

Transcript – Episode 71 – Peer to Peer Fundraising with Mark Becker

Dolph Goldenburg: Welcome to the Successful Nonprofits™ Podcast. I'm your host Dolph Goldenburg with another great conversation that will help your nonprofit thrive in a competitive environment. You know what? We have not talked a lot about on this podcast, peer to peer fundraising. You know, and it's kind of funny that we've not talked about it because that was the core method of fundraising probably until the just the last 60 or 70 years. Think for example, about the final scene in the movie *It's a Wonderful Life*. If you recall Donna Reed's character Mary Bailey runs into the house to tell her husband that she went all over town to tell his friends that he was in trouble and they came through with incredible generosity and let me say especially incredible generosity for a time when there were no ATM or late night check cashing centers, their friends had to pull money out of hidden cigar boxes, mattresses and coffee cans.

But over the last several decades, peer to peer fundraising, or **P2P** as it's sometimes called, has taken a backseat in some organizations to direct mail targeted mail and more recently crowdfunding. Just as technology has made recurring gifts and viral giving opportunities possible, it is also breathed new life into peer to peer fundraising. For this reason, we invited Mark Becker, Founding Partner at Cathexis Partners to discuss peer to peer fundraising. Marks' particular specialty with Cathexis is using technology to generate even more money from peer to peer fundraising campaigns. He has over 25 years of experience in the IT field and significant experience in helping organizations build successful P2P campaigns. So, let's play the music and welcome Mark.

Hey, welcome to the podcast, Mark.

Mark Becker: Thank you for having me. Great to be here.

Dolph Goldenburg: Please share for our listeners, what is P2P or peer to peer fundraising?

Mark Becker: Sure. I love the story of *Wonderful Life*. Just saw way too many times recently, right? But you can't get enough of that.

The best example is someone does a 5k. They sign up; they want to get a new personal record or are just doing it for fun [inaudible] and if it's associated with a nonprofit, get a fundraising page and then they can email out to their friends or share on social media their page and ask people to support them and thereby supporting the nonprofit. That's it in a nutshell. We've seen recently that organizations are starting to use it in a lot more creative ways... doing DIY fundraisers where there's no actual event, just a virtual campaign or an evergreen campaign, but in the end it's really the organization setting up some type of a campaign, either physical or a physical event or not where then individually constituents can sign up and ask their network of friends and family to support them and therefore by extension to support the organization or the cause.

Dolph Goldenburg: And you know, I kind of feel like P2P is making a comeback and it's hot again. Why do you think it's hot again?

Mark Becker: Because of crowdsourcing and just because of the world we live in now with social media being so powerful and so out there, it just goes beyond the nonprofits even communicating that out. It's the individuals wanting to raise those funds. You see the ice bucket challenge and things like that, just a few years back and it's just so powerful that they take on a leg of their own and the technology these days just supports it so easily and with new things like Facebook Fundraising that's been around for a little bit, but really picking up some steam technology and the need is just there and people are just making it happen.

Dolph Goldenburg: I know there are different types of PDP campaigns. Can you help walk us through what some of these types are?

Mark Becker: There's the standard 5k run/walk/ride type of campaigns. In fact, there's a great group called the pop *run walk ride* group and then they renamed themselves a few years back the peer to peer professional forum. Just because it's so much beyond just run, walk rides, uh, but there's also the challenge and endurance destination events where there's somebody like I live right outside of Disney World and the Disney marathon where they hand out so many entries to different nonprofits because they sell out fast and then nonprofits can resell those. So those are your challenge, endurance or destination events. There's a lot of different options in there and including, you know, team and training. Then there are virtual campaigns.

Anything from like a virtual food drive from a food bank any other nonprofits wanting to allow people to set up a fundraising page to, to fundraise for their birthday, individuals to fundraise for their birthday or, or, you know, donate for their wedding or special occasion and instead of giving gifts, those are becoming very popular. Independent fundraisers are another example where fundraisers do any kind of digital campaign or any event you want, but all the funds for that event go to a nonprofit. Michael J Fox is a great example of what that looks like. And then there's attributes and memorial campaigns in honor or memory of somebody or a pet. Those have been around for a while, but those are kind of the big buckets of different types of campaigns.

Dolph Goldenburg: So, let's unpack each of those. And one of the things I love about run walk and so often I'll talk to an organization that says, "We want to do our own 5k," and I just shake my head. You have no idea how much work and how expensive it is to do a 5k.

