



Making Direct Mail Work for You

By Ann C. Fitzgerald

Here's a conversation I've had many times with nonprofit organizations:

Organization: We tried direct mail, and it didn't work.

Me: What did you do?

Organization: We rented a list and mailed a letter.

Me: Did you receive any responses?

Organization: Yes, but we lost money.

Me: That's to be expected when you mail to prospective donors. What did you do after that?

Organization: Nothing. The board was worried about losing money, so we didn't mail anything else.

In most cases, the group's executive director convinced the board of directors to invest

some money in direct mail—and for good reasons. The organization may have recognized that it needed a broader donor base to increase income. Or it came to understand the challenges of securing grants from the limited number of foundations that support free market causes. Or it was convinced that more individual donors would give it greater visibility and influence with policymakers.

In each case, their reasoning was correct. Direct mail is a cost-efficient and effective way to identify a large number of prospective donors for an organization's cause. If managed correctly, direct mail will help you increase revenue, cultivate long-term relationships with donors, identify sources of prospective major gifts, raise awareness about your cause, and promote your organization in the region.

Direct mail also involves a serious commit-



ment of any nonprofit organization's time and resources. It requires planning, preparation, and follow-through. It also necessitates that the organization's staff and board of directors have a complete financial picture and clear expectations for the program so that short-term losses are put in perspective with long-term gains.

Here are seven ideas to make direct mail work for your organization.

Get the legal stuff out of the way. Most states require charitable organizations to reg-

istive, but that doesn't mean that the tactics don't work. Indeed, nonprofit direct response fundraising accounts for more than \$220 billion in individual contributions, so talk to the experts and follow their guidelines. Also, consider reading up on the subject of direct mail. Mal Warwick's *How to Write Successful Fundraising Letters* and Benjamin Hart's *Fund Your Cause with Direct Mail* are both great resources.

Create a plan with a budget. Review or create your organization's three-to-five-year stra-

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ister before soliciting contributions. If your organization is not registered and is reported to the state's attorney general (by someone receiving your prospecting letter, for example), you could be subject to significant fines.

If you mail in only one state, the registration process is fairly easy and inexpensive. If your organization solicits contributions in numerous states, your first step should be to visit www.multistatefiling.org/index.html to access the Unified Registration Statement (URS). The National Association of State Charities Officials and the National Association of Attorneys General have collaborated to simplify state compliance by consolidating the information and data requirements for nonprofit registrations. The URS doesn't cover all the states, but it is a good place to start.

Get educated about direct mail. How many times have you heard people say: "I never read direct mail. It goes right in the trash," or "I don't like those long letters. I want one to two pages max"? My recommendation is not to follow random advice from people with no expertise in the direct mail business. Many aspects of direct mail may seem counterin-

tegric plan and examine your current sources of income (e.g. foundations, corporations, and individuals). Then develop a comprehensive budget for the costs of direct mail, including a copywriter to draft the letter, list-rental fees, mailing house services to print and mail the letters, and postage. Many smaller nonprofits conduct "high dollar" direct mail programs for which they mail their letters first class to very targeted lists and ask the prospective donor for a gift of \$100 or more.

What numbers should you use to estimate the cost of direct mail? Most groups budget about \$1.50 to \$2.00 per letter, so if you rent a list of 5,000 names, you can see that the up-front investment is significant. In addition, a good response rate for high-dollar direct mail is considered to be 1 percent to 1.5 percent, so a mailing of 5,000 may only result in 50 to 75 gifts.

However, these 50 to 75 donors now become the basis for your "house file." You should plan to mail to these donors several times throughout the year. As committed members and supporters of your cause, they will respond in greater numbers to your appeals and help cover some of the expenses.

Sell the idea to your board. It will take time—often 18 to 24 months—to recoup your investment in direct mail. Therefore, it is important to fully apprise your board of directors about the costs and expected results. That way, no one will be disappointed by a response of 1 percent from a mailing.

Consider your message. Successful direct mail programs are those in which donors receive consistent communication. You will be well prepared for this if you already have experience in communicating regularly

“We got some new donors! Now what?” Hopefully, you will not have to ask this question, because you created a plan for donor relations *before* starting your direct mail program. This means you are able to prepare and mail an appropriate, personal thank-you letter, with an accurate IRS receipt, within 24 to 48 hours of receiving a gift. Also, you are prepared to track the results of each mailing, including cost, response, income, and average gift. Finally, you have a plan in place to communicate with your new donors regularly over

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with donors or contacts through mailings such as newsletters. It is also worthwhile to spend time developing a strong case for support that addresses why your organization is unique and why your work is important. When it comes to preparing an actual direct mail letter, you will need to identify a problem you are trying to solve, your solution to the problem and strategy for solving it, and the benefits to the contributor if he or she supports you.

Be sure to remember the “nuts and bolts.” As you embark on a direct mail program, you are going to engage a small army of people to take your message to a wide audience and generate donors to your cause. Ask other organizations for recommendations on consultants, copywriters, mailing house services, and list brokers. Learn what you can do yourself or with existing staff and what should be handled by someone else.

In addition, make sure you have a system to capture relevant contact and gift information for each donor. This can be a sophisticated contact management program or a simple Excel or Access database.

the course of the year, both through additional fundraising appeals and through relationship-building mailings such as newsletters.

In making a financial contribution to your organization, donors become stakeholders in your success. Their continued involvement will be more assured if you treat them as partners in your mission and cultivate long-term relationships with them. Direct mail plays an important part in the cultivation process, but reaching out to your donors through telephone calls and visits is also important.

Finally, remember that your organization is not the first one that has grappled with the decision to embark on a direct mail campaign. Tap into the movement and ask other organizations for their recommendations, suggestions, and ideas. Their experience may offer just what you need to make your own direct mail campaign work.

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