



8 Steps to Creating a Nonprofit Stewardship Program

Let's talk about the importance of donor retention.

Keeping donors coming back leads to increased donations, stronger relationships, and more benefits that can help your nonprofit in extraordinary ways—but just because something can happen does not mean that it will.

Retaining donors is part science, part art. There are proven strategies and ideas to guide your retention efforts, but, ultimately, how you retain donors will be up to the creative, dedicated efforts of your staff.

Donor stewardship is how donors are retained. In other words: it's the process by which nonprofits manage and care for donors in order to build relationships that last.

Forget the sugar coating; stewardship is not easy. It requires effort from everyone on your nonprofit's staff. There are multiple parts to the stewardship process, and only when they're all working well together will your nonprofit experience the true benefits of a powerful donor stewardship program.

To get you started, here are eight steps for how to create an effective donor stewardship program that will last:

- Clean your donor database
- Define stewardship at your organization
- Set clear, measurable goal
- Create a budget
- Assemble a stewardship team
- Create a communication plan
- Address how your team will approach lapsed donors
- Put your plan into action

Keep reading if you want to learn how to take your donors stewardship to the next level.

Step #1: Clean Your Donor Database

Donor stewardship boils down to contacting donors at the right times and in the right ways. In order to do so, you need to know your donors through and through. The tough part is remembering the important details for a lot of donors.

There are three important fundraising steps that a clean database makes easier:

1. Donor segmentation
2. Contacting donors
3. Engaging donors

These three fundraising strategies are also an excellent step-by-step guide around which your nonprofit can organize its initial contact with donors.

Donor segmentation

Donor segmentation is how nonprofits organize donors into manageable groups. Donors might be organized according to location, donation amount, age, and other factors. Groups might experience overlap, such as how a baby boomer donor might also be grouped with major gift donors.

A clean database helps donor segmentation in two ways.

First, donor data needs to be organized and easily accessible in order for staff to be able to sort donors into groups. Data such as age, previous donations, contact information, and other relevant data should be available in every donor record.

Effective organization saves time and effort that fundraisers can put towards other fundraising efforts, such as speaking with donors.

Second, segmentation does the work of grouping donors into manageable segments. In a clean database, it's easy to access specific segments and figure out which segment(s) donors belong to. This makes stewardship easier when you wish to target a specific group of donors.

Contacting donors

Have you ever called a wrong number? It's not a particularly positive experience.

It's useless to call donors at wrong numbers or to not be able to find their contact information to begin with. Stewardship is all about interacting with donors, so you need their contact information to be up-to-date and readily available.

Engaging donors

It's important to keep track of how donors wish to be contacted, how often, and with what information.

Whenever and however you contact donors, it's best to vary what you talk about. If you're always making fundraising appeals, then you're building a relationship that's contingent on donations. Make sure your donors know they matter more than that.

Maintaining a clean donor database is all about making stewardship as efficient as possible. Once you're organized, a nonprofit CRM can help you get the most out of your donor database.

Step #2: Define Stewardship at Your Organization

Stewardship has come to mean a lot of things. The term is tossed around pretty loosely.

With big picture concepts that lack specificity and a concrete meaning, like stewardship, it is extremely important that your team defines what your organization's understanding of the term is.

As was mentioned earlier, stewardship is the process of providing donors with excellent care and service in the hopes of retaining them as supporters.

What needs to be defined on an organization-by-organization basis is what makes up the 'excellent care and service' of exemplary stewardship.

Numerous aspects of the donor-nonprofit relationship could fall under your organization's stewardship umbrella:

Formal donor acknowledgment

Customized thank yous

Phone calls from development staff

Annual reports
Newsletters
Social media shout-outs

Your organization might encompass all of those communications within its stewardship program, or only a few.

The important takeaway here is that your organization's understanding of stewardship has clearly defined parameters.

Those parameters will be guideposts as you begin to lay out a stewardship plan.

Step #3: Set Clear, Measurable Goals

Maybe you want to climb Mount Kilimanjaro or pen the next great American soap opera or set foot on the moon. Goals keep people striving towards greatness, and they'll keep your nonprofit on the right track, too.

Some goals can be largely unobtainable, in an attempt to keep your staff striving to be better, but it's important to institute accomplishable goals. Positive reinforcement will keep your staff motivated, and they'll get positive reinforcement when they complete important tasks that you set forth.

Good goals for a nonprofit stewardship program include:

Retaining a certain percentage of new donors from a specific campaign
Receiving increased donations from a certain percentage of donors
Reaching a higher number of donors through your stewardship program
Achieving these broader stewardship goals will likely entail accomplishing smaller tasks, such as sending communications at the proper times and in the desired proportions to specific donors.

Rewarding staff could be the key to a successful stewardship program. People work better when they're happier, and when your staff knows that achieving certain standards might result in desirable rewards, it can help to motivate them on those slow days when the inspiration is running low, but you still need them to deliver the same exemplary service that makes your stewardship program so successful.

Step #4: Create a Budget

There are a lot of moving parts to a donor stewardship program:

Staff

Data attainment and organization

Planning

Execution

Technology

And more

Stewardship doesn't come free, but it doesn't necessarily have to be expensive.

The cost of donor stewardship will depend on the size of your organization, the amount of donors you have, and the budget you have to begin with. You might also consider the ways in which you reach out to donors, how much staff you need focused on stewardship and other factors.