Mark Becker: Why don't you instead choose a 5k and get people to sign up for it and make that a fundraiser for you? Or even just have a virtual one if it's associated to the mission in some way where it's a health-related thing. Makes Sense. Great. Go do something. I'm going to set up the portapotty for you. That's where all the expense comes in. That's where all the overhead is, and you really are then going to mess with your margins. If you have a physical event, but you don't have to do all that.

Dolph Goldenburg: Right. And then the other one that I've always really loved is it's easy to go to your board members and say, "Hey, we need each of you to host some type of an event," and you know, as long as you're covering the costs of it, you can choose whether it's in your home or a nice restaurant, you know, whether it's a gold buyback event or a balloon ride over the museum, whatever it is you want it to be.

Then you invite your friends, you have a suggested donation amount. All the money comes to us. Again, you as a host just sort of cover the cost of the event, and it's such an easy way to get your board members involved and get their friends involved.

Mark Becker: Exactly, Yep. Another great example is how universities higher education are starting to do a lot of team challenges. So, their actual sporting teams for the universities are setting up. So there's one for the baseball team, one for the football team, and then they've always been raising money, but now by setting up these pages and being really easy for them to put in their stats and their team pictures and all that, think of how viral that is for those family members to say, "Look at my son, look at my daughter. Here they are in action. Support them."

It just is such a great fit and natural. It takes all the work out of the fundraising.

Dolph Goldenburg: What do you see on the cutting edge of p two p right now?

Mark Becker: I see a lot in Facebook fundraising that's getting a lot of traction. The challenges that organizations are seeing, nonprofits are seeing is really how to take ownership of that back because when you do Facebook fundraising, it doesn't. It gives the funds to the nonprofit but not the contact or constituent information. So, you don't know who set up that page, and that's a big miss. That's a big loss for the nonprofit to be able to try to continue that engagement cycle with those constituents that are raising and have a connection to their mission. So, that's really the challenge I'm seeing out there in the industry right now is making sure that have a way for your constituents to know that they have the tools and the platform and something that's set up that it makes sense and allows it to be easy for the end user, the constituents, but also easy for the organization.

Dolph Goldenburg: See, I could not agree with you more. I actually have a couple of clients that I've ended up having to have conversations with because they have really low retention rates and when we explore it, most of their donations are coming online, and online donors are often impulse donors. They're at the website or they got a link. They saw something in the news, and they decided to give. The flip side is if you don't have a way to reach back out to them by something other than email to ask them to give again, you have a much lower retention rate with them.

Mark Becker: Definitely. Yep. Well said.

Dolph Goldenburg: You know, and one of the things that we know it is, it is a way more expensive to get a first-time donor than it is to renew a current donor. So, what are some of the

ways that nonprofits can ensure that they get the full contact information for donors, whether they're doing a Facebook campaign or some other campaign?

Mark Becker: Yeah, it's interesting. A *Blackbaud* just announced with Facebook that they're integrating their platform, their Team Raiser platform, the Blackbaud team raiser platform with Facebook. So, I'm starting in Q2/Q1 the next few months we're going to start seeing a way for folks that are using team razor, which is a very popular product out there in the industry to synchronize that information back. So that's one approach, but what's really important factor again, is to make sure an organization offers up some type of tool even if they're not paying any money for it, that allows for, or it's a low cost which is transaction fees allows for the organization to manage that account a little bit more, to have that ownership, to provide that seeding of a campaign. That's really where I'm focusing in 2018 is helping promote and communicate that out to the industry like it's going to happen anyways but help provide those tools so you can then communicate back. There's literally, I think at least 50 different platforms that can be used and its ownership of that. Unfortunately, the dark side of people, individuals I'm claiming to fundraise on an organization's behalf, but actually just pocketing the money. If you have those controlled by and manage the platform or the service used at the organizational level, you can ensure that those donations go where they're supposed to go.

Dolph Goldenburg: You know, I had actually not thought about that. How prevalent is it that people raise money on behalf of an organization, but just pocket it?

Mark Becker: It's, unfortunately, becoming way too prevalent.

It's happening more and more. You hear some of the stories in the news, but a lot of it you just don't know about, but how you get around that is making sure that it's sponsored by and branded around the organization. Even if they're using those low cost or free tools, there's some connection to the organization that can be made on those pages, so you know it's legit, and you know that those are going in there. If you're just going out a Fund-Me page or something like that, there's no guarantee that those funds are going to get there and there's a lot of honest people doing that, so I'm not saying that they're all bad, but that's how you make sure that those funds go directly from the credit card company through the merchant service right into the organization bank as they should.

