

# National Community Development Services

**5 Keys to Making Sure Your  
Strategic Plan Gets Funded  
You Have One, Now it's Time to Use It.**

**"A Vision Without  
Funding is a  
Hallucination."**

**"Agreement and  
Endorsement are  
not the Same as  
Ownership and  
Commitment."**



# You have a strategic plan. Now what?

Now that you have invested the time, capital and energy in creating a strategic plan – it is time to put this plan into action. Whether you are about to embark on the planning process, have recently completed a plan, or have one gathering dust on the shelf, we have the strategies you need to take these well-researched ideas and use them to better your community. After all, your strategic plan is only as good as your implementation.

Here are the five steps necessary for funding and implementing your strategic plan.

## #1 Effective Implementation Requires Additional Resources

More than likely, your strategic plan calls for you organization to **do more**, be **more effective**, and to take on **new objectives**. It should also acknowledge the need for additional resources – including staff - to achieve these objectives. We frequently encounter strategic plans that either fail to include the need for additional funding, or do not adequately estimate the costs associated with plan implementation, especially over a multi-year timeline. And even when resource requirements are included, organization CEOs / executive directors are sometimes reluctant to propose additional staffing to

effectively execute the plan. Whether out of fear that funders won't want to pay for more staff, or due to unrealistic expectations of existing staff, this is usually a big mistake and will often hamper execution of the strategic plan.

***It takes PEOPLE to make things happen***

No matter how talented they may be, your current staff is likely to have a full plate of existing duties and responsibilities. While they may be able to tackle one or two points within the plan, implementing the entire thing is likely to be far more time-consuming than they have the bandwidth for. Moreover, the new strategic plan will almost always require specific expertise and skills that current staff does not have. When we speak with executive directors or board chairs about using raised funds to hire staff members, we get a mixed reaction. Many people make the mistake of thinking that investors won't support a plan that involves hiring additional staff, but that's simply not true. Think about it this way. Many of the people that you'll be approaching to invest are going to be business owners, executives and community leaders. These are people who got to their positions by building teams around them. They understand that human capital is required to make things run. When you let them know that you need people to help implement the strategic plan, it will resonate. Some investors may even be more interested in participating because it demonstrates that there has been clear forethought for what will be required both immediately and in the long-term to sustain economic growth.

***You have the green light to hire, so what do you really need?***

When thinking about the plan, it is important to assess what additional resources will be required and when. For example, is a new staff member going to be necessary immediately? Will another one be required once the campaign has been fully funded? Determine who will be required to make this plan – and the resulting economic/community/development a reality.

Beyond staffing, strategic plans typically require additional resources to pay for a variety of things ranging from marketing materials to conference participation, website re-designs and maintenance, research, travel, consultants, building projects, etc. Identify what resources will be necessary to make a real go of the strategic plan. While local providers may be willing to provide in-kind goods and services, it is best to plan for every item being purchased on the open market or implemented through hired staff members. This creates a more realistic expectation of what is necessary and ensures that no matter what, the plan can move forward. If volunteers are willing to give their time and businesses donate their services in the future, that much more can be done to improve the economic position of your community.

***When planning, don't fall short.***

As a warning, be careful not to sell yourself short when it comes to fundraising goals. Remember that the best way to spur economic growth is for your plan to succeed. Make sure you raise enough so that it can.

**Pro Tips:** When determining the resources you will need:

- **Prioritize** the most urgent strategies
- Know that funds raised can be allocated to **multiple organizations**, if necessary, for optimal execution of the strategic priorities
- Include enough budget information to show **how the money will be spent** (staff, marketing, research, travel, capital projects, loan funds, “opportunity” funds, etc.)

## #2 Make the Case for Supporting the Plan

A fundraising campaign that secures multi-year commitments from the community’s economic stakeholders – both public and private – is often the perfect solution to funding a new strategic plan. **But asking for money is not easy.** Most people do not enjoy it and over time, board members can come to dread it. What might help is shifting the focus. Instead of looking at raising money as asking someone to simply give, ask them to *invest*.

Asking them to invest in the implementation of a strategic plan is asking them to invest in the future of the community (as opposed to asking for “organizational maintenance”). If potential investors can be approached from this perspective, you will find that they are far more inclined to participate in making a financial commitment, one that is potentially far higher than you would have anticipated. Reaching this point requires making a strong case for why they should participate, and that case must **directly benefit them**. This is an area where many fundraisers fall short. Instead of making it about the investor, volunteers, directors and board members will make it about the organization. This is the wrong focus to have because prospects aren’t interested in growing an

organization. But they are interested in growing the local economy, and enhancing the community as a place to live, do business, and attract and retain employees. Your case for support must make it clear that an investment in your multi-year plan will enable those outcomes.

