

Transcript – Episode 92 – [Event 180, Part Two: Flipping Small Fundraising Events on Their Heads for Better Revenue with Sherry Truhlar](#)

Dolph Goldenburg: Welcome to the Successful Nonprofits™ Podcast. I'm your host Dolph Goldenburg. You are joining us today for part two of my conversation with Sherry Truhlar, president of Red Apple Auctions and co-author of *The Essential Fundraising Handbook for Small Nonprofits*. As you probably remember in part one of our discussion, Sherry and I talked about her journey through her unusual career, and she shared with us the hottest ticket item in any auction. Oh, and you know what else? I also learned and demonstrated my auctioneer chant, and I'm pretty sure that I'm on my way to going pro. Today, Sherry and I talk about nontraditional auctions, and Sherry details best practices for smaller fundraising auctions.

Now, I would imagine that what you do is different from say if you were auctioning cattle or cars or one of the other c's other than charity is that you're doing things from the stage that raise money other than just to auctions, right?

Sherry Truhlar: Yes. True.

Dolph Goldenburg: You're like, oh, what are you gonna ask me?

Sherry Truhlar: No, no, no, no. Sorry. I was still enamored with your three c's. What was the other one?

Dolph Goldenburg: Yeah, that's right. I never thought of it. That means the three C's of auctions. I just made it up. But here's the three C's of auctions: Cattles, cars, charity. But it's true. I'm like, okay, now let me try to squeeze some more money out of your cattle buyers, right? You don't do that. Then charity auctions, in addition to actually selling things, you're trying to squeeze some more money out of the guests as well. So, what are some of your favorite ways to do that?

Sherry Truhlar: Let me go back here a little bit because I think that having a good personality is important regardless of the types of products that you're selling, whether that's your 3 C's. You do want to have a good personality. I think the big difference with the charity auctions is that you have more time. On average we're selling an auction item, it takes three to four minutes per item on the stage. When you're selling a car, you've got 20 seconds, and that is rolling by, right? And maybe less. They're doing hundreds of a day. So, from that standpoint, you just don't have as much time to develop a relationship with that item or that crowd. It's not relevant to what you're trying to do in that environment. You still want to have a good personality, but it's just a different vibe.

So, when you're dealing with a charity crowd, there are things that you're going to do. You've got more time, right? Certainly, in my case, I'm encouraging people to give more. Once there's a lull, I'm playing off of that lull to give time to the decision makers to get them to bid again. I heard one auction, and you described this. I can't think of the guy's name. I can see his face, but I can't think of his name right now, unfortunately. He had said that when you're an auctioneer, it's like

you are an order taker. You may as well be a waitress. So, I'm up there. I could be asking for \$100 or \$200 or \$300, but when the orders stop coming in, that's when you really become an auctioneer and worth your weight because now, how are you going to get that person to go beyond \$300?

Well, that's when that little comes in the bidding and where I'm encouraging people to give and depending on the item, depending on the organization, depending on the crowd. I like to say I'm cheeky. I might be teasing the bidder. I might be complementing the bidder. I might be playing the bidders off of one another to get them to bid again. It will depend on the environment as to what I'm doing, but certainly I'm not just saying "sold." I'm stopping, and I'm engaging. That's on the live auction items, but I think - maybe this is what you were drilling down towards - it is the fact that it's not always about selling an item. Sometimes, it's about asking for pledges.

Dolph Goldenburg: I know some auctioneers do heads and tails and that kind of thing.

Sherry Truhlar: Oh, okay. Yeah, yeah, I see where you're going.

Okay. Absolutely. So, when you think about an auction for a typical fundraising auction, there's going to be different ways of getting the money. One of them is the auction, the live auction or the silent auction, but you know, from the standpoint of what I'm most involved in, it would be the live auction. You can play games, so that could be heads or tails. There's a game they call *Roshambo* or Rock, Paper, Scissors, you know, more or less. It's the old kids' game. It could be raffles. I'm engaging people. I'm selling raffles from the stage. The other way, though, is just by asking for people to make a pledge to the cause, so that might be called a fund-a-need. It might be called the paddle-raiser and mission moment. There're a thousand different names for it, but those are usually that portion of the evening is more inspirational, and it's designed to get people to raise their hand to just simply support the cause. So yeah. Those are the three biggies: Games, raffles, live auction.

