

**An expert from the Management Centre Asia shares a simple way to analyse the effectiveness of fundraising programmes. This article first appeared in NVPC's SALT e-magazine in July 2010.**

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The fundraising portfolio matrix described below provides a simple way to analyse the effectiveness of fundraising programmes.

This tool for non-profit organisations was developed by the Management Centre in the 1990s by adapting the commercial Boston Matrix model. The matrix is a graphical way to demonstrate the life cycles that fundraising programmes go through over time. It can show the relative value of a fundraising portfolio at any given point.

(FIGURE 1)

The diagram below shows a fundraising department's portfolio of activities over a year. Each dot represents a different fundraising stream. The size of the dot represents the net contribution to the non-profit organisation – the bigger the dot, the bigger the contribution.

The quadrants represent different stages in the life cycle of the programmes. You may be familiar with the terms used for the four stages: Rising star, cash cow, question mark and dead dog.



The diagram shows an example of a fundraising department with lots of cash cows – stable but not growing sources of income – and one question mark – a poorly performing but high potential programme. There are no rising stars – fast growing sources of income, or dead dogs – underperforming programmes that should be closed down. So things are probably going well for them.

Since the size of the blob in each quadrant represents the net income from each source (e.g. foundations, corporate donations, special events, major donors, regular giving, etc), their current income is probably pretty good. And they only have one uncertainly performing element.

Their long-term fundraising sustainability however, is less secure as they have no new funding sources being worked on that could become stars or future cash cows, to meet the potential increase in funding needs. It is important to note that their biggest source could slide into the dead dog quadrant if the organisation does not invest in protecting its cash cows.



(FIGURE 2)

This diagram shows another different example. Here are three possible steps towards managing this particular fundraising portfolio:

1. Defend the cash cow. It makes sense to protect this programme as it is the only quadrant providing the income. Also it's quite vulnerable since it's not a big source.
2. Eliminate the least-likely-to-succeed question marks. It's important get rid of some of these to focus attention on the programmes with higher potential. Don't waste energy or staff/volunteer resources on the least-likely-to-succeed activities.
3. Within the remaining question marks, find two or three of the most-likely-to-succeed. Fast track them to cash cow status by ensuring that net income from these fundraising methodologies contribute positively to the overall funds raised. A clear overall strategy for the selected methodologies and well-planned donor relations programme are important requirements in this process. This will need both investment and management attention to ensure that the income from this source is steady.

Here are some other tips that will help you make the full use of this matrix. As you analyse your fundraising portfolio, ask yourself these questions:

- Do you have enough programmes that are heading in the right direction?
- Are your cash cows slipping to become dead dogs?
- Are you looking after your cash cows?

- Do you have too many or too few question marks?
- Are you prioritising your question marks in a deliberate manner by focusing on the higher potential activities?
- Do you have enough question marks – in other words, are you coming up with new fundraising ideas on a regular basis?
- Are you supporting your rising stars effectively?
- Are you taking action to get rid of the dead dogs?

This analysis is just the beginning of ensuring that you have a vibrant and sustainable fundraising portfolio. Happy fundraising! ✨

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