Innovation in Fundraising with Paul Spence of

City Gospel Mission

Andrew Olsen:                  Hey. Good morning. This is Andrew Olsen with Rainmaker Fundraising Podcast. We're coming to you today from the Citygate Network Conference. Enjoying that in beautiful Palm Springs California, and I'm really excited to have my friend, Paul Spence, who is vice president of development at City Gospel Mission, with us today.

Andrew Olsen:                  Good morning, Paul.

Paul Spence:                      Good morning, Andrew.

Andrew Olsen:                  Hey man, thanks for being here, appreciate it.

Paul Spence:                      Hey, I enjoy being here. Thank you.

Andrew Olsen:                  Before we get into the major questions that we have, I'd love for you to just give us a little bit of background on yourself and on City Gospel.

Paul Spence:                      Yeah. I think it's always God's story, and God's journey? So I left college, became a teaching tennis professional, just teaching in a tennis club, worked in a Christian publishing company. Then, a person approached me on the street and said, "You'd be a great director of the Mission." That's all it was. It stuck in my heart. I started to pray about it, went down to the Mission, fell in love with the people, and at 26 years old, became an executive director of a small Mission in Nebraska. Did that for nine years, and I said, "God, what's next?" And 30 minutes later, I got a call from City Gospel Mission in Cincinnati looking for a VP of development.

Paul Spence:                      Went home, and I asked my wife. Her quote was... I said, "Hun, what do you think about Cincinnati?" Word for word she said, "When do we go?" So, Cincinnati for 12 years now.

Andrew Olsen:                  Awesome. From tennis instructor to serving the homeless, that's an interesting arc.

Paul Spence:                      It's God's sense of humor, right? Yep.

Andrew Olsen:                  Give us a little background on the Mission.

Paul Spence:                      So the Mission is 74 beds for emergency shelter for men.

Andrew Olsen:                  Okay.

Paul Spence:                      Feeding services, obviously. We serve breakfast, lunch, and dinner every day of the year to people in the community that need it. We have recovery for men and women, 40 beds for men and women. We have a jobs plus program that is career development for people on the fringe that can't find meaningful employment, that have those barriers of no vehicle, some kind of a record, poor employment history, they think they have a lack of skills, those kinds of things. And then we have a robust youth program that we serve 3500 at-risk kids in greater Cincinnati.

Paul Spence:                      So we food and shelter, we do recovery, we do jobs, and we do at-risk youth.

Andrew Olsen:                  Okay. Awesome. One of things that I really enjoy and appreciate about you is that you're always looking on the horizon to spot early trends and to identify new opportunities. Talk yo me a little bit about why you think that's so important.

Paul Spence:                      Yeah. I equate development to working on a beach. You can't set up a house on a beach, because the sand is going to shift, and that's what fundraising is, there's always something new. Katrina introduced a text-to-give, and that was a new trend and a new fad, but that has since gone away. We keep hearing about the decline and the death of direct mail. It's not there yet, but for us, we're putting a lot more emphasis on, "Go online," in our direct mail that wasn't there before. Digital, if you're not doing it, you're in trouble.

Paul Spence:                      These things weren't around 21 years ago when I started in development. I mean, you did an event or two, you worked with major donors, you talked to people about their states, and you sent direct mail. There were four channels. If I count all of our channels now, we're at 15 channels and counting that we have to comminicate with and give people avenues into giving. So 15 will become 16 in a year, and become 18, and we'll cut off two of those older ones. We won't do those activities anymore, but we'll be doing new activities.

Paul Spence:                      So yeah, reinventing, staying ahead of the curve, staying ahead of the curve, staying relevant, being able to tell your story louder and better than everyone else in the field, is extremely important.

Andrew Olsen:                  So I want to pause for a second on that statement, "Telling your story louder and better than everyone else on the field." I think, oftentimes, organizations bristle at that idea because the idea of being loud seems maybe offensive. Give us your perspective on that.

Paul Spence:                      Well, I just equate to my kids. I look at their activities. How am I going to penetrate into the young Millennials and the new generation? Because they're on YouTube, they're on Hulu, they're Netflix, they're on their social media channels. I mean, I can't reach them any other way, than to be loud and to be proud about our stories. If I can do it in the media, and I can do it over a three day period. If we can broadcast it out on Facebook and ask people to repost, to tell their stories. To stand up anywhere we can and shout for the rooftops, "City Gospel Mission is doing phenomenal work, and you need to hear about it."