Dolph Goldenburg: Do you have any tips for charities that are about to do any of those additional fundraising things?

Sherry Truhlar: Yes, I do. Specifically, to our topic today on small auctions, right focusing on smaller groups, one of the big differences that I see between large auctions in small auctions and by small auctions, it's going to vary dramatically by the area of the country that you're in, right? Small in Missouri is different than small in Washington D.C., but when I'm thinking small with generally the people that I'm working with, I'm talking about 150,000 and less. When I'm thinking about those organizations, and I pulled some data from some of my clients ranging from one who made \$43,000 up to \$116,000 in their auctions. When I'm thinking about what they should be doing as a smaller organization, one of the things they need to do is simplify. I see these organizations with smaller auctions, and they're trying to do what the big boys do, and they don't have the staff.

They don't have the manpower. They don't have the volunteers. They can't sell three or four different activities in the silent auction. They don't have enough people to sell one set of tickets, let alone sell two different raffles, a giving table or a giving tree over here – some other activity, maybe a blind bid on the silent auction. They just don't have the staff, but they're trying to do it because they saw it somewhere else, usually at a bigger event, and they're bringing it in, and they fail because they are offering too much, given what they're trying to do. So, one of my pieces of advice is to simplify the giving opportunities.

Dolph Goldenburg: I could not agree with you more, and I think that also is true when it comes to your silent auction. I have been to some auctions that only have like 150 people at them, and they've got a hundred auction items, and then they're surprised why things go not even being bid on or why a lot of things go for the minimum bid.

Sherry Truhlar: You're getting into one of my favorite areas of the auction which comes down to psychology. There's a ton of bidder psychology that goes into an auction. Bidders come to an auction hoping to get a deal. They want to get something for cheap. Your sellers are bringing things to the auction because they believe they're going to get the highest price. Okay, so you have a lot of psychology that's already working within the auction itself. One of the elements that this ties into is the silent auction is that scarcity is going to drive bids higher. Scarcity, no different than in the economy, so if you have fewer items and more visitors, you're going to naturally increase your pricing. If you have a plethora of items, it takes on the effect of a yard sale, and there's not a reason to be competitive in what I'm bidding on.

So, I love the fact that you pointed that out with regards to a silent auction. It's one of the areas that I like to drill down on a lot: you better have at least two bidders to households per item in that silent auction just to help your items sell well. I've got a group in Florida, I'm speaking tomorrow here in Florida, in Fort Lauderdale at the planet philanthropy conference, and we're focusing on this topic of small auctions. Now, I'm going to be speaking with a couple of clients down here, but another Florida client that I have that is not at this event has taken her silent auction from 440 items down to 230 items. She still has too many by the way, but she has more than halved the number of silent auction items, and just last year she raised \$4,000 or \$5,000 more in her silent auction after bringing her silent auction items down that low.

Dolph Goldenburg: I think this boils back down to that psychology piece. My husband Frank and I will open up five or six items because we like to open up items. If there are five or six items that we like, and we get outbid on four, that's okay because we did not really want to go home with six anyway. And so, you have so many, and your guests are almost always able to say, "Well, I liked that thing too, so I'm just going to bid on that, and that's what I'm going to win tonight."

Sherry Truhlar: That's kind of one of the rules of silent auctions when I'm working with a client, particularly one who hasn't worked with a professional auctioneer before. Let's take a look at the silent auction, get a count and start to maneuver that. And usually, we have to bring it down quite a bit.

Dolph Goldenburg: So, any other thoughts on small organization that's doing auctions?

Sherry Truhlar: Yes, to kind of narrow this down because I was thinking about this and in anticipation of my presentation tomorrow and at our talk here today on the podcast. One of them is we have got to simplify, right? I feel bad for some of these smaller organizations because what happens is the board, usually it's a board member, goes off to some other charity event in town, comes back to their event and says, "Charity ABC across town is doing XYZ. I think we should do it too." Wrong approach, might not work for you. You're small or big, completely different audience. We need to rethink that. So, simplifying, that's one of the things.

