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Do Relationships Matter? The Data on Funder Relationships

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GPC Competencies

Competency #1: Knowledge of how to research, identify, and
match funding resources to meet specific needs

Competency #8: Knowledge of methods and strategies that
cultivate and maintain relationships between fund-seeking and
recipient organizations and funders

Abstract

This study investigates the impact of funder relationships on grant application outcomes by analyzing data from a grant consulting firm over 19 months. The primary objective was to compare the success rates of proposals submitted by applicant organizations with pre-existing funder relationships to those without connections at the time of submission. Data was collected using the firm's project management software, tracking the existence of relationships and the outcomes of grant applications. The results suggest that having a relationship does not guarantee funding. At the same time, the absence of a relationship between an applicant and a potential funder is definitively associated with denials. The article provides rich insights into the complex dynamics between funder relationships and grant application outcomes, offering a data-driven perspective on a topic that has primarily relied on conventional wisdom in the grants profession.

Introduction

Building and maintaining strong relationships with funders is a widely accepted best practice among grant professionals. These relationships can significantly influence the outcome of grant applications, potentially distinguishing between a successful award and a rejected proposal.

Anecdotal evidence alone may not accurately reflect the reality of the grant application process. The author and her team initiated a data-driven study tracking the firm's grant application submissions and corresponding funder responses to empirically investigate the impact of funder relationships and grant outcomes. The primary objective was to compare the success rates of proposals submitted by organizations with pre-existing funder relationships to those without connections at the time of submission. The study findings provide concrete evidence of how relationships with funders influence grant application success, providing data-driven insights into a

topic previously guided by intuition.

Methodology and Study Results

The author and her team encourage clients to engage in relationship-building at every stage of the grant process. Each client receives contact information and potential connections for upcoming grant opportunities every month. Clients are encouraged to share the information with organizational stakeholders, especially the Board of Directors, to determine if there is any connection with the grantmaker.

Using the company's project management software, when grant applications are submitted, a tag is used to track whether the client has an existing relationship with the funder. Once a response is received from the grantmaker, another tag is added if the grant is awarded or declined. Reports are generated using these tags to tabulate the results for a specified period.

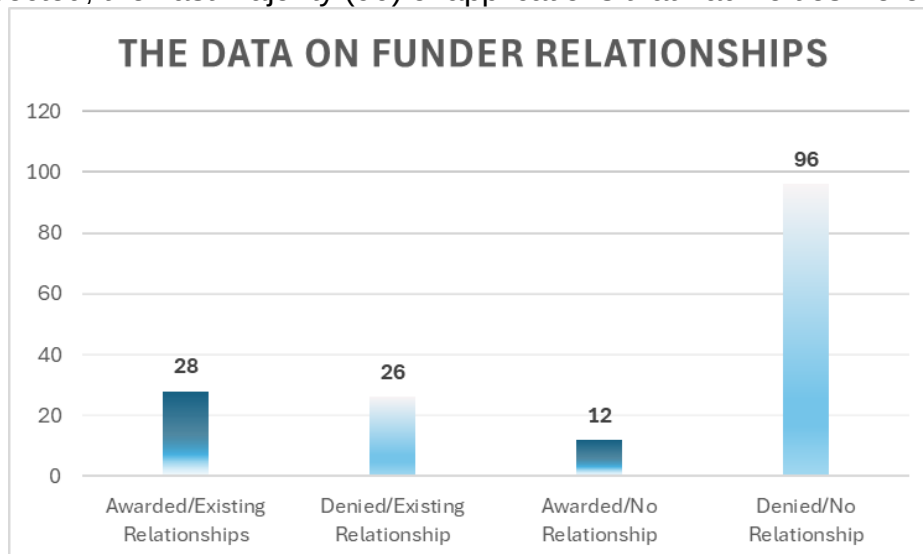
Over 19 months, from July 1, 2022, to January 31, 2024, our team submitted 270 competitive grant applications for client organizations. We received 162 responses from grantmakers.