### ***Don't settle for "token" levels of support***

By treating people like "investors" instead of "donors" you can ask for the requisite level of support that will be needed to implement your strategic plan. Full and effective implementation requires full funding. And full funding cannot be achieved with "token" levels of financial support. Getting prospects to say "yes" is not hard. Getting them to say "yes" to the right amount is really what defines successful fundraising. Don't make the mistake that so many inexperienced fundraisers make by allowing token pledges to sub-optimize your campaign.

### **Pro Tips:**

- Provide clarity about **what strategies and actions** will be undertaken to pursue the desired outcomes. Enough detail is required to demonstrate direction and intent but not so much that may confuse or overwhelm a "lay person."
- Establish **measurable goals**, benchmarks, etc. to track and communicate progress and achievement
- Secure and highlight **endorsement from top leaders and peer stakeholders** as credibility for the plan's importance, and to signal a successful fundraising outcome

### #3 Prepare a Strong Campaign

Create a strategic roadmap for success from the very beginning. Preparing for the campaign requires the preparation of documents that can be shown to investors, strategies for fundraising success and a process that will produce signed multi-year financial commitments.

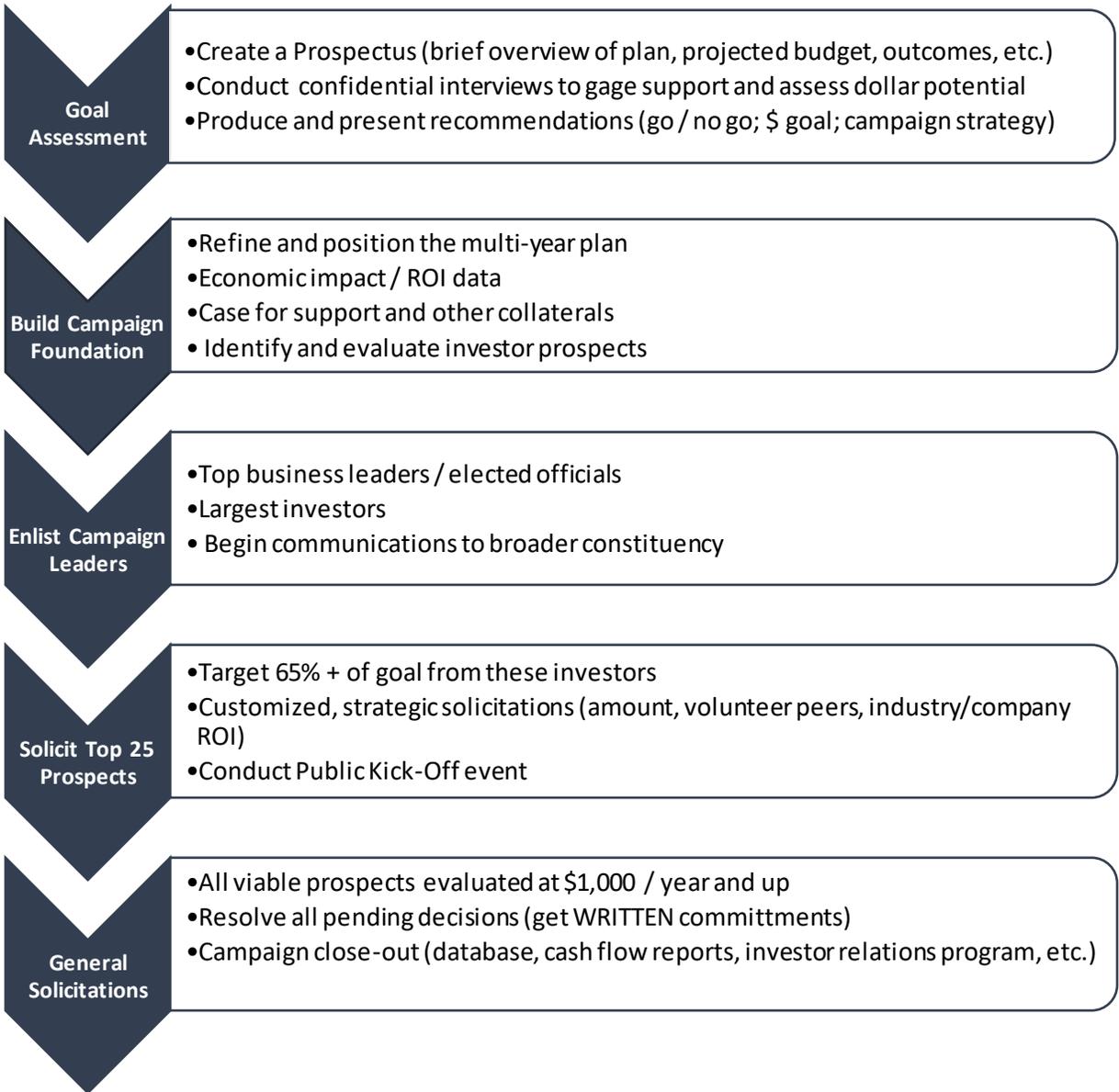
In preparing the campaign, we like to identify different types of investors and gain data on how their business, organization or government agency could benefit from economic growth. Instead of simply saying, “Hey, this will be good for you” we want to provide a clear and detailed analysis as to how. For example, if 500 new jobs are created, how would that specifically benefit the utility company or a car dealership? Translate those benefits into dollar signs to make it clear why an investor should not only invest, but invest at capacity. After all, if the campaign is prepared and run appropriately, investors will see how the campaign's success is going to directly lead to an increase in their success.