Dolph Goldenburg: One of my favorites is when a board member comes back and says, "Oh my gosh, I went to this amazing event, and they raised a quarter-million-dollars in the solicitation, and we only raised \$50k. Why don't we only raise \$50,000?" It's because they have a really strong major donor program, and easily two-thirds of those gifts are set up to happen at that event. I had to jump in because I do see that happen all the time.

Sherry Truhlar: It's not even just on that, but that's a great example. And I will just add to that by saying it's everything from the technology that they use. Oh, so and so's doing this; we should buy this too. It may be the raffles that they're incorporating in the number of activities. You know, I was talking about simplifying here. There are so many different things that they'll see in and think that they need to bring it in. No, not really. Not really. Okay. I kind of pulled it together because I said if you're a small auction, and this is what I'm going to talk about tomorrow. I came up with the acronym M.E.S.S., like this is a M.E.S.S. We want to clean up the M.E.S.S. So, the first one, the **M** stands for mission. Drilling down on mission is good for anybody because you might not have the budget to do all the glitz and the Glam, so you darn well better do something right.

And we're going to focus on the mission. That's where we're going to drill down. So, when we're talking about mission, for instance, the fund-a-need, which we briefly alluded to, that's the obvious place to share stories about what you're doing, but there can be other ways that that can be incorporated into on the mission. So usually, if I'm preparing for an event, I'm reading through all of the website and looking at all of that. There're all kinds of stories on the website if it's a good website. Well, there are probably other stories as well within the nonprofit that may or may not be on the website. What if you're able to tie in seven stories? The first speaker or maybe the emcee gets up and is using one of these stories or is giving a personal testimonial to the nonprofit in some form or fashion.

Maybe it's not that she knows a client per se, but maybe she volunteers, and she's telling that aspect of being a part of the nonprofit and being a community member engaged with a nonprofit. That's a story. The next person comes up, and they share a story and their approach to it. Then a third person comes up, and they're sharing about a client story. There can be all kinds of ways that the mission can be incorporated into the event itself, and that's what I say when this whole M.E.S.S. acronym focuses on this mission and where are these stories can be built into the evening itself. Videos obviously are a big example, but a lot of smaller organizations can't afford a video per se, so you gotta figure out where are you going to put this in. I think that

telling stories on the stage and sharing stories at the table is a great way to do that. Dolph, I don't know, maybe you've seen some examples. Good examples of that too.

Dolph Goldenburg: Back when I was running an HIV/ AIDS housing organization, we used to do three-client testimonials right before our fund-a-need, and I was always really clear. We had to have three clients up there so that absolutely everybody in that audience would look at their testimonials and say, "Okay, that might be me." So, we would have a straight woman, a gay man, and a straight man. We left out some people in the audience, but the vast majority of people in the audience would look at that and be like, could have been me standing on stage who was homeless and living with HIV.

And the whole point was, you've got to see yourself in the work we do, and then you're going to invest more.

Sherry Truhlar: You made me think of an example here to have of incorporating a story that wasn't even necessarily planned. I was working with an organization and in this particular one didn't do a live auction. They do a fund-a-need at their event. On every table was a tent card, and on this tent card was the name of a recipient of a scholarship along with a phone number. So, for these recipients, their parents were in the military, and this organization was raising money to give scholarships to the dependents. At the appropriate time, the MC explained that over the dinner, they would like to encourage you to text or call the number of the person that's on your tent card.

You can see where they're going to school. You can see what they're studying. You can see their name. That was all listed up there. And give them an "Atta boy." Tell them, "Hey, we see that you're down at Kansas State University, and that's where I went to school. Good job, keep at it." "I see your stuff in veterinarian medicine. That's awesome." Text or call them or whatever. The idea was to really engage them. Now, I know that the nonprofit had to do some flushing out. They had to figure out who's out there, who's going to be appropriate, who's going to be standing by their phone during that hour, whatever the case might be, but I thought, well, that's a great way. It's not a (inaudible) story, but they've been able to share their mission spontaneously in that sense.

