



Transform nonprofit fundraising to create rewarding donor connections



Contents

1

The changing face of fundraising

2

Donors want a closer connection

3

Finding ways to modernize engagement models

4

Five ways to elevate your fundraising and donor management

5

Technology to power your fundraising and donor management



The changing
face of
fundraising

Donors want
a closer
connection

Finding ways
to modernize
engagement
models

Five ways to
elevate your
fundraising
and donor
management

Technology
to power your
fundraising
and donor
management

The changing face of fundraising

Of all the critical tasks you tackle as you pursue your mission, fundraising is one of the most challenging—and it's changing as donors look for a closer engagement with the nonprofits they support. Other organizations with relevant causes are also looking to garner attention and commitment from prospective donors. As many organizations reinvent their customer approach to deliver the personalized, high-quality experiences consumers

expect, you don't want to lose out in the competition for potential donors' awareness and monetary donations by providing subpar engagement quality.

Fundraising under these circumstances can be costly, especially if you aim to recruit new donors. The cost of acquiring new donors can be 50–100 percent more than what they give, and it can take years for nonprofits to break even on funds raised compared to the cost of donor outreach.¹



The changing face of fundraising

Donors want a closer connection

Finding ways to modernize engagement models

Five ways to elevate your fundraising and donor management

Technology to power your fundraising and donor management



Today’s donors look to support nonprofits that earn their trust, make it easy to give, and invite long-term relationships.²



Donors want a closer relationship

Both new and current donors are no longer content with simply making gifts and trusting you to use them wisely, sharing news when you can. They care deeply about the causes they support and want to know what the actual outcomes of their charitable donations are. 80 percent of donors feel that understanding the results of their donations or volunteer work with nonprofits is important, and nearly 60 percent state in a survey that they would give as much as 10 percent more if fundraisers would be transparent regarding the use of the donations.³ However, not sharing progress is one of the more common errors nonprofits make when they interact with prospects and donors.⁴

Today’s donors look to support nonprofits that earn their trust, make it easy to give, and invite long-term relationships. For many constituents and donors, a key factor in developing a trusting, satisfying relationship with a nonprofit is being known and appreciated as individuals, not as anonymous funding sources. They also increasingly consider whether nonprofits make smart use of modern technology. Survey findings demonstrate that between 60 and 70 percent of donors are likely to substantially boost their giving if a nonprofit relies on technology to manage and improve its programs and operations.⁵

Finding ways to modernize engagement models

The changing face of fundraising

Donors want a closer connection

Finding ways to modernize engagement models

Five ways to elevate your fundraising and donor management

Technology to power your fundraising and donor management

Nonprofits see that technology can play a key role as they evolve their fundraising and donor management. For many, the most important technology investments are aimed at creating better engagements with constituents and stakeholders. Managing fundraising activities, expanding recurring giving programs, tracking funding to outcomes, and strengthening donor trust by improving security also rank high in their priorities for technology spending.⁶

For nonprofit team members, it can be difficult to find the time to workshop how they could best modernize their technology to meet donors' preferences and better manage constituent relationships. In consequence, established donor engagement strategies and diverse funding sources—along with the disparate, legacy software tools that help manage them—continue to make it challenging to transform fundraising.



The changing
face of
fundraising

Donors want
a closer
connection

Finding ways
to modernize
engagement
models

Five ways to
elevate your
fundraising
and donor
management

Technology
to power your
fundraising
and donor
management

Five ways to elevate your fundraising and donor management



What can you do today to meet changing donor preferences and modernize your fundraising and constituent management? Here are five ways to help you advance in the right direction.



One: Build trust

Donor trust is typically not the result of any single improvement or investment—many conditions can come together to encourage it. Strong program results can bolster confidence, but donors will also want to know that they can trust your disclosures as well as believe in the ethics and efficiency of your financial and operational management.

Ensuring cybersecurity

As security concerns are top-of-mind for almost everybody due to data breaches and the amount of sensitive, personal information stored, [safeguarding donor, financial, and program data](#) against cyberattacks can strengthen donor trust. This is also a best practice considering that phishing attempts, malware, and other threats are always becoming more sophisticated. Here are a few steps you can take:

- If you invite supporters to manage one-time and recurring donations online, tell them what measures you've implemented to protect their information when they set up accounts and enter personal financial data.
- Set donors at ease by including an overview of your security measures on your website.
- On your website and in outreach communications, explain how your organization's data protection and finance management aligns with best practices and applicable regulatory mandates for nonprofits.

Disclosing what you accomplish with raised funds

You need to be ready to communicate your progress and disclose how donations make a difference. Donors and nonprofit rating entities like [Charity Navigator](#) expect transparency regarding which percentage of donations directly supports your mission-related operations and how much is spent on salaries and overhead. They also wonder whether you spend funds wisely, achieving the right results and minimizing waste. The more accurate your disclosures are, the better you can cultivate trust.