#### **Pro Tips:**

- Be sure that your **multi-year pledge period** matches the (initial) implementation period
- Translate performance measures into community outcomes / economic impacts to show value and **return on investment**
- A well-executed campaign will ensure **accountability** for strategy implementation and establish appropriate **benchmarks** for keeping score and communicating to investors during the multi-year pledge period

- **Every dollar raised is traceable** to an activity or outcome, making it possible to show investors what their return on investment will be

## The Process



## #4 Identify (and Evaluate) Potential Investors

Take the time to identify potential investors. Many people start by targeting businesses that have given to the organization in the past. While that makes sense, some of these may be the “token” supporters mentioned above. You also don’t want prospects to simply “replace” their sponsorships with a campaign pledge. An investment in your strategic initiative’s implementation should always be packaged as something above and beyond their current financial support. And campaign investor prospects need not be current members (although securing their campaign pledge certainly makes them a candidate to become one). So, who typically invests in these multi-year initiatives? Anyone who will benefit from their implementation!

### Who invests?

When identifying and evaluating potential investors, we think about stakeholders and **anyone with a vested interest in the community’s economic future**. Generally, hospitals, banks, and utilities stand to benefit the most from economic growth, and they usually have greater capacity to invest. Of course, specific elements of the strategic plan may appeal to some prospects who want more than just job creation. Manufacturers and large employers support workforce development and community improvement initiatives more readily than business attraction efforts. Lawyers and professional service firms have made large pledges to incubators and other entrepreneurial strategies. We do not limit ourselves to current members and have had considerable success with “non-traditional” sources such as waste management companies, associations (realtors, home builders, etc.), and even unions. Even in smaller communities, we try to set a minimum

pledge level of \$500-\$1,000 / year and will typically fund most campaigns with 75-125 investors (leaving alone the majority of small businesses and chamber members).

The **public sector** has always been an important funder of economic development. Your new strategic initiative is a perfect opportunity to create or strengthen public-private partnerships to ensure effective implementation and to encourage all stakeholders to invest fair and proportionate levels of funding. Cities, counties, ports, and airport authorities have all invested in these campaigns – sometimes through an equitable formula based on population or retail sales. Interestingly, over the past 15 years, we have seen the public sector’s “share” of these campaigns decrease from almost 70% to just over 50%, on average.

### **Why do they invest?**

The more relevant question is **why do they invest at “capacity levels?”** Raising “token” levels of support from companies who want to be seen as community supporters and aren’t inclined to say “no” to the Chamber or EDC is not difficult. But token financial support won’t fund the full and effective implementation. **So what’s the key to not just raising money, but raising enough money?**

1. Make sure that **top leaders, influencers, and stakeholders** not only endorse the idea of the new strategic plan, but that they are committed to it being fully funded. From that context, you should show the top prospects how much they need to give in order to set the necessary trajectory for goal achievement. These early pledges

are critical. Ownership and commitment from top investors and leaders means they will be much more effective in influencing others to invest.

