Major Gifts Learning Lab
Are you doing it right?

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Vice President
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This session will ...

- Share critical success factors that can make or break a major gifts program
  - Organizational assets for major gifts
  - Professional practices for major gifts
- Encourage a learning oriented conversation about your experiences, priorities, and potential service needs
- Provide concepts, tools and templates that can be immediately helpful
14 ways you may be doing Major Gifts right (or wrong)

**Organizational Assets**
1. Start with your strategic plan
2. Think about a transformational Gift
3. Help your organization become more Donor-centered
4. Involve your CEO/ED
5. Know the impact of your programs
6. Understand your CFO
7. Be realistic about time and budget

**Professional Practices**
8. Have an appropriately sized portfolio of prospects
9. Follow steps of prospect management cycle
10. Qualify all of your prospects
11. Engage your prospects
12. Make the ask
13. Plan and forecast revenue
14. Get out the door
ORGANIZATIONAL ASSETS
1. Start with your strategic plan

- Your biggest story is needed for bigger gifts
- Ultimately, through major gifts, you are developing partners to help fund and implement the strategic plan
- Align fundraising materials with the strategic plan
- Also known as “growth” plan, or “scaling” plan

Warning: Major gifts work often provokes strategic planning
2. Think about a Transformational gift

• What is a major gift in your organization?
• What would be a transformational gift to your organization?
• “How would you use $x,xxx,xxx?”
• Raise giving sights internally as well as externally
3. Help your organization become more donor-centered

• It is about the donor – not the organization
• Focus on donor’s interests and dreams, with your organization being the conduit to achieve
• Donor-responsive vs. donor-driven
• Encourage a relational philosophy vs. transactional
• Understand prospect motivations
Why People Give

1. Confidence in the institution and its mission
2. Emotional investment in the vision
3. Desire that giving will have an impact
4. Relationships within the organization
5. Sense of loyalty, gratitude, affection – giving back
6. Alignment with personal values
7. Addressing community problems/needs
What motivates High Net Worth donors?

Donor-Centric Culture

• Nurture qualified relationships
• Research and spend time with donors/prospects
• Understand that decisions are made based on emotions that are then rationalized
• Converse, Ask Questions, Listen to them
• Learn to tell stories about people and impact
• Explain why your organization does what it does and why it matters
• Cultivate based in engagement, not communications
Transactional vs. Relational Fundraising

Transactional Fundraising
- Ask 80%
- Cultivation 20%

Relational Fundraising
- Ask 20%
- Cultivation 80%
4. Involve your CEO

• Your top leadership asset for major gifts
• Access to the board and other volunteer leadership assets
• How much CEO time in major gift relationships?
• Help your CEO learn and become involved in your best prospects

Tip: conduct regular strategy sessions on selected top qualified prospects
5. Know the impact of your programs

- Linking the right goal(s) and the right metrics
- Increasingly important in philanthropic decisions of individuals, foundations and corporations
- Collaborate with program staff to define, collect and publish impacts
6. Have a good understanding with your CFO

- The difference between counting gifts and pledges vs. counting cash in the door
- Types of restricted funds
- Gift acceptance policies
- Gift acceptance agreements
- Pledge collection system
7. Be realistic about time and budget

• Major gifts requires a long term investment approach
  – Time to develop a major gift: **3-18 months**
  – Time to develop a viable major gifts program: **18-36 months**

• Advocate for a “patient” budget to allow for the program to invest now to achieve future growth
  – Be realistic about infrastructure or capacity investments (i.e. database, research, writing, etc.)
  – Be cautious about revenue projections
Fundraising Practices
8. How many prospects?

• Too many prospects in your portfolio make it difficult to plan and manage relationships
• Build your portfolio to encourage continual discovery, cultivation, solicitation and stewardship of prospects
• Recommended prospect loads depend on:
  – Size of prospect pool
  – Maturity of program
  – % of time development officer can commit
  – Benchmark for mature programs with adequate resources is ~ 125 prospects/FTE officer
• Too few prospects? Review current relationships and develop acquisition strategy
Who Are Your Prospects?

- Former Board Members
- Past Donors
- Unfulfilled Pledges
- Select “Friends”
- Board
- Volunteers
- Corporations
- Foundations
- General Public
Portfolio Phases

**Start Up Portfolio**
- Discovery: 75%
- Solicitation: 10%
- Cultivation: 10%
- Stewardship: 5%

**Balanced Portfolio**
- Discovery: 25%
- Solicitation: 25%
- Cultivation: 25%
- Stewardship: 25%

**Campaign Conclusion Portfolio**
- Discovery: 15%
- Solicitation: 20%
- Cultivation: 15%
- Stewardship: 50%
9. Don’t skip steps of the Prospect Management Cycle!