Paul Spence:                      It's life transforming stories. It's God stories. So, no only is it getting community attention, but it's sharing kingdom work.

Andrew Olsen:                  Very cool. I know you're a big fan of innovation, and we've already heard a little bit about that. That means that you're testing and trying all sorts of stuff, right? I don't know how many times, but I think, at one point, you and I talked, and you said you had a list of like 30 test ideas, or something like that. Not all of those can work, right?

Paul Spence:                      Nope.

Andrew Olsen:                  Some of them might be amazing, and they might carry the ministry for a decade, but some of them are bound to be bombs, right?

Paul Spence:                      Yep.

Andrew Olsen:                  So, how do you keep yourself and your team motivated in what might seem to them like a constant state of change, and a constant state of risk?

Paul Spence:                      Yeah. I wouldn't say it's calculated risk, but we carve out space. You need to do those activities that are going to bring in revenue. Don't stop doing those things, so I'm not saying divert from any of those things. But carve out a time, 10%, two hours a week, four hours a month, whatever it is, to sit down with a team of people and talk. And talk about new ideas, or how to make things that you're already doing better.

Andrew Olsen:                  Okay.

Paul Spence:                      I love having naysayers around the table too and saying, "That won't work," and asking, "Well, why not? Expand on that. Is it a feeling, or is it fact?" Then, really trying to research those ideas. So yeah, I have a stack of things, a notebook full of ideas. Some that are five years old and may never get used, and some that are three or four years old, and [inaudible 00:06:30] and say, "Now's the time to do that."

Andrew Olsen:                  So give us an example of one of those things that maybe everybody around the table said, "Ah, I think this is a crazy idea," but it's actually worked for you.

Paul Spence:                      So yeah, crazy idea... I can give you lots of examples of things that didn't work.

Andrew Olsen:                  Sure.

Paul Spence:                      But one that did work for us was a program called Kicking Hunger that we're still doing today. So we had a high school football player that went on a mission trip and came back and said, "God has moved me. I want to do something in my own community. I want to do something for the homeless, and I want to do something around football because that's what I'm good at." So he was a high school kicker, and so we said, "Well, let's create Kicking Hunger. Can we support this kid, and raise some money this year, and raise awareness."

Paul Spence:                      So we knew it was a little bit... It wasn't going to raise a lot of money that year, but cool awareness, and something new breaks us until the Friday night high school football arena. It gets us in a place where we have a new audience. So we did that. Hans [Heinbach 00:07:29], great name for a football player, we supported him in his first year, pretty successful. We said, "Okay, well you're a senior, you're going to graduate." Got to know the coach, talked to the coach. And the next kicker was interested, Gunner Nixon, I mean-

Andrew Olsen:                  These are some great names.

Paul Spence:                      Yeah, great names, great marketing, right? So we got Gunner, but we also got a rival school.

Andrew Olsen:                  Oh, okay.

Paul Spence:                      So, in the third year, we said, "Well, okay, this is going pretty well. How can we expand this? Can we get the conference to do it, and can we show up Friday nights at games? Will the school allow us to have a presence, on a table? And when these kickers play each other, saying, "Who do you support?" And the money is going to Kicker Hunger. Then we found out that the ADs let us take it one step further, and they announced us at halftime, and we got to pass buckets.

Andrew Olsen:                  Oh, that's awesome.

Paul Spence:                      Yeah. Six kickers that year raised $10,000.

Andrew Olsen:                  Okay. Yeah.

Paul Spence:                      So we're up to about 12 kickers now, and we're raising anywhere from $15,000 and $20,000, so it's a modest money-maker, but the families put the effort into it.

Andrew Olsen:                  Right, and you're also building that awareness for anybody who sits in the stadium.

Paul Spence:                      Yeah. These kids have an activity that they were involved with, we bring them down, and they actually have a year end banquet with me in recovery. They get to sit along side people that they've helped, so it's life-transforming for the kids too.

Andrew Olsen:                  That's really cool.

Paul Spence:                      They understand what kind of kingdom impact they've had at 18. What is God going to do with the rest of their lives? So it's becoming a really cool program. We hope that it will become a phenomenon in Cincinnati, and it will continue to expand, but who knows? Who knows where God will take it? Maybe this will be an innovative activity that sees its day, and it goes away in two years. I don't know.

Andrew Olsen:                  Cool. So, with all that kind of focus that you have on innovation and change, how do you balance that with the need to be focused on the things that drive the greatest amount of revenue, in the shortest amount of time?

