



Optimizing Your Charity Donations

By

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Businesses donate to charities in a variety of ways – cash, in-kind products and services – and for a variety of reasons. This paper is focused on donations of goods and services that are the business’s primary revenue source to fundraising silent auctions run by charities at their galas, receptions or other fundraising events.



Regardless of the primary motivation for the donation, there is no reason why a business should not try to optimize its donations to benefit itself in the process. Of course this optimization should be constrained by propriety and decorum.

There are many factors a business owner should consider before and while donating:

- Which organizations and events should I donate to?
- What should I donate?
- How should I donate it?
- What should I do afterwards?

The first question, “Which events should I donate to?” is beyond the scope of this paper. In this paper we will address the What and How of charitable donations to silent auctions.

There are many, many different types of businesses offering an almost unimaginable combination and variety of goods and services. So rather than address the topic in nebulous generalities, we are going to pretend that we own a specific business and talk about how we would go about donating for that business knowing that our readers can take the examples and apply them to their own unique situation.

Our business is “Stu & Em’s Country Diner”, a local restaurant featuring Southern “comfort” food located close

Stu & Em’s Country Diner

to several upper-middle class neighborhoods. Through great attention to detail, service, ingredient quality, presentation and food preparation we have consistently gotten three and four star ratings from the various area food critics. As a result we can and do charge higher prices than one usually expects from this type of restaurant.

Our goals in donating, besides supporting worthwhile causes, is to reinforce our upscale branding and positioning and get new customers from our neighborhood.

What should we donate?

Having been to several silent auctions, we found that most restaurants donate a gift certificate for a specific dollar value that represents approximately the cost of a dinner for two.

We decided that we would donate a dinner for four valued at \$100. Why four and not two?

If the winner is someone that has not been to our restaurant before then both a dinner for two and for four would get us a visit from new potential repeat customers. If we donate dinner for two and the winner is someone who is already a regular then we don't get any business benefit from them coming and using a donated gift certificate instead of paying cash. But if we donate a dinner for four, our regular will bring along another couple who probably won't be a regular customer. With a dinner for four we almost guarantee that we will have the chance to meet at least one new couple and turn them into repeat customers.

How should we donate?

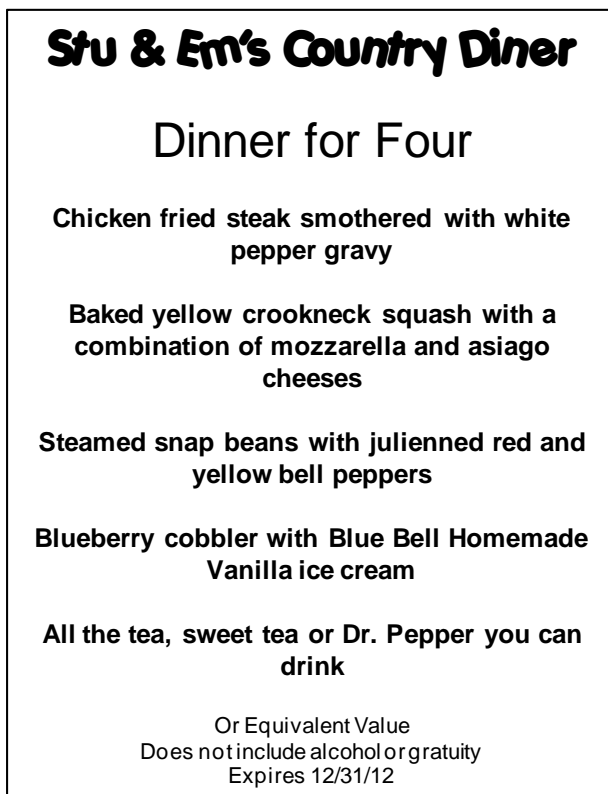
Again, we observed that most restaurants donate gift certificates.

When silent auction bidders look at our donation at the gala, we don't want them getting out their calculator and bidding to get a \$100 meal for \$75. We want them thinking about our restaurant, our food and our excellent reputation.

Now the gala guests reading about our donation and deciding whether to bid will be thinking about a dining experience at our restaurant. They will be savoring the steak; they will be relishing the baked squash and steamed green beans. They will be anticipating the blueberry cobbler. They will not be thinking about \$75 or \$100.

Then in fine print at the bottom of the certificate we add, "Or equivalent value".

And we send along about a dozen business card size certificates good for one Peach Cobbler that can be given away or just put out on the display table for guests to pick up.



We did not give a certificate for a free desert, that's too general. We want them thinking about our Peach Cobbler and our Blueberry Cobbler.

In addition, we send along a menu, suitable for display, that the organization can put out next to our gift certificates.

What should we do afterwards?

At most restaurants we visit, when we hand our waitperson a gift certificate to pay for our meal, they are clearly disappointed because they expect us to leave a smaller tip.

We don't want that to happen at our restaurant. We tell our staff that if a guest hands them a gift certificate to pay for a meal they are to get one of us, our general manager or the chef and take us to the guests' table. If our waitperson does that, we give them \$20 cash at the end of the evening. Now our staff wants every guest to use a gift certificate.

Then we chat with the guests, thanking them for supporting a good cause (the charity), answering questions about the dinner and we offer them free after-dinner coffee. These guests are now "hooked", they will be back. They've had a spectacular dinner and have a personal relationship with our business.

Summary

Our donation helped the charity, gave the winning guest a wonderful dining experience while we helped our restaurant by getting a new, repeat customer.

Authors

Stuart is an expert on auctions and auction strategy.

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Together they are co-founders of Silent Auction Services. Silent Auction Services manages silent auctions for charities at their fundraising events. Silent Auction Services also manages the charity donation programs for a number of local businesses.

We can be found at:

www.silentauctionservices.com or www.facebook.com/silentauctionservices

Feel free to contact us about your donation program and strategy.