So, **mission** is number one. Number two is focusing on the **experience** that the guests have when they come to the event. This does not mean that you have to spend a lot of money on decor to make it feel like you're in Venice when you walk in through the double doors. That's not what I'm talking about. Let me share an example of what I'm talking about in this case. This was a few years ago: I was working with the children's chorus, and when I'm working with the gala chair who is a volunteer, I like to ask how they got involved, what made them step up to be the gala chair because it's a big job. This woman said, "Well, my son is a second-year member of the course." Only a second year, which is kind of rare.

She's already jumping up to be the gala chair in the second year. She explained why she had decided to be the gala chair. One thing that's important to keep in mind is that this is a chorus

where the parents are paying \$1,500, \$2,000 to send their children to a private choral education. This is outside of the schools. These kids are going to practice two or three times a week. So, unlike a school where you know everybody in the drop-off and pick-up lane, this is a situation where you've got kids from all across the DC area who are coming together. They've auditioned. They've been selected for this course, but the parents don't necessarily know each other because these kids all go to different schools. So, the parents are driving in. They might be sitting in their car or sitting in the back of the room doing work while their kids are rehearsing Monday, Wednesday and Friday.

So, she said, "Last year when I went to the gala, I bought my ticket," and they had this at American University, which was in their Rotunda of the American University, and the parking lot was a covered parking garage. She said, "I pulled into the covered parking garage, and I was sitting there, and I started to see people arrive and go up the elevator to the Rotunda. Everybody was with somebody. They were all when coupled up. I'm divorced, and I didn't have anybody. I almost turned around and just drove out of the parking garage. But I paid my money. I'm going to go into this gala." So, she said that she got out of the car, went up the elevator, and as soon as she came out of the elevator, there were board members, two board members who were assigned to greet everybody who came and made sure they integrated her because nobody knows anybody else.

Nobody knows anybody else. So, she says, "I was immediately greeted by this individual." Hi, who are you? Well, what chorus is your son in? Oh, I know someone else who's in that. Let me introduce you and made sure that she was integrated into the organization, met some people, had a nice evening. She got to meet other parents whose kids were a member of that particular course. She said it was so impressive to me that they made that effort, and it made her feel comfortable. She had a nice time, and I was ready to turn around and drive and go home. That's what I'm talking about by making it a good experience for the guests. She stepped up to be the gala chair the next year, Dolph. I mean, that's a big job. And she was so impressed by that. That's what she decided to do. That's a lot.

Dolph Goldenburg: So, I've got to give you an example of I guess one of my pet peeves. We attend an inordinate number of events primarily because we enjoy them. I don't think it's a burden. I'm a lucky person. I get to go to a lot of events. So, my pet peeve on events is to get all dressed up. I'm looking nice, and then we get to the venue. They often have valet parking, which is nice; we don't have to try to find a parking spot. We jump into the venue, and then there's a line of like 50 people trying to check in, and I'm always like, "Really come on. Can't you figure out how to check people in?" And I've actually noticed that it's gotten worse in recent years with the Text-2-Give most of those people get registered at the event and not before the event. So, this line is just ungodly long. It might take 20 minutes to get in, and it's a first-world problem, but still, it's like here I am. I'm all dressed up and ready to enjoy the event, and I'm standing in line.

Sherry Truhlar: You've said several things there that make me think about first any of the mobile bidding vendors who are listening to this are probably cringing that you said that because it is supposed to help with registration, not make it longer, but I know what you're talking about.

There are usually some technical issues too that they have to work through with that. Although, you can open up mobile bidding a few days and that helps alleviate the stress too, but it depends on the event, and that's a whole other can of worms. One of the things that would probably help in your situation is if someone walked out and handed you a drink while you're in line. If that line is going to be there, let's plan for it. We're starting something new this year.

We expect to have a line. What can we do to engage people? I worked for one summer at the Maryland Renaissance Festival. Have you ever been to a renaissance festival?

Dolph Goldenburg: Not in Maryland, but I have.

