

The Extreme Fundraising Ezine, Vol. I Issue 2

“The Pareto Principle and the Fundraiser”

Greetings and “welcome!” to our new subscribers!

I’m committed to bringing you the coolest (although hopefully not merely “faddish”) ideas that you can immediately put into practice.

We all have lots of competing priorities. In isolation, all of them seem like “top” priorities, don’t they? It reminds me of the studies that show 90% of US executives rate themselves as “above average” in their job performance. Obviously, that can’t be true.

Neither can it be true that all the tasks we’re asked to do are “top priority.” So how do we figure out what matters most?

****THE PARETO PRINCIPLE****

In fundraising, we’re very familiar with the Pareto Principle, otherwise known as the 80:20 Rule. 20% of our donors give us 80% of our donations. It’s very possible that the ratio is becoming closer to 90:10 or 95:5, but the ratio still exists.

What might it look like if we applied this to other areas of our work and life?

- * 20% of the desk work we do accomplishes 80% of the results we seek.
- * Therefore 80% of the desk work only produces 20%!
- * We wear 20% of our clothing 80% of the time. That means 80% of our clothes stay hanging in the closet!
- * 20% of our activities give us 80% of the energy and motivation we need each day—evidently to carry us through the other 80% of our activities!

What if we applied the Pareto Principle to time? Say we work a 10 hour day. 2 hours of that day produces 80% of the day’s results! The rest of the day (8 hours) only produces 20% of the results. Those 8 hours seem quite a waste of time, don’t they?

****WHAT ABOUT YOU?****

Does this resonate with you? What would happen if you spent the next couple of weeks becoming aware of which tasks seem to produce the greatest results?

It needs to be said that in order to do this, you must know what results you’re looking for. That could be an interesting talk with your boss or the board of directors. If there are multiple desired results, try to group them into some sort of prioritized list. One way to think of this is to ask, “What will be graded on my report card at the end of the fiscal year?”

For example your organization simply measuring the dollars coming in? Or is it also tracking how many donors it retains year-to-year? It takes a lot more money and effort to get a person to give the first gift to an organization than it does to get a repeat donor to give again.

Perhaps 80% of your results this week could come from working with this group of repeat donors or developing retention strategies to increase this group.

Well, I think that's enough to chew on for now. Wrestle with it and let me know what you think:
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Marc

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The Extreme Fundraising Ezine is a service of The Fundraising Coach (<http://fundraisingcoach.com>). Feel free to pass it on!

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