept projection that shows a first-year event generating thousands and thousands of participants seem realistic to you? Would you believe it if a major giving firm told you that you could generate thousands of major donors in one year starting from a full stop? A good firm will show a growth rate. Just like direct mail efforts, some programs might take several years to generate net income. If you see big numbers promised and an equally big page of disclaimers in small print, it is time to ask a few more questions.
- Does it promise money from nothing? No effort works without capital. While most event fundraising programs become self-funding, they never start that way. How much up-front funding is required?

## 5. HOW WILL INTELLECTUAL PROPERTY BE TREATED?

A reputable event fundraising firm will likely retain rights to specific models and intellectual frameworks, but will happily tell you, at the outset, that the rest of their work is work for hire and that you will own the event marks, iconography, collateral, and tools.

## 6. HOW WILL EXPENSES BE TREATED?

When you get into budget specifics, make sure you bring your finance team into the room. Again, some of these questions are worth asking right at the outset.

- Who pays the vendors? In the two models that we advocate, your event fundraising partner will not collect a fee or a commission on your vendor fees. This arrangement allows for the best deals to be negotiated for your organization when it comes to hard goods and event production services. In one model, your partner will pay vendors directly and submit full documentation for reimbursement; in the second, your partner manage the relationships but the your own accounting group pays vendors directly. Either works, and a good event fundraising firm won't have any skin in that game. The documentation you receive should be very thorough either way.
- What approvals do you have? Regardless of whose logo is on the checks, the nonprofit should have full rights to approve all expenses (above petty cash amounts) before they are incurred. Is the firm willing to grant you contractual rights to this oversight?
- Are you allowed to use your preferred vendors? There are times when my firm may have a special pricing relationship with a vendor, in which case we would strongly suggest that a client use one vendor over another. But those cases are few and far between. In all things, from catering to marketing services to software, you should have a large say in the decisions and, if you so desire, make sure your event fundraising firm is willing to issue competitive RFPs for the subcontractors it uses.



## 7. WHO ARE YOUR REFERENCES AND CASE STORIES?

A good event fundraising firm will have many performance references and recent case stories.

- Are they willing to furnish names of people you can actually speak with? When you do speak with the references, ask not only about performance but relationship. What was the firm like to work with?
- Are the references recent? In fundraising, we're only as good as our last initiative. It is great to get the story of what happened five or ten years ago, but what is the firm doing now?
- Is the firm willing to tell you what didn't work? Everyone has failures, and unfortunately in fundraising not all initiatives are successful. Be wary of firms that don't have any mistakes they can tell you about. Can you speak with clients for whom the firm's work didn't pan out? Can the firm's team tell you what they learned, and how their latest work is different?

## 8. WHAT'S YOUR SECRET SAUCE?

Don't tell your kids, but the Secret Sauce on a McDonalds Big Mac is Thousand Island dressing. The only secret sauce is making sure your event fundraising program is performing to its full potential. As soon as your event fundraising consultant uses the phrase "proprietary methodology," it's time to head for the door. Proprietary methodologies lack the fundamental requirement of all serious approaches: peer review. Good consultants don't lock you into one proprietary consulting methodology. They incorporate the best methodologies in the world, driving more value into the services they provide.

*I hope this list helps. I've been excited to see the growth in the event fundraising space over the last 20 years. There are more participants, donors, and nonprofits interested than ever before, and they are creating some great experiences with the help of event fundraising firms.*

*And perhaps that leads to my last piece of advice: There are a number of great event fundraising firms out there, and none of them do everything. I feel strongly that my team at Event 360 is the one of the brightest and most passionate you'll ever meet. But I also know most of the other folks in the space, and like Event 360, each of them do some things really well. Jack Hudson at OP-3, Brian Pendleton at CauseForce, Steve Biondolillo of Biondolillo Associates, Billy Starr at Pan-Mass Challenge, Craig Miller at MZA, Dave McGillivray at DMSE Sports – all are great professionals who have made and continue to make a huge impact for nonprofits across the country.*

**About the author.** Jeff Shuck is President and CEO of Event 360. Since 2001, Jeff has led the Event 360 team to produce more than 200 fundraising events involving hundreds of thousands of participants, which have collectively raised more than \$600 million for charity.

**About Event 360.** Event 360 is an event fundraising company. Our services including strategic planning, research and analytics, event production, corporate sponsorship activation, and Convio and Blackbaud support, among other capabilities. Event 360 has developed and executed event fundraising programs for a wide range of nonprofit organizations, including American Cancer Society, Church World Service, Dana-Farber Cancer Institute, National Wildlife Federation, Opportunity International, PetSmart Charities and Susan G. Komen for the Cure. We are headquartered in Chicago, with employees in 30+ states. For more information, visit [www.event360.com](http://www.event360.com).