a handbook fundraising on how to succeed

AFRDS

Fundraising
Makes It Happen

why product fundraising?

it's for the kids

Schools and youth groups raise nearly $2 billion each year through sales of popular consumer products. The money helps pay for computers, field trips, athletics, music, art and other programs that educate and enrich young lives —important activities not always covered by shrinking school and non-profit group budgets. While there are a number of fundraising options available — bake sales, car washes, auctions, straight donations — product sales are consistently the most effective approach to fundraising.

Millions of parents and young people participate in product fundraising programs each year. Research has found 75 percent of Americans — and eight out of 10 parents — purchase fundraising products. The vast majority of fundraising sales are made to family and friends. Successful fundraising drives do not rely on children knocking on doors, but rather children and their parents asking for support from family, close neighbors and friends.

Most people agree that product fundraising is an important resource for America's youth. More than just raising money to pay for valuable programs, a well-run fundraising drive can be an experience that builds self-esteem, provides community service, and promotes school, organization and community spirit.

Schools and organizations can choose from hundreds of fundraising products and programs to maximize their financial return and minimize the time investment for volunteers and advisors. Better still, many products and programs have been tested over time and are reasonably guaranteed to succeed. Behind these successful programs are professionals in product fundraising — companies that thousands of fundraising organizations have come to rely on as partners in meeting their financial goals.

There are more than 1,000 fundraising companies operating in the United States and Canada. Most are local, independent small business owners, mid-size companies with small sales forces or larger regional and national companies with local sales representatives. These companies work directly with schools, parent-teacher groups, booster clubs, church groups, scouting groups and other not-for-profit organizations to help them raise funds. Many have been in business for decades.

As the product fundraising industry matures and more fundraising products, programs and services are introduced, fundraising sponsors have more decisions to make. First, one must understand and follow any special guidelines for fundraising that have been established by the school, principal or community. Then, one must decide which company will best meet the needs of the school. What product(s) will work best as a fundraiser? What incentives might help the sale?

The following overview of product fundraising will provide a road map for non-profit organizations involved in selecting and conducting a product fundraising program.

finding a professional fundraising company

Selecting the right fundraising company is a critical step toward your program's success. In some areas, dozens of companies offer myriad fundraising products and services. Though the competition may create certain advantages for the fundraising organizer, it also increases the need to completely evaluate a company before choosing a program. It is a good idea to pare the list of candidates down to two or three companies before scheduling appointments to allow ample time for thorough interviews.

Service is a critical consideration when evaluating a company. Let the company explain what they will do to make your fundraiser a success and, importantly, make your job easier. Allow companies to demonstrate their expertise and professionalism. To help you and the company determine what services will be critical to the program's success, discuss upfront your financial goals and the number of volunteers you can count on for help. Armed with answers to the following questions, fundraising sponsors can make solid decisions for their group:

- How long has the company (and the company's representative) been in the product fundraising business? Company size and program mechanics are less important than financial stability, experience and reputation.
- What value-added services does the company offer, and how much do these services cost (such as assistance to volunteers, communicating with parents, and custom packing)?
- How will the company tailor its program to fit your organization's needs?
- How is safety addressed in the program? Does the company discourage door-to-door sales? Will children be encouraged to focus their efforts on family, close neighbors and friends? Will adult supervision be stressed? How will these points be communicated to children? Parents?
- Are teachers encouraged to take advantage of the educational elements (such as oral presentation and math) of the fundraising program? If so, how?
- Does the company comply with state sales and use tax laws and understand how these laws impact your program?
- What is the company's order turnaround time? How are products shipped and delivered, and how will this impact the fundraising organizer?
- How responsive will the company/representative be should problems arise?
- What is the company's policy if your group receives damaged products? Are returns accepted?
- How does the company handle back orders or substitutions?

ESTABLISHING TRUST

Ask for and check references (e.g., other groups, parents, school administrators). Find out if the company delivers on promises. Did their programs generally meet, exceed or fall short of expectations?

The personal relationship between the organizer and the company is critical. Because the organization's reputation is at stake, fundraising coordinators must be able to completely trust the company and know that it will operate with integrity and high ethical standards.

Also important is how the volunteers perceive the company and its representative. Is the representative sincere? Does he or she take a personal interest in the group's goals and concerns? Does the person really believe in the products and services offered? Volunteers will respond best to individuals they trust, admire and respect.

setting financial goals

Identifying specific needs and setting financial goals are vital first steps in conducting a successful fundraising campaign. With a clear understanding of how much money is needed and how it will be spent, volunteers will be motivated and focused. Clearly stated financial goals also will give the fundraising program a benchmark for success. Too often, fundraising coordinators equate financial success with the percentage of gross sales that their group will keep. While the percent of sales is important, there are many other factors that should be considered at the same time.