Dolph Goldenburg: Now, are there some other ways that organizations can try to maximize their net and decrease expenses when they do peer to peer?

Mark Becker: Definitely. Those virtual campaigns are very important if you just want to look into starting out in peer to peer fundraising. Now, the other side is also true of physical events or can be very costly and time-consuming. With virtual campaigns, it's not a matter of if you build it, they'll come. You have to market. You have to see. So, it's all about communication, emailing out to your constituents, direct mail and social media. Get out there on social media and post your campaigns, create a # for your campaigns and really foster that communications, and then have

your board and staff and some of your main constituents seed the campaign and show what can be done and provide examples.

Dolph Goldenburg: Okay. Now I want you to explain, when you say “seed the campaign,” what's precisely are you looking for from the board and staff?

Mark Becker: Set up some fundraising pages themselves. Send out some their own emails or on social media, provides some examples, some suggested messages, set up some great pages, and then when you send out those communications, you can send those examples so that people can have an idea how to set up their own page and see the success that others are having.

Dolph Goldenburg: So how do you feel about friendly competitions either between or among board and staff?

Mark Becker: Oh, it's great. Back to the Lewis University example and other higher ED. They're doing team sports. I imagined the football team compared to the baseball team, you know, and the volleyball team and the male versus the female teams... all that competition just by having those, but you know, take that to the very base level. And then the individual players and the coaches and assistant coaches all competing in that competition is [not it].

Yeah. On the athlete side, everybody feels that, right? They want to be honored. So, you want to do some gamification if possible, if the platform allows. Either way, you want to be able to make sure you give people credit for what they're doing and highlight, congratulate them on, on a job well done and create competition. Show your top fundraisers; show your top teams. Uh, teams always, well almost always outperform individual fundraisers. So, allow teams if the platform allows and the functionality allows for it and then create that competition amongst them and give out some type of [Chicki] or credit. If you're doing a physical event, you know, that premium, um, [port-a-potty] for our team, give them something. It doesn't have to cost money; give them credit at a gala, or by name or by team. Give them special signs, give them something. Competition will always help raise fundraising for sure.

Dolph Goldenburg: A couple of things that I've seen work really successfully among boards, staff and also sometimes outside constituents, but amongst staff, I have seen offering a special incentive - if you raise \$500, you get, you know, a flexible day off that you, as long as you schedule it, you can decide when you want to use it. With the board. I've seen it really successful, especially if the board is slow and engaging in the campaign, but the staff has not for you to go to the board and say, “Hey, so far on average each staff person has raised \$250 on average. Each board member has raised \$50. Come on. You all are the governors of the organization. You know, you got to outperform the staff on this. You don't want the staff morale to be impacted.” You can use that to spur the board.

But perhaps one of the most creative things that I've been a part of when I was the development director, the same incentive Paul Society, we participated in the hunger walk, which is like a walkathon. Again, you know, we did not put it on. We were just participants, but we got a 100

percent of the proceeds from what we raised in the hunger walk, and we were able to put that toward our own food pantry. St Vincent De Paul is a Catholic organization. So, we went to the two largest Catholic high schools in the city who of course our arch rivals and we said, you know, we said, "Hey St Pius, will you challenge Marist and Marist will you challenge St Pius?"

Honestly, it was a stupid cheap trophy that we'd reuse because if Marist won this year, but St Pius one it next year we took the trophy from Marist, and we gave it to St Pius.

So, you know, it was like a onetime investment of 150 bucks, and we used it for years and years, and you know, it's really funny because these schools are rivals and football and baseball and basketball and everything else. It was just natural for them to want to outperform each other.

Mark Becker: That is at every level then not only at the school level than at the classes, the ages, the individual classes, the individuals. Uh, yeah, it's, it's all the way down. And, and that can be through any kind of campaign that works the same way.

