

Fund-raising Basics

Sales Projects

Raising funds is a necessary activity in almost any organization. This fact is also true for the local DECA chapter. This source of income is the one most commonly used by chapters to raise the funds necessary to carry out chapter projects and activities. A well-planned sales project will not only generate funds for the chapter but also can give a very meaningful learning experience for chapter members. You and your members also need to be aware of the fact that a poorly planned and run sales project can be disastrous.

Of all the projects and activities that your chapter will work on during the year, the one that should be viewed with strict business logic is the sales project. Many times members will confuse fund-raising activities with fun activities and make decisions such as hiring a band for a school dance and then be in the situation where they must sell 2,000 tickets to break even on the event when the school population is only 800. Therefore, the advisor and members need to review some guidelines for successful fund-raising activities before beginning the campaign.

Below are some suggested guidelines:

The project or activity does not violate existing school policy.

Before deciding on an activity, the chapter must review school policy for fund-raising. It is further suggested that approval for the activity be obtained from the principal. He/she can then become your first customer.

Is the project or activity unique or has another group in the school or community done something similar?

Chapter members need to be sure that another student organization or community group is not planning a similar activity. It is also important to know if other groups have conducted similar campaigns. This information will help your chapter determine whether or not there is a sufficient market for the product. It will also help answer the next question.

Will the project involve all chapter members?

It is critical to the fund-raising effort that the product or activity be a popular choice of the majority of the members. Motivation is the key to selling. If chapter members have a voice in the product selection, their enthusiasm will be greater for selling it, and enthusiastic salespeople are the key to a successful campaign. This step also provides you with the opportunity to review sales techniques. This is something that should come naturally to marketing education students; however, too many members do not view fund-raising as selling and forget all of the techniques that have been learned in the classroom and on the job. A review of these techniques is a must at this time. Allow chapter members to develop the sales approach they will use. The following example will show how effective this can be. From which salesperson would you buy?

“Hi. Would you like to buy some light bulbs?”

“Good morning, my name is Kelly and I’m a member of the Landview DECA Chapter. We are selling light bulbs to raise money to send six of our chapter members to the International DECA conference in Anaheim. These light bulbs are not just ordinary bulbs. They will last four times longer than normal bulbs and cost an average of only 75 cents each in packages of four. You can help us by purchasing one or two packages of light bulbs, and your assistance will be greatly appreciated.”

The approach you use will make a great deal of difference in the success of your sales project. Make sure you spend time talking through the sales presentation.

Are we providing a needed product or service?

There are many worthy causes; therefore, it is important that we give people something for their dollars. Are we giving people something for their money or are we simply asking for a donation? This is an important factor to consider when making your choice of what to sell.

Does the product or activity provide adequate opportunity to raise the needed funds?

Here is a great opportunity for conducting market research. Before embarking on a sales project, ask the following questions: Is there a sufficient market for this project? Will the project generate sufficient revenue for the chapter's effort? Is the project salable to the total community or is the market limited? What market does the chapter plan to serve?

Will the percent of profit and the number of items sold yield the amount of money needed for the group's activities?

Just how much profit will the chapter realize from the sale of one item? This is a question that needs to be answered before selecting a product. Often items that are most attractive to the members yield such a low profit that the chapter would have to sell an unrealistic amount of the product to reach its goals.

Is the supplier readily available?

The answer to this question is important when selecting the sales project, since it is difficult to determine the potential sales of a campaign. Goals will be set; however, there is no way of accurately predicting what each member will sell, especially if it is the first time for this particular campaign. Therefore, prior to selecting the product or company, an arrangement should be made for securing additional products. Answers to the following questions should be obtained in trying to determine whether or not to deal with a particular company: Who pays the shipping charges? What is the turnaround time after placing the order? Who pays for damages or shortages? Answers to questions such as these will help your members begin each fund-raising activity with their eyes open.

Can we return unsold products?

Again, determine this before you select the product or company. Do not be surprised at the end of your activity by finding out that all unsold products must be purchased by the chapter.

Are the sales goals established for each member realistic and challenging?

Goals must be set for all projects, especially sales projects. J.C. Penney expressed it beautifully when he said, "Give me a stock clerk with a goal and I will give you a man who will make history. Give me a man without a goal and I will give you a stock clerk."

Goal setting gives the chapter something to work toward. If goals are not established, then one sale could be considered a success. The chapter should establish group goals as well as individual member goals. All members should know what is expected of them.

One thing to keep in mind when setting goals is that they should be challenging, yet not so challenging as to be unattainable. Once goals are set, each member should be allowed to plan how his/her goal will be reached. Ask members to write this down. Remember—if you fail to plan, then you are planning to fail.

Does the project provide for incentives to encourage member involvement?

Nothing will help generate sales better than a well-thought-out incentive program. These will be discussed in greater detail later in this section.

Will the project be a good learning experience for the membership?

All projects undertaken by the chapter, whether civic, social or fund-raising, should provide a meaningful learning experience to all chapter members. If the criteria listed above are used in selecting a fund-raising project, a well-rounded learning experience will be provided. Members will discuss market research, buying, pricing, selling and other marketing-related topics in selecting the activity. This is a very good justification for conducting fund-raising activities. Many schools are now limiting the number of fund-raising activities that student organizations can do throughout the year; however, this type of activity is a perfect extension of the marketing classroom.