One intuitive, real-time tool for facilitating this disclosure is our [Program impact dashboard](#). It builds on a Power BI template to connect fundraising and program data in a transformative way and with a broader perspective, simplifying reporting on program goals and outcomes. The dashboard allows you to see and tell how donations and donor behaviors trend and how fundraising impacts your programs. That can help inform conversations with your donors or provide more global updates in your outreach and online properties.

“Microsoft and our partner Redapt were knowledgeable in not only the cloud but also security. By working with them, we didn't have to go through a learning curve.”⁷

Keith Weller, Vice President of Enterprise Technology Services, American Cancer Society

The changing face of fundraising

Donors want a closer connection

Finding ways to modernize engagement models

Five ways to elevate your fundraising and donor management

Technology to power your fundraising and donor management

The changing
face of
fundraising

Donors want
a closer
connection

Finding ways
to modernize
engagement
models

Five ways to
elevate your
fundraising
and donor
management

Technology
to power your
fundraising
and donor
management

Two: Make donations convenient

While your donors and supporters are committed to your cause, they also hope that you can make it easy for them to connect with your organization and donate to it. They spend much of their lives online and that's also where they look for ways to support you. According to a survey, at the end of 2021, online giving had grown by 9 percent year over year and by a steep 42 percent over the previous three years.⁸ Sending checks and other offline giving will still happen, but that percentage of your incoming donations is likely to continue declining as technology becomes more accessible and pervasive.



Digitizing donations

Meet donors wherever they direct their attention. Many helpful measures are easily accomplished when you:

- Include a donate button on your webpages and in all your communications and marketing.
- Encourage convenient, recurring payment options that transfer set amounts every month or quarter.
- In addition to inviting payments with direct account withdrawals, credit cards, and debit cards, use services and payment apps like PayPal, Venmo, or Zelle, as well as other payment apps in your country.
- Use the donation and award management capabilities of [Fundraising and Engagement](#) in [Microsoft Cloud for Nonprofit](#) to facilitate efficient payment processing, fund accounting, and designation management. The solution helps you process recurring gifts, pledges, one-time donations, and split donations. Microsoft Azure enables payment processing in integration with leading banks and widely used credit card gateways including IATS, Moneris, and Stripe.

The changing face of fundraising

Donors want a closer connection

Finding ways to modernize engagement models

Five ways to elevate your fundraising and donor management

Technology to power your fundraising and donor management



Engaging professional networks

Many of your individual donors may be professionals who connect with their peers and get industry news on LinkedIn. With [LinkedIn Nonprofit Fundraising Solutions](#), you can approach these donors in an environment they're comfortable in and invite their support. Doing so can also help generate additional donations by boosting your visibility with donors' colleagues and associates. If you want to gain more leverage from LinkedIn, you can review [Guides for Nonprofits](#) to see how your organization could benefit from LinkedIn pages, groups, events, and expertise. Nonprofits can take advantage of curated resources, download tailored guides, and even [get up to a 50 percent discount](#) on LinkedIn's Talent, Learning, and Fundraising solutions.

Putting social media to work

Do you have a strong social presence? Facebook and other social media platforms may be popular with just a subset of your supporters, but they can be effective in generating donations and increasing your visibility. An industry study shows that, in 2019, nonprofits raised \$1.77 on Facebook for every \$100 they brought in through other online channels.⁹ However, for some nonprofits—especially those dedicated to health, human rights, and animal or wildlife welfare—the percentage was much higher.

Mobility is critical

In 2020 and 2021, an estimated 28 percent of donors used their mobile devices, a rapid and significant increase from the 9 percent who did so in 2014.¹⁰ The donation buttons and other vehicles you offer on your website and elsewhere should be designed with mobility in mind, so you don't lose out on this important fundraising channel.

Driving visibility and giving with Ads for Social Impact

Take advantage of the Microsoft Advertising Search Network to grow awareness of your mission and connect with new donors and volunteers. Generate more website traffic from potential supporters and use your CRM and analytics tools to understand and engage with them.

Microsoft Advertising offers a 50 percent discount on its owned and operated search advertising, up to a maximum of \$5,000 (USD) monthly spend for eligible nonprofits.

[Apply](#) for the program.

The changing face of fundraising

Donors want a closer connection

Finding ways to modernize engagement models

Five ways to elevate your fundraising and donor management

Technology to power your fundraising and donor management

Three: Simplify technology to gain more intelligence from data

Just five percent of surveyed nonprofits use data to support every decision, and 13 percent rely on data never or rarely. At least 46 percent save data in multiple repositories.¹¹ In earlier days, it may have made sense to use multiple standalone software systems to manage a variety of funding sources. But now, those siloed systems can make it difficult to obtain complete, current information to understand and improve fundraising performance. That, in turn, may compromise your trust building with donors who’re looking for information about your organization’s progress.