Paul Spence:                      Yeah. So my rule of thumb for that is three to one return. Can we get three to one return out of this activity. If we can't, we really evaluate, "Is there marketing reasons? Is there building friendships, or building relationship reasons? Are there other reasons to keep that activity, other than revenue?"

Andrew Olsen:                  Okay.

Paul Spence:                      So that's kind of our evaluation point. We also have a metric, we bath it prayer, can we speak the truth, ROI, are we building lasting relationships? So we have a few questions that we ask with any activity to kind of evaluate that activity and decide, "Is this something that we keep?"

Andrew Olsen:                  Okay.

Paul Spence:                      One that didn't work, we did kickball for three years. Talking about events, there's lots of other things that we've done besides events that haven't worked too, but kickball was one of those things. We thought, "Okay, the Millennials will come out and want to play kickball, and we can get their corporations to sponsor.

Andrew Olsen:                  Huh, okay.

Paul Spence:                      Didn't happen. It was all the 40 plusers that wanted to be 18, they came out to play kickball. Their companies sponsored modestly. We raised $8,000 every year, and it was okay, but the return on investment wasn't there. It took a lot of time, and effort, and distracts you away from other activities. After three years, we said, "Tried that. We're not going to do it anymore."

Andrew Olsen:                  So that's an interesting thing because I think, oftentimes, when we walk into an organization and do an evaluation, we see some sort of legacy programs that might've been in place for 20 years and maybe have never generated net revenue, or generate a little bit but certainly don't offset their cost. Often, the conversation is, "Well, we just need to keep that because somebody in the organization loves it." Or, "We think that there's a special volunteer who would be really offended if we killed that program." So organizations sort of perpetuate waste, in doing that.

Andrew Olsen:                  You've found a way to kill the sacred cow, if you need, and move on. How do you advise an organization to really be real in that, and not just continue to do wasteful things because they've always done them?

Paul Spence:                      So, great example of that, we've been around for 95 years. Founded by James Gamble, of Proctor and Gamble. So we had the James N. Gamble society.

Andrew Olsen:                  Okay.

Paul Spence:                      It was kind of our mid-major donor program, so donors could get in at $1,000, and they would be part of the society, this James N. Gamble program. We would mail monthly to them and keep them abreast of what was going on in the Mission, and things like that. It began to dwindle, so we had... When I first started 12 years ago, at this Mission, we had about 1,200 members, and then it dwindled. In about five years time, we saw about 300 members. Went to leadership, and said, "Hey, I think we need to change this. It's not resonating with the donors anymore. It doesn't have the same appeal that it used to. Everybody knows Proctor and Gamble in Cincinnati, but nobody has an affinity for James Gable, any longer."

Paul Spence:                      They said, "But, we've always done it. It's a legacy society, and people want to be a part of it." Well, 300 people want to be a part of it. So the discussion is, "Do we want to be stuck in the past? And go down in flames eventually? Or do we want to innovate and create something for the future?" So Partners of Hope was birth, and it is sustainer program now, and it is going extremely well.

Andrew Olsen:                  Awesome.

Paul Spence:                      We changed the parameters of how to get in, it's no longer $1,000, but it's a monthly or quarterly donation. We have about 2,600 members of the Partners in Hope.

Andrew Olsen:                  That's a big difference.

Paul Spence:                      It's a big different, yeah. It's inspiring to people to be part of that. Their very socially active, a lot of them, so they're positing on Facebook and other things. They're privileged to be a part of Partners in Hope, and they become really great advocates for the ministry.

Andrew Olsen:                  Awesome. So, as you think about growth for the organization, what do you see as sort of the next phase? Where are you headed? Where do you see the market heading? What are you thinking about, in that respect?

Paul Spence:                      If anybody hasn't tuned into Simon Sinek's Infinite Game Talk, and that infinite mindset, that's really where I've turned my thinking is to... You know, God doesn't have an end date. The ministry has been around for 95 years, so it obviously predates me, and it will postdate me. So, how can I set this ministry for the future, for the next person that takes over for me. I don't know what my season looks like, and I ask my boss ever year, "Am is still the guy?" I don't want to stay too long for this ministry. I want to be where God wants me to be, and I want to do the right thing for the ministry. So I'll stay as long as God keeps me.

Paul Spence:                      But that infinite mindset. So we have a goal. We're an $8 million budget right now. Annual goal of raising $8 million in the organization. We have a $12 million goal, as a stopping point to refocus, and reset, and start again. It's a pause point, it's not a stopping point. So I don't have goals that I say, "I need to attain that and stop." We need to attain that, evaluate, and move on. That infinite mindset of, "How do we position ourselves for the unknown future? For 15 years from now? For 30 years from now, until Jesus returns. How do we position ourselves now for that time?"