Sales Project Incentive Programs

Incentive is a vital aspect of any activity; however, it is tremendously important in fund-raising activities. Generally, when advisors hear the word “incentive” they think of a prize program, which is usually perpetuated by the sales and marketing company itself. While there is nothing wrong with a well-conceived prize program, several alternatives are listed below for consideration.

Prize Structure

A prize can be a great motivator, but take care not to make the programs so costly as to endanger the ultimate goal of the activity. Properly designed, the prize structure should create incentive for sales, while also rewarding students for consistency and for turning in funds daily. The prize structure should also reflect your organization’s goals. A key point here is that the prize structure should not be designed to reward only the top salespeople. Make sure that it is possible for every member to receive a prize for reaching a minimum sales goal.

What prizes do you give?

Many sales and marketing companies have established their own programs. Review these with the company representative. The prizes awarded may not be adequate or appropriate for your particular group. If this is the case, discuss this with the representative to determine what changes can be made. If a company’s prize program is insufficient, tell them and push for a cost reduction in other areas. For instance, agree to forget the prize program if the company agrees to pay shipping. This would provide you with the funds necessary to structure your own prize program.

Where do you get the prizes?

Often your supplier can assist you with prizes or will supply them for you. In cases where you and your members design the prize program, it is recommended that a wholesaler be contacted for the prize purchases. Many times a local merchant will provide you with a discount, or may even donate some items.

How many prizes are awarded?

Usually there is one daily prize (times the number of days for the activity); then three major prizes for the most sales (first, second, third). Daily prizes can be awarded using two different methods: (1) Prizes can be awarded to the person having the highest total sales day after day; or (2) all members can start each day equally and the person having the highest total sales each day is awarded a prize. This gives all members the opportunity to win a daily prize.

This prize structure rewards members for daily sales. Further, it encourages them to turn in money daily. It also keeps from discouraging those members who have little opportunity to win the volume awards. Finally, this method still recognizes those members who have sold the most.

Daily prizes should be motivational; however, they need not always be expensive. One local advisor found that a free soda was very motivational. She offered a free soda to any member who sold three products overnight. The end result was that 12 of 30 members met this goal. Thus 36 additional items were sold at a profit of one dollar on each for a total of \$36 profit. The cost of the sodas was \$3—well worth the effort.

Individual Account Structure

Some chapters receive either a portion of or all of the profits from the school store operation and therefore do not need to do substantial fund-raising to raise the chapter budget. Yet some of these chapters do conduct fund-raising activities to allow individual members the opportunity to build an account with the chapter. This account can be drawn upon to cover costs incurred at DECA activities. A member can earn his/her way to a state or international conference, pay membership dues and buy DECA membership items from his/her account. You as the advisor are usually the final authority as to what is and is not an acceptable expense. This system is simple to administer because no money ever changes hands. Additionally, this system allows the chapter treasurer to get very involved in the financial activities of the organization. This system works whether the individual is credited with the full percentage of the profit or only a portion. Individual accounts are effective because they reward everyone who participates, especially the top salespeople.

DECA All Stars

It was mentioned earlier that not all incentive programs need to award prizes. There are other alternatives. One such alternative was developed by a local advisor. She started the All-Star Program and awarded a specially designed sweat shirt to all members reaching 1,000 points. Sweat shirts were presented at the end-of-the-year awards banquet.

Points were awarded not only for sales projects, but for participation in activities throughout the year. Properly marketed, membership in this organization becomes a very prestigious thing and in turn works to motivate the chapter membership. Often times, sophomores or juniors were awarded sweat shirts and would wear them during the next school year. The next class of DECA members were always curious how the sweat shirts were earned. Note: Involve the DECA members in designing the All-Star sweat shirt so it is something students want.

Students were given the point structure at the beginning of the year so they knew all of the activities that would be taking place and how points could be earned. From simply paying membership dues to earning recognition in area, state and international DECA competitions,

students earned points. Charts were readily available to students so they could see where they stood with All-Star points.

Regardless what type of incentive system you use, remember to take into consideration the students who will be working toward these incentives. If it isn't something they are interested in, it won't be an incentive and will serve no purpose. Also, remember that the incentives do not need to be expensive. Sometimes advisors get caught up in making the incentives worth so much that the profit is lost. Even something as simple as a pizza party for everyone if the goal is reached is enough. So don't spend too much energy on developing an elaborate incentive program, it's really not necessary.

DECA Sales & Marketing Companies

DECA's Sales and Marketing Companies are excellent sources for fund raising materials. These companies are reliable and provide quality products. Many of these companies exhibit during the International Career Development Conference, enabling you to see their products for yourself.

American Family Safety

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Angie's List

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Bótika Candles

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Breeze Freeze, Inc.

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Cambridge Marketing, LLC

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CheerStix

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Fundraising of the Future

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Hudson & Company

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IPI Fundraising, Inc.

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M.E./D.E. Supply Company

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1 Smart Marketing

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