The changing face of fundraising

Donors want a closer connection

Finding ways to modernize engagement models

Five ways to elevate your fundraising and donor management

Technology to power your fundraising and donor management



Fundraising and Engagement can help you with constituent management as well as donation and award management.



No more trapped data

Data residing in informational silos can be almost impossible to understand in a coherent, contextual manner. To make sense of its data in driving effective fundraising or moving the organization forward, a nonprofit would have to invest in integrating its software systems or migrating it into a repository where it becomes available for analytical tools. That can be prohibitively expensive. And, as continuing activities generate more data every day, augmenting the insight backlog and making it harder for a nonprofit to chart its course. To meet donors’ expectations for developing relationships and helping them achieve an impact through their giving requires a consolidated approach to managing data and fundraising.

Replacing a fragmented technology landscape

Simplifying your technology environment and consolidating it into fewer systems can make it easier to translate data into intelligence and use more of your skills and funds to pursue your mission. Microsoft Cloud for Nonprofit takes advantage of the CRM capabilities of [Fundraising and Engagement](#) to offer a path for unifying data sources and replacing legacy applications with a single set of tools. Fundraising and Engagement is built on [Microsoft Dynamics 365](#), the [Microsoft Common Data Model for Nonprofits](#), and [Microsoft Dataverse](#). It is powered by Azure, enabling insightful decision-making and donor management for your team members no matter where they are.

Fundraising and Engagement can help you with constituent management as well as donation and award management. Within the solution, you can track and manage gift opportunities and capture relevant data about all your constituents, ranging from individuals and households to organizations.

The changing
face of
fundraising

Donors want
a closer
connection

Finding ways
to modernize
engagement
models

Five ways to
elevate your
fundraising
and donor
management

Technology
to power your
fundraising
and donor
management

Four: Develop a culture of continuous improvement

Imagine that all your fundraising and donor information can be safely available and discoverable on a cloud platform. What could come next?

Maintaining sound data management practices

You want to ensure that you capture the kind of data that helps you [better understand and engage with donors and constituents](#). Your systems should record all the information that matters—like donation amounts, sources, times, and dates—while assigning unique donor identifications so you can observe their histories with your organization. You should also have in place a strategy for curating your growing data assets to keep them available and secure throughout the life of your organization. Fundraising and Engagement provides you with a comprehensive set of tools to manage the data that matters in your constituent management and fundraising.



The changing face of fundraising

Donors want a closer connection

Finding ways to modernize engagement models

Five ways to elevate your fundraising and donor management

Technology to power your fundraising and donor management

“With Microsoft’s fundraising and engagement tools we’re able to track each dollar that funders give us and turn it into on-the-ground accomplishments and then report back to that donor.”¹²

Marcus Selig, Vice President, Field Programs, National Forest Foundation



Data-driven intelligence and improvements

With these basics in place, you can get answers to your important questions and increase your ability to raise funds and manage donors. For instance, you can link donations to fundraising opportunities and marketing efforts. You can see how supporters and donors interact with your emails, videos, website, social posts, and other engagement avenues. Soon, you may spot patterns and trends in how they learn about your nonprofit and what steps they take as they get ready to give. Not only can you find out what your supporters’ preferred donation channels are, you also learn which donor actions immediately preceded their giving. That allows you to appeal to them at the right time, using their preferred engagement methods.

Broadening visibility

By taking your data-fueled donor and constituent management up a level, you can expand your data horizon to include information about their participation in organizations, households, consumer preferences, and more. Greater visibility can enable a better understanding of your supporters and their cultural and economic context, which, in turn, can help you tailor your appeals and communications even more to resonate strongly with them.

The changing
face of
fundraising

Donors want
a closer
connection

Finding ways
to modernize
engagement
models

Five ways to
elevate your
fundraising
and donor
management

Technology
to power your
fundraising
and donor
management

Five: Create lifelong engagements

Once you have the right systems and processes in place to understand and engage with constituents and donors, you can refine your practice as long as your organization exists and they are willing to support it. Many nonprofits find it difficult to meet this challenge. They raise funds by enrolling donors but then lose momentum with them. According to one report, the retention rate for new donors increased by 3.5 percent during the first half of 2021. But it declined by 7.2 percent among repeat donors.¹³



“Whether the donor is 20 years old or 80 years old, we deliver an individualized, seamless experience no matter how they connect with us, and we can share meaningful stories of the children we work for. It’s a great way to build donor loyalty.”¹⁴

Pauline Wielens, Omni-Channel Manager, UNICEF Netherlands



Scaling your unique donor management model

Your team members know how to treat donors well and retain their loyalty. They interact with them as human beings, not anonymous funding sources. They respond as promptly and courteously to their inquiries as possible. They engage with them through social media posts and get to know them individually as time allows. However, once you reach a certain size and prominence, adding people to your organization to manage constituents and fundraising is no longer practical or affordable. It may be time to start using technology to extend your reach without giving up any of the qualities that donors cherish.