Andrew Olsen:                  Okay, very cool. So last question I have before I let you go. So, a lot of organization, that certainly I've worked with, and I think this is probably fairly general, struggle to embrace sort of a growth and innovation mindset. There's either the, "We've always don't it this way," or, "For one reason or another, we don't think we can grow." It's just in their DNA. Do you have any tips or thoughts, recommendations, for an organization that might... Maybe somebody there wants to grow, but they don't know how to break out of the historical mold that's there. What would you recommend?

Paul Spence:                      Get out of your own way. Everybody has preconceived ideas of what will work, and what won't work. When we rebranded, City Gospel Mission has been our name, but everybody calls us "The Mission." I wanted to test "The Mission of Greater Cincinnati," along with "City Gospel Mission," along with a few other names. We were finishing a merger with City Cure, our youth ministry, that we had merged with in 2001. This was 2007, and we still had basically two organizations within the ministry. So we tested all these names, and if we had gone with my version, The Mission of Greater Cincinnati, we would have chosen the third best. But we asked the community, "What do you think?" And they said, "City Gospel Mission is still relevant, you've been around forever."

Paul Spence:                      People that we didn't think knew us, we asked strangers, "What do you think about this?" They said, "Well, we've heard of City Gospel Mission. We think you do good things." They didn't really know what we did. We asked our donors, they said the same thing. We asked the staff and board, they said the same thing. So don't trust your own ideas. Test it, evaluate it, ask good council, get out of your own way. I went kicking and screaming into telemarketing years ago. I thought, "This in intrusive. This is a bad idea. We're going to offend a lot of people." But I looked at the data, and the data was suggesting that telemarketing works. So we found a great partner... We tried one call, in August, we had-

Andrew Olsen:                  One actual call?

Paul Spence:                      To a group of donors, but year.

Andrew Olsen:                  Oh, okay. Okay.

Paul Spence:                      One effort. One effort. So we decided, "Hey, let's call all of our active donors, in August, and tell them about summer slump matching appeal." It increased our response rate 77%.

Andrew Olsen:                  Wow. That's pretty huge.

Paul Spence:                      I thought, "I'm glad I got out of my own way."

Andrew Olsen:                  Yeah, for sure. Let's just do a shameless plug, who is that phone partner that you used?

Paul Spence:                      Gateway Communications.

Andrew Olsen:                  Okay, those guys are awesome.

Paul Spence:                      They're awesome.

Andrew Olsen:                  Anybody who's listening, if you need a partner in the phone space, Paul... sounds like he would attest to this, and we've used them as well. Gateway is great. Sort of playing off this question. I know I said that was the last one, but it made me think of another. How do you convince maybe a skeptical executive or board to give you the leeway to test these kinds of things?

Paul Spence:                      Yeah. So the famous one that we always hear, right, is that when boards that don't understand fundraising, liquid acquisition, and say, "It costs how much, and ow much are we losing?" You have to really sit down with people and help them understand that, "This is the rhythms of development, so please just open your ears, and open your heart, and learn. You don't know the space. I would love to teach you this space. But I would also, at the end of this conversation, love to hear your opinion. Because with fresh eyes, you can probably offer something to me that I don't already know."

Andrew Olsen:                  Very cool.

Paul Spence:                      So create a conversation.

Andrew Olsen:                  Awesome. Hey, if anybody, who's listening to this, wants to have a conversation with you, personally, about these ideas, what's the best way for them to reach them?

Paul Spence:                      At $90 and hour.

Andrew Olsen:                  Awesome.

Paul Spence:                      No, I'm kidding.

Andrew Olsen:                  Actually, his discount rate is $89 an hour.

Paul Spence:                      No. The space that I'm in, too, is that God gave me things to train me up to give it away. I steal things from other development directors all the time, because I don't have always the best idea. It is a kingdom mindset to say, "Hey, we're better together, right? If we share ideas, we can make things easier and better for all of us, and really provide resources for kingdom." So, if anybody ever wants to reach out to me, I'm more than happy to talk. My cell phone, 5132050098, send me a text, tell me you want to talk. I'm at pspence, P-S-P-E-N-C-E @citygospelmission.org.

Andrew Olsen:                  Awesome. Paul, thanks for being here today. I really appreciate you.

Paul Spence:                      I'm happy to be here. Thanks, Andrew.