2. **ROI.** By definition, the objective of your plan is to create sustained economic growth, prosperity, and a more livable community. NCDS uses IMPLAN to produce an economic impact analysis of the projected outcomes and then translate that into **customized ROI data for key sectors and companies.** Showing investors “what’s in it for them” allows us to raise their sights considerably from token levels of support.
3. A seat at the table. These campaigns are typically funded by 75-125 investors. The multi-year strategy is usually positioned as something distinct, or “above and beyond” the Chamber / EDC’s normal operations. We try to convey the notion that the initiative (and it’s funders) will “**design and orchestrate the community’s economic future.**” We want the investors to see this as an exclusive group that they can’t afford not to be part of.
4. Peer influence. The fundraising adage that “**people give to people**” holds true in economic development fundraising. We engage top leaders and influencers, and operate our campaigns in a way that ensures each prospect knows “who” is asking for their support.

*NCDS does not normally subscribe to the idea of gold, silver, and bronze giving levels and corresponding “perks” for each. In our opinion, this approach will always sub-optimize fundraising results.*

### Investor profile: who, why, how much?

*A sampling of notable pledges to NCDS Chamber & Economic Development Campaigns:*

Healthcare	Utilities	Banking	HQs / Large Employers	Foundations / Individuals	Other
\$1,500,000 Sioux Falls, SD	\$600,000 Mobile, AL	\$1,000,000 Sioux Falls, SD	\$1,000,000 Dalton, GA	\$1,100,000 Mobile, AL	\$500,000 Communications
\$650,000 Tacoma, WA	\$500,000 Joplin, MO	\$750,000 Tulsa, OK	\$600,000 Richmond, VA	\$500,000 Davenport, IA	\$500,000 Short Line RR
\$600,000 Missoula, MT	\$500,000 Jackson, TN	\$500,000 Raleigh, NC	\$500,000 Boise, ID	\$400,000 Brookings, SD	\$250,000 Law Firm
\$400,000 Columbia, TN	\$250,000 Pikeville, KY	\$400,000 Macon, GA	\$400,000 Bloomington, IL	\$300,000 Northeast TN	\$100,000 Car Dealer

### Pro Tips:

- Understand **key industry sectors** in your community and those that will directly benefit from your new plan, then evaluate firms in that sector based on size, profile, and leadership involvement
- **Know the prospect!** Research and background information regarding each prospect's industry, product/service, markets, customers, etc. will allow you to show how your plan intersects with their interests, and to demonstrate ROI.

## #5 Build the Team

Raising money can be challenging, even with a good campaign strategy. Leaders with influence and credibility are absolutely necessary to position your campaign, and the plan being funded, as a community priority. But the leaders you want and need, by definition, are already busy with many demands on their time, and they may not be favorably inclined to asking others for money. The path of least resistance may be to enlist lower profile, lesser known volunteers who are more than willing to commit time and effort. We like having such leaders as part of the campaign team because they are enthusiastic and reliable. But you still need a few “heavyweights” to optimize campaign outcomes – even if they may not be as actively engaged as others. But they can’t simply be “figureheads” who let you use their name and picture, but aren’t really committed to your success. So how do you get these leaders on board?

### **Securing top leaders: What they help write, they’ll help underwrite**

Engage them early and begin cultivating them well before fundraising starts. Ideally, they will have participated in the strategic planning process. The objective is to secure ownership and buy-in for the plan itself. If they are committed to the plan and have their fingerprints on it, then they will be committed to its full funding, which leads to two key advantages: 1) they will make their own pacesetting pledge, and 2) they will work to ensure others step up with fair and proportionate financial commitments. The final element in enlisting these leaders is to leverage their influence while minimizing their time commitments. This is accomplished with sound campaign organization and fundraising principles. This is a key reason why organizations hire us, and why our process is so

valuable. Our full time management of all fundraising tasks, including professional solicitations, takes much of the load off volunteers and makes it “easy” for them to serve in leadership roles. The alternative approach, which is overly reliant on volunteers’ time and effort, will typically scare off the very volunteers you need for success.

### **Pro Tips:**

- **Top leaders** engaged during the strategic planning process will be inclined to champion the campaign to fund implementation
- Campaigns can benefit from the **enthusiasm and optimism** created during, and in response to, the strategic planning process
- Campaign **leaders should confirm their pledges as early as possible** to ensure they will have a personal interest (and credibility) in encouraging others to invest

### **It’s Time to Launch Your Plan**

Don’t let your community’s investment in the creation of a strategic plan go to waste. It’s time to pull it off the shelf, dust it off, and look at what it will take to achieve greater economic success for your community. National Community Development Services is here to help you raise the funds necessary to implement your strategic plan.

To learn more about our process and hear community success stories, contact:



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