

Fundraising and Budgeting

Helen Marriage, Artichoke
Karen Napier, South Bank Centre

Helen Marriage (HM) introduced Karen Napier (KN) who is on the verge of completing the £111 million fundraising campaign for the transformation of the Royal Festival Hall. HM explained that, despite the apparent discrepancy between KN's fundraising targets and those of most people in the room, her experience is still very relevant as some of that target was reached by raising very small amounts as well as very large.

HM talked about the need to recognise that KN with her staff of 19, and organisations like the Tate which has 42 fulltime fundraisers, are the competition. They will be looking for funding from the same sources as anyone else in the room, so it is crucial to look at fundraising in the same way that they do: strategically and professionally.

HM explained that the format of the session will be a conversation between the presenters, rather than formal presentations, with the opportunity for delegates to chip in with questions.

HM asked KN how one constructs a case for support.

KN started by explaining her background. She originally trained as a dancer, but fell into fundraising because there was the opportunity to make something fantastic happen in Derby, where she was working, if the money could be raised. KN set about raising this money because she really believed in the importance of the outcome, and was successful for the same reason. This, therefore, is the basic principle for all fundraising: belief in the cause. There is a need to be able to articulate the case for the project including why it is so important, why it needs to be now and why it needs to be you. This case needs to be made to any potential funding sources.

KN talked about the first steps when starting a fundraising campaign from scratch. It is important to keep the costs low, so there is minimal expenditure for the money coming in. The first place to start is with the existing support base – the board and the audience – and any further contacts they can bring. Keep people on side so that they will be repeat funders. You can also start to find out more about the audience by screening postcodes to see who might be wealthy and then finding out more about their interests and what might be the hook for them to get more seriously involved.

HM asked KN to talk further about researching prospects.

KN explained how important it is to find out as much as possible about current and potential prospects. This is the backbone to success so it is important to put time into it even though the return is rarely immediate. There are websites from which you can do research into whether someone is a director of a company, whether they have shares and of what value, and whether they subscribe to charities. It is also important to look for links in order to work out what contacts can help you reach your

target. This research can be stored to use at another time, in accordance with data protection, providing it is only facts and not gossip or hearsay.

Start with your own database to work out who your prospects are. Even if you can't capture data through ticket sales, look at other possibilities to get contacts for your audience. Ask for donations – even small ones can add up to a huge amount. At the South Bank Centre, everyone buying a ticket was asked to give a donation of £3.50 which eventually raised £1.5million. Other departments were afraid this might alienate people, but the fear was unfounded.

Don't be embarrassed about asking for money! People can always say no...and if they do, it might still mean "no not now" or "no, but I know someone who would be interested". Talk to your audience before asking, however. Bring them into the story by telling them you are about to embark on this huge campaign. Go for the people who love the work. The total raised from the audience at the South Bank Centre was £2.5 million all from very small amounts. Find new ways of making money too. KN sold the original carpet from the Royal Festival Hall at £100-£150 per piece. This raised £1 million.

KN said that textbook fundraising is great but finding your way through experience is the best approach. Textbooks advise to go for the biggest grant first, but KN did the opposite and raised small amounts to begin with as this is also a good way to start if you haven't done much fundraising before and want to build confidence. Fundraisers need to be intuitive; fundraising is an art not a science.

HM then asked KN about how you move a small-scale donor on, so they increase the amount they want to give you.

KN explained the importance of saying thank you, even if the person has only given 50p. Tell people it has made a difference. Invite people in, show them your sites, hold cheap but pleasant parties and don't directly ask for money immediately; send out cheerful newsletters keeping people up to date. This sometimes yields some amazing stories which can then be used as evidence of public support and help to lever money from statutory sources and trusts and foundations.

Jeremy Goldstein (London Artists Projects) asked about the differences between raising money for capital works and raising money for other projects.

KN replied that the principles are exactly the same. You need to make the case, do the research, cultivate the donors and build up the relationship. The only real difference is in what the people or organisations have decided they want to fund. Part of the case for support for capital projects is, anyway, about what will happen inside the building once it is open.

Nigel Cutting (Cambridge City Council) asked how to raise funding for smaller projects, those which are less high profile, or which don't have a "tag".

KN replied that the principles are still the same. It's just as tough to raise £500 and £5 million, especially if it's perceived as a small-scale project. It is important to still tell the story and find the worth and the value in it. HM added that you have to feel that without the project, people will be impoverished and to tell that story to your potential funders. Be prepared to endlessly reinvent the story for different people. For one project for Salisbury Festival, the Arts Council theatre department rejected the application, so HM redefined the application in exciting terms for the music department, resubmitted it and got the £30,000. Always ask 'who's got the money, why would they want to give it to me and how should I tell them the story?'

HM then asked KN how she goes about pitching an idea to a potential funder.