For example, one company may offer the fundraising organization 50 percent of gross sales, compared to another offering only 40 percent. The "40% company" may be providing valuable services (e.g., incentive programs, consulting, kickoffs, timely delivery of merchandise, custom packing for individual orders) that save volunteer time or increase sales. The company offering the lower percentage may also have a product so superior in quality that the increased sales volume will net more money for the group. It may be better to choose a program that offers a smaller percentage if the added value of the overall program (including services) will more effectively achieve the group's goal. **Remember: percentage does not translate into profit. If a company is offering a smaller percentage of the sales, find out why.**

Among the services available to organizations eager to reach their financial goals, is the option to include a reward or "incentive" program. Although the organization's goal can be incentive enough for some volunteers, often prize and reward programs can be a valuable addition to the fundraising program. The best incentives will increase participation and, therefore, profits for the organization. They add fun and excitement and will involve as many volunteers as possible.

Rewards can be based on actual sales by individuals, families, classrooms, etc. Or the reward may be as simple as a "thank you" gift for taking brochures home.

Before selecting an incentive program, take into consideration the age of volunteers and the overall goals of the program. Be clear up front what additional costs, if any, may be incurred by the organization for the incentive program.

GOAL-SETTING SMARTS

S **Specific…** *well defined and clear.*

M **Measurable…***quantifiable to track progress toward the goal.*

A **Agreed upon…***everybody's on the same page and committed.*

R **Realistic…***given the availability of resources.*

T **Time-Framed…***with a plan for implementation including who, what and when.*

Highlight the organization's goals at every opportunity throughout the fundraiser:

- ***Pre Program***
- ***During Program***
- ***After Program***

choosing
the best program

There are a number of fundraising programs on the market today. They vary not only in the products offered, but also in how they are marketed, sold, packed, delivered and distributed.

Groups can order products and programs through sales people who represent national or regional companies; local fund-raising companies who market exclusively in a particular area or region; direct mail catalogs; or the Internet. There is no single preferred source for, or type of, fundraising program.

Often, it is the fundraising coordinator's experience and resources that determine what programs are most appropriate. Consider the features of each program option and choose the one that best meets the needs of your organization.

DIRECT SALES PROGRAMS generally involve the following: schools or groups order an inventory of products; products are distributed to volunteers who sell products directly to the consumer; funds are collected at the point of sale; schools or groups pay for products sold.

Features:

- Requires only one contact with individual consumers;
- Programs are generally shorter in length (an important consideration if funds are needed quickly);
- Consumers can examine the actual product(s) before making a decision.

ORDER TAKER PROGRAMS involve the following: consumers select from a variety of food and gift items products from a brochure; volunteers record the order; all order forms are returned to the fundraising company; the company fills the orders and ships products to the school or organization; products are distributed to volunteers who deliver products to the consumer. Funds may be collected at the time of selection or upon delivery of the product to the consumer.

Other mechanics of order taker programs can vary widely. Some programs require the school or organization's volunteers to tally orders, calculate collections and sort merchandise upon delivery. Or, the cost of programs may include computerized tallying and delivery of products that are pre-sorted and custom-packed.

Features:

- No guesswork on how much product to order;
- Brochures allow the group to offer a wide variety of products and range of prices;
- Convenient format allows parents and adults to participate in fundraising efforts

ONLINE FUNDRAISING PROGRAMS are emerging as a cost and time efficient way to run a school fundraising drive. Some programs can be carried out entirely online. Others use online components to support more traditional product fundraising drives.

Features:

- With the click of a mouse, family and friends can easily support schools in other parts of the country;
- Supporters of the program can order what they want, when they want, beyond the drive's limited timeframe.

selecting the right products

One of the basic questions a non-profit group must answer is, "What are we going to sell?" There are virtually thousands of products available for fundraising programs. These can range from items such as candy, cookies and other edibles, to wrapping paper, magazines and a wide range of gifts and novelties.

The first — and most important — step when narrowing down the product choices is to insist on high-quality merchandise. Generally, consumers are willing to purchase a product to help support a worthy cause; however, most do not want to pay for inferior or significantly overpriced products. Also, most fundraisers are annual or semiannual events, and success depends on repeat sales. Nothing builds loyalty and profits like a reputation for offering top-quality fundraising products.

Be careful when considering a product because it is "new" or "hot." Although new or unusual products can generate a lot of excitement for your program, and may indeed be successful fundraisers, they do not have the track record to compare with more traditional items. Depending on the fundraising goal of the organization, sometimes it makes more sense to sell products that are proven "winners" in the marketplace.