It all boils down to one question: How much can you afford to spend on donor stewardship?

Stewardship shouldn't bankrupt your nonprofit, but realize that it is a strategy geared towards raising more money. Whatever you invest into donor stewardship, you should expect to get back, and then some, through donations from the donors that your efforts help you to retain.

Step #5: Assemble a Stewardship Team

Once you have a budget in place, you'll have a realistic idea of how many people and who specifically should be on your stewardship team.

Like with anything, in order to be successful your stewardship program needs a dedicated group of individuals running it.

It's likely that your stewardship team will consist mostly of members of the development department, as these are the fundraisers already acting as the faces of your organization to donors.

Let's say you currently have a standard thank-you template for email and direct mail, and phone calls are few and far between. Soon, as part of your stewardship program,

you're planning on moving to more customized thank yous and implementing "check-ins" with major donors.

Those strategy changes are going to need additional manpower. You might need to add a development staffer or reapportion tasks.

As you are planning, get the team together and outline stewardship job descriptions.

Step #6: Create a Communication Plan

How you contact donors matters. You don't want to bombard people with too many emails, but you also don't want to call so infrequently that they forget about you.

Ways to contact donors include:

Phone

Email

Direct mail

Social media

Carrier pigeon

And more

We do not encourage the penultimate option, but we'd hate to hinder your creativity.

Creativity matters! It might sound simple to contact donors, but it's not. This donor likes one phone call a month while that donor prefers two emails a week. It could be that simple, but a good communication plan will contact donors in multiple ways.

A variation of communications lets donors know that you care. Emails can be a good way to remain in passive communication, while the occasional phone call can reinforce a strong relationship thanks to a needed verbal conversation.

Contacting donors might sound mundane, but a creative mind can tinker with the options and keep donors engaged by contacting them in multiple ways, while obviously sticking to donors' preferred communication methods for the most important conversations.

In addition to how you communicate with donors, it matters what you say. I mentioned before how only talking to donors about donations sets the precedent that

the relationships don't matter beyond monetary gifts. A donation-focused mindset won't create the types of long lasting relationships that your nonprofit wants.

In addition to fundraising appeals, your nonprofit can share other information, such as:

- Upcoming events
- Volunteer opportunities
- Program information
- Relevant stories

Varying the information you share is another way to get creative with donor communications. You don't want donors to dread your phone calls, because they know that every one is another ask for money.

Instead, make donors hopeful that they might answer and learn about either a fun event you are hosting this weekend or a great way to get out and help the community.

Of course, all communications cost money, so your communication strategy comes back to the budget you have in place for your stewardship program.

Sending too many communications that don't ask for money might cost your nonprofit too much, so plan ahead and decide on a ratio of fundraising to non-fundraising communications that works for you.

Step #7: Address How Your Team Will Approach Lapsed Donors

Unfortunately, no matter how solid your stewardship plan is, some donors are bound to fall through the cracks. The truth is that every organization has lapsed donor, supporters who haven't given in over a year.

While this is a common thread for every organization, that doesn't mean you can't set a plan in place to address how you'll regain these donors' support.

Your approach may vary depending on your organization and the type of donors you're reaching out to, but it should include the following steps:

Write personal letters to each lapsed donor. Not every donor stopped supporting your cause for the same reason and sending a mass email to all your lapsed donors will feel impersonal. Let your donors know that you miss them—not just their money.

Invite lapsed donors to events. Reconnecting with donors can be a difficult process, especially if you don't have a chance to talk with that person face-to-face. Ask them to attend an event or encourage them to volunteer. Engaging with your nonprofit again can be great ways for lapsed donors to reconnect.

Don't ask for a large donation at first. While a lapsed donor might have donated \$50 every month in the past, encouraging them to do so again might weaken your relationship. Instead, ask for a smaller amount and explain to them why every donation matters.

Get their feedback. Listening to your donors might be the best way to regain their support. When you reach out to lapsed donors, ask them for their feedback to show them that you care about making improvements.

When you have a set course of action, your team will be able to use these steps to regain a lapsed donor before it's too late.

In addition, your organization can brush up on more ways to regain lapsed donors with this article on Salsa Labs.

Step #8: Put Your Plan Into Action

At long last! You've trimmed the bushes, swept the sidewalk, and shined the windows. Your stewardship program is ready for its big debut.

You deserve a pat on the back. It's not easy to get a donor stewardship program up and running. Done patting? Good, because the hard work has only just begun.

Donors change. They change jobs, addresses, attitudes, and your nonprofit needs to remain abreast of it all. Strategies will need to be tweaked to stay up to date with who your donors are and what they want out of the stewardship experience.

If you don't maintain a mindset of constantly altering and improving your program to meet the needs of your donors, then your stewardship program could stagnate and fail to retain the amount of donors you need.

I know, donor stewardship is a never ending journey, but life isn't about reaching plateaus and coasting. Life is about climbing, reaching a plateau, perhaps resting there awhile, and then forging ahead to the next far off peak. Always strive to improve your stewardship program, and you'll never cease to amaze yourself at how incredibly much you can improve donor retention.

The argument between donor acquisition and donor retention is almost pointless. Both matter, and the one you engage in the most depends on your nonprofit and its timely needs. Nonprofits need to engage in both, and an essential part of donor retention is the stewardship process.

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