- Identification
- Qualification
- Cultivation
- Solicitation
- Stewardship

Prospect Management Cycle:
- Identify
- Qualify
- Cultivate
- Solicit
- Steward

Major Gift Donors
Major Gift Prospects
Annual Donors
10. Qualify all of your prospects

- Typically the most neglected step
- Read the donor files!
- Research and rate to “qualify”
  - Capacity
  - Interest
  - Affinity
  - Access/Relationship
- Select qualified prospects to form your portfolio
- Have a written plan for each qualified prospect
People Who Give Will Have:

- Capacity
- Interest
- Affinity
- Access
# Prospects Rating Grid

**Capacity:**
- 5 – $1 Million
- 4 – $500,000
- 3 – $250,000
- 2 – $100,000
- 1 – $50,000

**Access:**
- 5 – Close personal relationship and access
- 4 – Close professional relationship and access
- 3 – Some personal relationship and access
- 2 – Some professional relationship and access
- 1 – Limited personal or professional relationship and access

**Interest:**
- 5 – Extremely likely to give
- 4 – Very likely to give
- 3 – Good chance of giving
- 2 – Needs cultivation to give
- 1 – Unlikely to give

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<th>First Name</th>
<th>Last Name</th>
<th>Company</th>
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<th>A</th>
<th>I</th>
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<th>Solicitor 2</th>
<th>Relationship Manager</th>
<th>Target Ask</th>
<th>Total Past Giving*</th>
<th>Largest Gift*</th>
<th>Notes</th>
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*Past Giving and Largest Gift are marked with an asterisk.*
11. Engaging Prospects

• Look for connectors/natural partners
• Board members, volunteers, other donors
• Build your prospect team
  – Prospect manager
  – Primary partner
  – Natural partner
  – Team member
• Events and “moves”
Portfolio Engagement Methods

Active Methods

- Personal visit to experience programs
- Personal visit with senior leaders, Board members, volunteers
- Phone call updates from senior leaders, Board members, volunteers
- Facility/program tours, create a tour
- Coffee briefings
- Share a report with the donors of what their support has made possible
- Offer to present at prospect’s club or workplace
- Invite donor to attend targeted event
Portfolio Engagement Methods

Active Methods (continued)

- Invite donor to serve on the Board, Distinguished Advisory Council, Campaign Cabinet
- Invite donor (or potential donor) to interact with key researchers, program leaders, etc., to get latest updates on new programs or innovations
- Host special reception to honor donor’s giving
- Arrange for media attention or feature highlighting donor’s support and involvement
- Say thank you in front of donor’s peers, i.e. Boards, Civic Orgs.
- Nominate donor for an award (i.e. Medal of Honor)
- Have a researcher hold a private presentation at your local library for your donors
Portfolio Engagement Methods

Passive Methods

- Handwritten notes with follow up materials
- Email updates
- General invitation to special events
- Send related articles, community impact
- Send birthday and anniversary cards
- Say “thank you” seven times in different ways
- Send personal thank you notes from current donors
- Send personal update notes from current donors with testimonials as to why they give
Portfolio Engagement Methods

Passive Methods (continued)

• Send e-newsletter, annual reports and other relevant philanthropy and institutional communications (i.e. press releases)
• Extend invitation to join giving societies
• Send handwritten “thank you” letters from senior leaders, Board members, volunteers, recipients of programs or services
• Use holiday card to send a single communication highlighting a program achievement, a life that was saved or an emotional picture “worth a thousand words” (i.e. “Because of YOU, Timmy has...”)
• Host a “Thank-a-thon” where volunteers call donors to say “thank you”
• Send annual stewardship reports along with total giving for the year
• Include donor honor roll in annual report and on donor walls
• Send “renewal reminder” instead of simple gift solicitation
12. Know when and how to ask

- Face to face solicitation meeting strongly recommended
- Always ask for a specific amount
- Avoid “premature” asks
- Is there such a thing as too much cultivation?
- Getting in the right frame of mind:
  - Be Patient
  - Be Persistent
  - Be Courageous
  - Be Proud of Your Role
  - Remember Your Role
- Finding the words
Making the Ask: 6 Phases

1. Opening
2. Listening
3. Stating the Case
4. Making “the Ask”
5. Overcoming Objections
6. Closing
Tips On Making “The Ask”

Asking for the gift (which may or may not occur during the first meeting) is at the heart of the gift request process. A favorite line among seasoned fundraisers begins:

"**Under what circumstances** would you consider making a gift of $500,000?"
13. Plan your asks and forecast revenue

- Prospect pipeline report: What to track
  - Target ask amount
  - Expected ask amount
  - Date of ask
  - Expected date of gift
- Estimate yield levels
  - Board - >60%
  - Well qualified major prospects – 40-60%
  - New or less well qualified – 20-40%
- Update and publish monthly
14. Getting out the door

- Set aside time EVERY day to work on scheduling visits
- Be persistent and try to contact prospects at times they are most likely to be receptive
- Reserve days every week for actual visits
- Dedicate time to preparing for each visit
- Schedule time every week to complete activity reports and fulfill follow-up commitments
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Thank you for being with us today!

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