Dolph Goldenburg: Right. And you know what, it's funny because then the high schools, because they would want to win, the administrations would actually set up incentives for their students like if you raise a certain amount, you get a relaxed dress code day or whatever, which, you know, for those of us went to public school, Dress Code meant, you know, wear clothes

If you went to Catholic school, yeah, it was really special to not have to wear a tie, you know. Well, that's great. Those are great examples. So, are there other ways that organizations can step up their peer to peer? Yeah, it's, once you get them recruited, it's providing again, regular communications to help spur them on a help, give examples of what's working, get some testimonies from some terrific fundraisers, not just the staff members or the board, but actual constituents out there. Always remember to connect it back to the mission. Put in some stories about where the money's going, show them where the of beneficiaries are after the fact, regardless of whatever cause it is or campaign and show them where it's going to and it always helps if there's a smaller goal. There are some evergreen campaigns that are out there that are really successful, but having those intermediate goals of saying, "Hey, we want to build this building, or we need to raise \$100,000 to do this, or \$50,000 to do x," whatever that number is; sometimes it's even \$10,000. We had a great example with [Hooey]. They set up campaigns to be able to withhold] oceanic institute they set up a campaign just to be able to go out and peg sharks. And that was \$10,000. Pretty modest goal, right? Someone could have probably just fronted the money, but they set up a peer to peer fundraising campaign. They did some videos along the way saying this is what we planned on doing. This is why we need the \$10,000. And then after it was all done, they did another video that showed them actually out there tagging the sharks to show this is what your money did. And what a great example of sewing this is your money and action.

Dolph Goldenburg: Nice. Well, it is time for a quick break, Mark, but when we come back, we're going to talk about some more of those real-life case studies of organizations you've worked with.

Mark Becker: looking forward to it.

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Hey, welcome back. Mark. So, up to this point, we have primarily talked about the theory of P2P, but can you share a couple of case studies of peer to peer, maybe one that went really well and maybe one that started to have some bumps in the road and, and you know, you all had to kind of figure out how to make it work.

Mark Becker: One of them is, is Water Aid Canada been very successful and what they've done the last couple of years is choose some different high-end as you imagined bucket list challenged, not, you know, not just doing a 5k or something like that - not that that's not a huge challenge for many of us. One of the recent ones they've done a couple of times is going to Mount Everest to the base camp, but even just the base camp of Mount Everest is I think 30,000 feet or something like that.

So, it's not, you know, afternoon stroll. So what they do is there's a minimum fundraising goal obviously to go on that and there's a certain amount of people will go and they do great job of, of setting up those, helping those individuals because there's a handful, it's like a dozen or so people go on this trip so they can work with them individually and help them set up their personal fundraising pages and really kind of put some extra polish on it to help communicate what they're doing, what they're raising the money for. Then when they actually go, they tied into the mission because a Water Aid Canada is providing water to areas in Africa and across the world and actually stopped at some of these locations as you're trekking up to the base camp and they stop and some of these villages that they're helping out and they're doing podcasts and they're doing tweets and Facebook live along the way as they're going on these trips.

They are continuing to raise funds and really telling a great story, both in advanced as people are registering for this and then as her fundraising to go, but actually during the course of the two weeks, a trip that they're flying out there and then hiking up the side of the mountain. They have been very successful, and I think they're doing another one in 2018. They have done a great job there.

Dolph Goldenburg: I love how they tie that into their mission. I literally just last month got back from a 10-day hike in Nepal, the Annapurna Base Camp Trek, so not quite as. I think we stopped at like 15,000 or 16,000 feet or something like that. But, but everywhere I went, there is no clean water. So, what a great way for them to tie that into their mission. But I got a couple more questions for you in terms of how they structure it. So, what's the minimum fundraiser in order to go on the trip?

Mark Becker: I think it was like a, it was either 2,500 or 4,500 Canadian. I don't remember the exact number. I think it was 4,500 Canadian.

Dolph Goldenburg: And then I assume that the trekkers fund their own costs of the trip.

Mark Becker: That's right, that covers their costs and then uh, donations on top of that as well, so that actually used to cover their travel expenses, but that is their minimum fundraising go out to go on that trip. And then most of them far exceeded that.

Dolph Goldenburg: Have you got another case study for us and you can share?

Mark Becker: [Parkinson's] Center Canada did a similar thing. They called. There's the lifeless challenge. They actually didn't know about the other ones. They kind of came out at similar times. They had some different things like I'm an air balloon ride, a hot air balloon ride, racing in a formula one race car around the track.

Bungee jumping was another thing, and they tied it into the mission by allowing people to either select their own person to either attributing or memorializing that had Parkinson's or if they didn't know somebody with a disease, they had what they called *Partners with Parkinson's* that they could connect with it. They did a great job. They worked with our team to tying in, you know, if you don't have a connection, here's, you know, your partner, and they randomized it so that everybody kind of spread out. It wasn't a favorite person, or that type of thing and really tied into the mission and told their story. In fact, uh, when they went out to the events, they actually had some of these individuals, they're partners with Parkinson's, so you're able to ride around the track with your partner, that kind of thing.