Look, taste and touch. Although it is not always possible, the best way to establish product quality is to see a sample. If sampling is not possible, scrutinize catalogs and brochures carefully and ask questions before you order the product(s).

When reviewing retail prices for the product(s), consider the income level of the community where the sale will take place. Matching prices with what the people in your area can reasonably afford will give your program its best chance for success. Make sure the retail price of the product represents a fair market value. An experienced, professional fundraising company can provide valuable advice on the product or products that will work best for your group and in your area.

Below is a representative list of the thousands of different foods, gifts and novelty items displayed at the annual Association of Fund-Raising Distributors & Suppliers Trade Show and Convention. This is the largest and most important professional trade show in the world for product fundraising companies and their industry.

A SAMPLING OF POPULAR FUNDRAISING PRODUCTS

Books
Calendars
Candles
Candy and confections
CDs
Ceramics
Cheese & cheese spreads
Clothing & accessories
Coffee
Cookies/Cookie dough
Coupon books, gift checks
Custom printed (coffee mugs, sports bottles, etc.)
Desk accessories
Donation cards & programs
Edible items in decorative tins
Fresh and dried fruit
Frozen entrees & desserts
Gift wrap
Gifts
Gourmet food items
Greeting cards
Holiday ornaments & novelties
Household items
Jewelry
Magazine subscriptions
Meat snacks & other products
Nuts
Picture frames
Pies & other baked goods
Plants and flowers
Popcorn, pretzels, snack foods
Posters
Preserves, mustards, condiments
Safety & first aid kits
Sauces
Soap products
Spices
Sports pennants, cards, novelties
Stationery
Sundries
Sweatshirts & T-shirts
Toys
Window & wall decorations
Wild bird food
Wrapping paper

ensuring fundraising $uccess

(A+) TIPS FROM THE ASSOCIATION OF FUND-RAISING DISTRIBUTORS & SUPPLIERS

- Establish a clear financial goal <u>before</u> evaluating products, programs, etc. — knowing how much money you need to raise will help make these decisions easier.

- Don't let your organization's profits be eaten away by "hidden" costs (e.g. for freight, prizes, overruns) – ask questions ahead of time and make the necessary adjustments.

- Select your fundraising program early to assure ample time for planning. If the school or community has a planning calendar, be sure your event is included. Stagger fundraising activities to avoid competing with other groups.

- Set a specific beginning and ending date for your fundraiser and stick to it — without a clear target date the campaign will drag on, often without direction.

- Avoid "fundraising fatigue" among parents and volunteers by conducting fewer programs that are more effective individually.

- Rely on your product fundraising company professional for suggestions and advice.

- Don't let your program fizzle – some organizers will lose interest once a program begins; stay motivated until the end to assure success. Put a time limit on the sale. Usually 10-14 days is long enough.

- Keep energy levels high by communicating before, during and after the program — remind parents, teachers and other volunteers of the fundraiser's goals and deadlines, provide frequent status reports and updates.

- Avoid shipping and ordering problems by working closely with volunteers to assure that all order forms are legible and filled out completely.

- Keep copies of all forms turned in by volunteers before sending them to the fundraising company.

- Assure efficient handling of products by recruiting parents ahead of time to help distribute the products.

- Double check the products shipped to your organization against the order forms; check each box or bag for damaged or missing merchandise before sending them home with volunteers for delivery.

- Don't forget to communicate with absentees who miss the program's kick-off or other important meetings.

- Have fun! With the right approach, fundraising can be educational and enjoyable for everyone.


it's for the kids

about AFRDS

The Association of Fund-Raising Distributors & Suppliers (AFRDS) is the only professional association devoted exclusively to the product fundraising industry. Framers of the industry's first and only Code of Ethics and Standards for Professional Practice, AFRDS and its more than 600 member companies are dedicated to promoting professionalism and integrity in product fundraising. To stay current on the latest products, programs, innovations and techniques, AFRDS members attend association-sponsored seminars and workshops. AFRDS members are the product fundraising industry's top professionals.

For a free list of AFRDS members offering fundraising products and services in your state and community, write to:

Association of Fund-Raising Distributors & Suppliers
5858 Lakehurst Drive
Orlando, FL 32819

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This brochure has been reviewed by:

National Association of Elementary School Principals

National Association of Secondary School Principals

National Catholic Educational Association

National PTA

MENC: The National Association for Music Education

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Association of Fund-Raising Distributors & Suppliers
5858 Lakehurst Drive
Orlando, FL 32819
afrds@bmg1.com
www.afrds.org