Sherry Truhlar: Okay, well the Maryland Renaissance Festival is the only historically accurate renaissance festival in North America. They choose a year every year. All of the characters in the village are real characters that they've researched. Do you know who your parents are, why you're in the village that day, blah, blah, blah, blah, blah... it's whatever wife, King Henry the Eighth is on at that point. There were certain duties that we had to do as part of the characters, and one of them was when people were arriving, you had to go out and engage them as they were standing in line, you know, so you might have your skill, you might be writing poetry for someone, you were doing whatever necessary to make sure that they weren't sad about standing in line. So, it makes me think about that.

Dolph Goldenburg: And let me also just say that like if you're doing that kind of an event, you know, 60 to 70 percent of your guests are going to show up in a 20 to 30-minute window. So, plan on it being an all hands-on-deck. If you're doing a paper check-in, give people some clipboards with the check-in list and some name tags and just start walking down the line and taking care of people. If you're doing mobile bidding or something like that have people with iPad that are literally are just walking down the line. That the vast majority of your guests are all going to show up in a very short period of time.

Sherry Truhlar: That's what McDonald's does though, right? When they get backed up, they send people outside to take your order.

Dolph Goldenburg: Wow. I did not know that, but yeah. That's the end of my grumpy old man rant. I promised you some old man noises. See, there you go. Those are my old man noises...

Sherry Truhlar: Oh, can I give one more thing on this experience thing? So, the other point on this experience is we are talking here about what you should be doing before, I guess is the standing in line greeting people. The other nice thing to do is have a board member call your big spenders within 24 hours, and they don't even need to talk to anybody. They can call. It'll probably go into voicemail because nobody's going to answer it if they don't recognize what the number is, but they're going to call that big bidder and going to say, "Hey, my name is Sherry Truhlar. I sit on the board of charity XYZ, and I was at the event last night, and I saw you buy that 12-person villa in Italy. I just want to thank you. This charity means the world to me because I had someone who died of AIDS, and it means a lot to me to be on this board, and I saw you

support our organization last night. Thank you. Have a great day.” That's all you need to do, but in the business world, we like to say that money loves speed. So, the same is true in the fundraising world. If you're able to thank somebody very quickly, people sit up and take notice on something like that.

Dolph Goldenburg: That might be my takeaway from this episode. For the big spenders at your event, have a board member reach out to them in 24 hours.

Sherry Truhlar: That next morning, call. They're on it. They are on it. Yeah. So that's part of that experience point. It makes a difference. There are some other things, but I think that if you're a small nonprofit, you got a small auction, you may not have money for gifts. You may not have money for some other things like that, but those are human experiences that people remember. When it comes down to it, you can have a lot of glossiness on your event, but it's about how people feel. It's about how they felt they were treated. That's what lingers in the back.

So, that's the first “S” is simplify. Simplify the giving opportunities. So, we had mission, we had experienced, we had simplifying the giving opportunities. And the fourth one, which kind of plays into how you make money as an event, is **sponsorship**. If I was a small organization and was trying to figure out how to maximize my event fundraising for the least amount of work, I would be focusing on the live auction, fund-a-need and sponsorship, those three things. Again and again, when I have worked with my smaller clients, that's where they've seen the big breaks. When they focus on those three things, the money increases. You're not going to double your event by focusing on the silent auction. Ain't going to happen. It's too much work, and the money isn't there. Your silent auction proceeds are a lot of effort for the amount of money that you're going to make, but you can extraordinarily impact your event if you focus on those other three areas. If I had to come down to it, a sponsorship and funding even more than the live auction, quite frankly.

Dolph Goldenburg: I am part of the *Amen* chorus on that and could not agree more. Sherry, this has been an incredible conversation. I have been so enthralled with it that we skipped the midpoint break, but there's one thing I'm not willing to skip and that's the Off-the-Map question because honestly, the Off-the-Map question is more important to me and also more enjoyable for me to work on than reading a quick promo. I think I've got a good Off-the-Map question for you. It's probably one you've gotten before: what is the most challenging item you have ever been asked to auction?