Your CRM solution can help [deliver personalized, consistent experiences](#) and encourage lifetime giving. [Constituent marketing journeys](#) draws on your data about donors’ and supporters’ histories and interactions with your organization to enable personalized engagements, which are also extremely efficient, thanks to automations and templates.

Approaching the right prospects

From within your Fundraising and Engagement CRM environment, you can access [LinkedIn Sales Navigator](#) to unlock the power and potential of your wider network. You can use the tool to gain a better understanding of your current donors, research and identify individuals and businesses that might be likely prospects and make impactful connections with them. You can offer prospects relevant content and reach them with embedded messages and warm introductions through this resource. With real-time updates to assist your data gathering and analysis, LinkedIn Sales Navigator allows you to continue refining your prospecting, outreach, and fundraising practices.

The changing
face of
fundraising

Donors want
a closer
connection

Finding ways
to modernize
engagement
models

Five ways to
elevate your
fundraising
and donor
management

Technology
to power your
fundraising
and donor
management

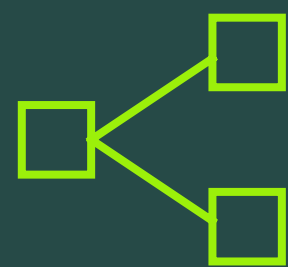
Technology to power your fundraising and donor management

When you bring technology from [Microsoft Cloud for Nonprofit](#) into your organization, the ramp-up time to modernize your fundraising is very short. The software tools run on [Microsoft Azure](#) and are securely available to your team members wherever they work. They are easy to learn and look familiar, with interfaces that look like [Microsoft 365 and Teams](#) apps. You can focus on innovating your fundraising and constituent management for our digital era, flexibly automating many common tasks and processes. Your team members get to spend more time developing relationships and engaging with individuals and business donors and supporters instead of performing routine tasks.

Microsoft nonprofit solutions are designed to consolidate and simplify your technology environment. By transitioning away from specialized software tools, you can manage your key relationships, finance, fundraising, and operations on a single technology foundation that can scale as your organization grows. You can pull in data from practically any source to analyze and drive improvements in your fundraising, program delivery, constituent management, volunteer engagement, and marketing.

Key solutions in Microsoft Cloud for Nonprofit include:

- [Fundraising and Engagement](#), a comprehensive CRM platform built on [Dynamics 365 Sales](#), the [Microsoft Common Data Model for Nonprofits](#), and [Microsoft Dataverse](#), is purpose-designed to help you modernize your fundraising and constituent management with advanced data insight capabilities.
- [Constituent marketing journeys](#), developed on [Dynamics 365 Marketing](#) and the [Microsoft Nonprofit Common Data Model](#), draws on your data related to donors' and supporters' histories and interactions with your organization to enable personalized engagements and automate frequent communications and campaign elements.
- [Program impact dashboard](#), developed with [Microsoft Power BI](#), helps you understand, visualize, and communicate the progress and outcomes of your programs, fundraising, and donor management.



Explore how you can take your organization's fundraising and donor management to the next level with Microsoft Cloud for Nonprofit.



[Visit Microsoft.com/nonprofits](https://microsoft.com/nonprofits)

[Learn more and find a partner](#)

[Contact us](#)

Follow us

 twitter.com/msftnonprofits

 facebook.com/msftnonprofits

1. Double the Donation, [4 Reasons Why Your Nonprofit Should Emphasize Retention](#)
2. The Charity CFO, [These 7 Fundraising Challenges Stump Most Nonprofit Organizations](#)
3. Philanthropy Journal, [Personalize the Donor Experience](#)
4. Forbes, [Nine Common Fundraising Mistakes Nonprofits Make](#)
5. Philanthropy Journal, [Personalize the Donor Experience](#)
6. Based on Microsoft research
7. Microsoft, [American Cancer Society remains resilient, battles cancer through a digital-first strategy](#)
8. Blackbaud Institute, [Online Giving Trends](#)
9. M+R, [Facebook Fundraisers Tips, Trends, and Benchmark Data](#)
10. Blackbaud Institute, [Online Giving Trends](#)
11. EveryAction and Nonprofit Hub, [The state of data in the nonprofit sector](#)
12. Microsoft, ['So much at stake': National Forest Foundation heads to the cloud to grow its forest restoration mission](#)
13. Philanthropy News Digest, [Q1 jump, new retained donors buoyed fundraising in first half of 2021](#)
14. Microsoft, [UNICEF Netherlands turns donors into lifetime supporters with Dynamics 365](#)