So that one, they'll be the first ones to admit financially they didn't do great. They didn't get their initial goals. It was their first year, couple of years ago. They didn't reach their fundraising goals, but they didn't know. They kind of picked them out of the sky because they hadn't done this before. They've had great feedback from the Partners with Parkinson's, but also the constituents and the fundraisers; they raised a lot of awareness and they considered it a success and they are

kind of continuing that campaign even though it didn't reach the financial goals that they initially anticipated.

Dolph Goldenburg: But it sounds like they're continuing to do it.

Mark Becker: They are.

Dolph Goldenburg: Are they seeing an increased amount every year?

Mark Becker: Yeah, they simplified it. They made it a couple of less choices. They tried to simplify the process, um, because, you know, as soon as you offer up options, that confuses people.

And so, they're trying to simplify and streamline. They learned from it; they're moving on. I haven't seen the latest numbers, but I believe they're happy with the results so far.

Dolph Goldenburg: You know, in all types of fundraising. I always say the simpler it is for donors, the more likely they are to participate.

Mark Becker: Yeah. We kind of talked about team fundraising before and competition and you can have some of these campaigns where there are all these different levels, like a, a company level, you know, even a district level or division level above that and then a company and then teams and individuals and then you go to donate to somebody and you have all these different options, which is great in some cases. Other times it's like you spend half the time administrating, "No, I didn't want to donate to the team. I want to donate to this individual." So, it's always a bit of a balancing act, you know, offering up options. But keeping it simple as possible.

Dolph Goldenburg: Amen. Mark, before we let you go today, I've got an Off-the-Map question for you. For folks that are not familiar with the Off-the-Map question, this is an opportunity for me to ask you kind of an off-ball sort of off topic question and for listeners to get know you a little bit better.

I always stalk our guests online before we actually get on skype and get on this video call. So, I stalked you online. I googled Mark Becker. Now you will not be surprised to find out that there are a lot of. Mark Becker is out there. I already knew that you shared a name with another mark Becker, the president of my Alma Mater, Georgia State University. Got to give a quick promo for GSU. We are not only the NYU of the south and the largest institution of higher education in the state of Georgia, but we also have the highest graduation rate for first-generation college students. So, clearly that's a pretty prominent, famous Mark Becker.

Mark Becker: I can't beat that.

Dolph Goldenburg: You know, you're close, you're mighty, mighty close. But let me say that if I believed every Mark Becker where you, you have done many amazing things in addition to the

marathons you've done the triathlons, you've done... that kind of thing. You have done many amazing things including you have climbed a 20,000-foot mountain in the Andes. You have volunteered at Western Michigan Environmental Council. You're getting married later this year in a redwood forest, and you work as an archeologist, a lawyer and a social worker. So, this caused me to wonder what is the most bizarre mixup you have had because someone thought you were a different Mark Becker?

Mark Becker: I don't know if it's the most bizarre, but it's the most common one. One of our partners is *Blackbaud*. They're big in the nonprofit space, obviously for their, their fundraising platforms, Razor's Edge and the like. There happens to be a Mark Becker that works there. The poor guy, because of our partnership, I work with a lot of the sales folks over there and he gets a lot of my emails. In fact, he no longer works there and I'm pretty sure it has something to do with the fact that he was getting so many of my emails. I would occasionally get somebody his, but there's a lot of up there. Other than that, yeah, I think people realize that it's a, it's a pretty common name. I feel bad for the Mark Becker was that *Blackbaud* show. So, shout out to him.

Dolph Goldenburg: Hey, Mark Becker formerly of *Blackbaud*. If you're out there, please accept our apology.

Well, hey Mark. Thank you again, major gratitude for you joining us today and sharing such great information about peer to peer fundraising. Mark, I know that our listeners are going to want to find out more about you and your consulting practice and I would encourage them to visit your website, www.cathexispartners.com. Now, I love it when our guests offer freemiums to our listeners and from your homepage, our listeners can download your free nonprofit guide to peer to peer fundraising. Then just one click away in your resource section, They can download even more great materials like a booklet on CRM implementation at your nonprofit or on-demand webinars or a paper on even more creative approaches to P2P, so in addition to that, listeners who want to know even more and get even more frequent updates from you, they can also connect to Cathexis Partners on Twitter, and that handle is www.twitter.com/@cathexispartners. Mark, thank you so much for joining us today.

Mark Becker: Thank you. It's been a pleasure.

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