Sherry Truhlar: Vasectomy.

Dolph Goldenburg: No! For what? You have to tell me, what type of organization?

Sherry Truhlar: It was a school. I recently wrote a blog post about it. It's got to be within the last 10 blog posts I've written about selling sex in your auction. And this was an example of that, but other ones, it can be related to IVF treatments. There was a group that was doing that. Am I saying, that right? IVF, is that right?

Dolph Goldenburg: In vitro fertilization? Yeah.

Sherry Truhlar: We have had vaginal plastic surgery. I can't even think of the word for it. It's like there's a fancy word for it. That kind of stuff is very awkward. In the case of the vasectomy, I didn't want to put it into the live auction, but they felt that it had to go into the live auction, and I don't win all my battles, so I didn't win that one. It can be tough. Sure, could you have an environment where maybe people jump on board? Yeah, but why put something so risky? It opens up so many questions. People are sitting there looking to see who's bidding, and the jokes can fly, and it's just awkward. I don't like selling that stuff in a live auction.

Dolph Goldenburg: Yes. I agree 100 percent. I feel like if you are selling something like IVF or a vasectomy, when you raise your hand, you're kind of like, yeah, I don't want to send any more kids to this school. It's too expensive, and I don't like kids. So yeah, I was not expecting that. But wow, that was perhaps the perfect Off-the-Map question.

Sherry Truhlar: And this isn't just sex but like botox or plastic surgery. It's just awkward. Even though I'm sure that there's some parts of the United States that are more open about that, I've been at some events where one gal was loud and proud about the work that she'd had done and who did it and the treatments that she gets and she didn't mind, but that's not the majority of people. I think we need to kind of play to our base and be careful about what we put in the live auction in that sense. So yeah.

Dolph Goldenburg: I agree. I love the marketing pitch on it. Well, if our school's too expensive for you, have a vasectomy, and you won't have to send any more kids here. That's awesome. That's awesome. Well, Sherry, I have to tell you, it has been a blast having you on the show today. For our listeners, they may not know that I batch record podcast episodes. So, this is like the sixth recording of the day. When Sherry first came on, I was like, you need to know this is the episode where it all hangs out, and we're going to have a great conversation, and we did. Thank you. I always want to make sure that, no matter how much fun we're having, listeners know how to connect with you so they can find out more about your auction company Red Apple Auctions at www.redappleauctions.com.

I also want to make sure that listeners know that every January, you produce a free auction item guide, and that's a guide to the best item sold the previous year. While you produce it in January, it's available year-round so people can go to Red Apple Auctions right now and download that guide. It's one of the things that I will be doing as soon as we hang up from this Skype call because I'm going to be interested to see what sold best last year. Now, when you're at her website, you can also sign up for her free biweekly newsletter as well, something else I will undoubtedly be registering for. Dear listeners, there are two more things I want to encourage you to do. First, make sure you check out videos of Sherry doing her thing. You will be enthralled, and you will have so many questions like, how many calories does she burn doing that in an hour? Now, the final piece is don't forget to check out the book that she has coauthored the [*Essential Fundraising Handbook for Small Nonprofits*](#). It's available on www.Amazon.com, and, of

course, we'll link that in the show notes. Sherry, thank you so much for being on the podcast today.

Sherry Truhlar: The pleasure was all mine. Thank you so much. It's been fun.

Dolph Goldenburg: If you were busy perusing www.realtor.com because you can justify buying a beach house if you're willing to donate a week, stay there for your favorite charity's auction, then by all means, keep at it. Just keep prowling around (inaudible) on www.realtor.com and know that I will be happy to be the winning bidder and be your first guest. Now, if you are so busy doing that, that you did not get down Sherry's URL, then just go to www.successfulnonprofits.com, and look at the show notes. We'll link that and her book on Amazon. Make sure you check that out. Now, I always like to close the show by asking something from my dear listeners. If you would please, if you've enjoyed this show, make sure you go on iTunes, Stitcher or Libsyn and subscribe, rate and review us. That is our show for this week. I hope you have gained some insight to help your nonprofit thrive in a competitive environment.

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