The data analysis showed:

- Seventeen percent (17%) of grant applications with **existing relationships** were awarded.
- Seven percent (7%) were awarded that had **no previous** relationship with the grantmaker.
- Sixteen percent (16%) of applications were submitted to organizations with **existing relationships** but were **denied**.
- Fifty-nine percent (59%) of applications were submitted with **no relationship** and were subsequently **denied**.

What The Data Tells Us

Fifty-four (54) applications were submitted to grantmakers with an existing relationship with clients at some level. An existing relationship generally means a stakeholder with a connection made contact about the organization and/or the grant request, or the organization was a past grant awardee. Twenty-eight of those grants were awarded, and 26 were denied. The most commonly cited reason for denials was the lack of funding for all applicants or more applications were received than funding available. Surprisingly, **twelve** applications submitted without existing relationships received a grant award. As expected, the vast majority (96) of applications that had no ties were denied.



The most obvious result is the parallel between the lack of relationship with funders and grant denials. Applicant organizations have experienced these denials repeatedly when taking a shotgun approach to grant submission. At the same time, that does not mean grant requests should not be sent to funders with a strong funding focus match. This approach worked in some cases as evidenced by the twelve grant awards for applicants that did not have pre-existing relationships with funders. Clearly, when no relationship exists between applicants and funders, the denials outweigh the approvals, but there is hope. There is also potential to build relationships through different avenues. In her blog article on the Grant Professionals Association's website, Melody Hernandez suggests: "Can we build relationships with funders if our staff and boards but (sic) don't have millionaires on speed dial? ...Reach out and introduce your organization: Don't underestimate the power of a cold call or cold email" (Hernandez, 2024, paras. 2 & 5). Or, in our field, a cold grant application.

What about the applicants who had relationships with grantmakers, but did not receive funding for their requests? These denied applications with pre-existing relationships were not funded mostly because grantmakers said they had more applications than available funds. At a recent GPA regional conference, a very relationship-oriented corporate program officer stated during a panel discussion that the regional foundation received over 1,400 grant applications in 2023 and could only fund 71. Certainly, some applicants that worked hard at relationship building were not supported due to the sheer volume of applications. Other common reasons grant applications are denied are a change in funding priorities, key personnel that had the relationship left the organization, or there was a lack of compelling need described in the proposal. Always ask for feedback when proposals are not awarded.

Building relationships with funders is a crucial strategy for improving grant success rates. Applicant organizations should explore various ways to establish connections with grantmakers. A list of best practices can be seen below.

Tips for Relationship Building with Grantmakers

1. Use a funder relationship tracking tool to identify board and staff relationships. It could be a simple spreadsheet or one of the many relationship management software programs.
2. Look for common connections through LinkedIn and other social media tools. LinkedIn has its paid Sales Navigator and newer Premium Business tools, providing more robust search and networking capability.
3. Be proactive, but not pushy. Reach out to potential funders whenever you can. If some don't welcome phone calls or emails, what's the next step? Send visually appealing one-pagers with concise content highlighting key information about how your organization addresses needs.
4. When you connect with someone, listen to the funder's feedback and ask clarifying questions.
5. Ensure that program staff is present during the conversation to speak to the program specifics.
6. Send a thank you note/email after an initial conversation.
7. Put current and potential grantmakers on your mailing list, and invite them to your social media sites where you will eventually thank them profusely for their grant award.
8. Invite them to smaller-scale, "non-fundraising" events, not just your annual gala.
9. Ask grantmakers for feedback when the grant is awarded and denied. Sometimes, funders do not want to give feedback because they fear a potential confrontation. Make sure to word your request for feedback nicely, and let them know it is for learning purposes only.

Conclusion

Relationship building is not a one-and-done process. Shavonn Richardson describes this process as stewardship and defines it as: "The ongoing commitment to remain connected with funders, keeping them apprised of organizational progress long before grants are submitted. This concept is manifested via managing relationships with current funders year-round" (2024, para. 2). Evaluating the health and depth of the grantmaker/grantee relationship is essential. Ongoing communication will help ensure genuine partnerships with grantmakers and grant seekers will continue to work together to meet their community's needs.

References

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Biographical Information

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