KN answered that the first thing to do is to use any connections you have to the organisation in question. Write up a piece of paper about the project, as if you're going to post it, but always try to have a conversation with the highest person you can access; ask for a meeting, advice or for them to look at the first draft. Find out about other successful applications to that organisation and learn from the experience of others if possible. Don't be frightened – it is their job to give money away!

Sian Thomas (Hat Fair) asked about what to do when you've built up a good working relationship with a sponsor but then their agenda changes and their interest shifts away from you.

KN replied that this can be true of any funding source. It is important not to put all your eggs in one basket! Even so, when a source's agenda changes, still keep them involved at some level as it might come full circle in time. Equally, if you have secure funding from one source, always think about who else might come in around this.

HM asked how KN juggles relationships between different sources, for example bringing on a new sponsor, when she has an existing relationship with another sponsor.

KN said that, wherever possible, don't give exclusivity unless they're giving huge amounts. Keep options as open as possible.

HM continued by asking what one should do when an incoming company (artistic) has a sponsorship relationship that clashes with the venue's existing sponsors?

KN replied that you have to be very clear on guidelines from the outset as it can get very bloody. There may have to be negotiation and there will be a need from both sides to protect their funders. It's all about clarity and having frank and open conversations.

Jenny Moore (Capsule) asked how you manage the situation when a sponsor/donor wants a say in the artistic agenda? This was added to by someone else asking how do you make sure, on the other hand, that you are giving the sponsor something in return?

KN's response was prefaced by her saying that there is a general drop-off in corporate sponsorship and that individual giving is the area with most growth in the UK. In terms of what you give away, it is important to negotiate this internally. Get your colleagues to own their proposals. They are the ones who must deliver the deal for the corporate sponsors. Never promise things that you can't deliver and offer alternatives.

George Harris (Lanternhouse International) asked how to go about raising money for research and development of projects when you only have, effectively, the 'last page' of the story and need the money in order to come up with the rest of it?

KN replied that it's important to look for funders with a track record in funding research and development, such as Jerwood. It is probably hardest to persuade a corporate to invest in this area. Of the £111million for the Royal Festival Hall, $\frac{3}{4}$ came from individuals or trusts and foundations and $\frac{1}{4}$ from corporate sponsorship. HM added that on *The Sultan's Elephant* there was no corporate support. She joked that she likes to take the line that this was for artistic reasons, but it was mainly because nobody could be persuaded. Corporates are slower to give money, partly because this is not their reason for being and partly because it takes them longer to see the point of the association with the work.

HM then asked how you know how much to ask for from corporate sponsors.

KN replied that you must not think so much about what you need, but rather about the value of their association with you? Find out what they've given before, or what has been given for other similar projects. Always ask high as you are unlikely to get the opportunity to ask for more, and talk ball park figures so there is room for negotiation.

HM then asked what you should give away in return?

KN said the first question should be what their objectives are. Naming rights are always seen as high value, but you have to be careful about who you might alienate through the use of a certain name.

Jeremy Goldstein (London Artists Projects) asked about the budgets and cashflow on The Sultan's Elephant.

HM explained that she started with £6,000 from the Arts Council in 2001. There was no infrastructure, just HM and Nicky Webb working on other things to keep them afloat. ACE then gave another £10,000 for further development. HM knew that it was going to cost a fortune so there was no point in starting unless somebody was going to give a significant amount. HM lobbied Peter Hewitt about the importance of large-scale, free outdoor work currently not seen in this country because there is not the resource level to support it. In 2002, PH invited her to a meeting, so she could explain more about the show with the little information that was available. After the meeting, ACE said "how much" and HM said "600k". This was agreed mainly because of the two years spent lobbying and the fact that other European cities could do it.

HM then had to persuade Royal de Luxe to come because they didn't want to! They are usually produced by a city, rather than a third party producer, which makes it much easier. The cost of doing the show in London was much higher than any other place because of the problems of doing it in a capital city. The technical side was really difficult – there was so much to do, but the technical specification didn't come from the company until the end of January and it was much more complicated than had been previously indicated. HM discovered, at that point, that the budget was about half a million short. HM worked out 13 things that she could do and just set to work doing these things, which seemed preferable to the humiliation of either not doing the show or bankrupting the company in the process.

The overall budget was £1.3million, but, within that, the fee to the company was only £170,000. It is easy to see, therefore, how expensive it was to close the capital city, especially a politically significant space like The Mall. Because of this, Artichoke had to be prepared to be credible and match the demands put on them by the authorities. This meant spending £114,000 on paid security and being requested to spend £248,000 on The Met, although this was not, ultimately, paid. HM finished by saying that the process is a game, balancing persuasion tactics against threat tactics, and getting people so involved that they, like you, couldn't bear to see it not happen.