

## **Five Steps for Effective Major Donor Fundraising**

With your organization's vision, mission and priorities as a background and a compelling case for support at the ready, fundraising follows a straightforward, five-step process. Please notice that only one of these steps actually involves asking someone for money.

1. **Plan: Get organized by creating a strategy and a work plan**

Effective fundraising requires discipline and hard work. Successful fundraising programs will have a calendar of planned activities, clearly laid out areas of responsibility and preparation of necessary resources and materials. Your strategy will cover the next steps below.

2. **Prospect: Identify and qualify prospective donors**

Who among the organization's alumni, friends, vendors, foundations, etc. has a reason to be interested in the particular project or request? Are there philanthropists who would support the camp's mission? From among those with potential interest, who has the financial resources to make substantial gifts?

3. **Cultivate: Engage the prospective donors**

Rarely are donors standing in line to make gifts. The organizations must engage the prospective donor in a way that makes them feel they have a vested interest in the institution's success. The key question to be asked of any cultivation activity is, "Is this activity drawing the donor closer to the organization, increasing his/her awareness of the need and increasing likelihood of a positive response? Cultivation before solicitation might take months - or even years!

4. **Solicit: Actually asking the donor for the money**

People give because they believe in the organization's mission and because they are asked to become a part of the organization's life. *The person actually doing the asking is extremely important.* People give to people who they like, trust and respect. Training and preparing before "the ask" is also critical. For larger solicitations, a period of months, or even years, may pass between the request and the response. During this time, the organization should be constantly aware of the donor's interests and attitudes and provide

answers to all questions and provide ongoing opportunities for contact without being intrusive or demanding.

## 5. **Steward: Retain a relationship and show appreciation**

Stewardship starts by providing the donor with a regular accounting of the fund given and the use of the gift. However, effective stewardship that opens the door to sustained giving goes beyond accounting. Donors should be regularly apprised of the values that their gift is adding to the agency and be given regular opportunities to be involved in the organization's life. Appreciation should be expressed often. Often major donors do not have the time or desire to be involved in the details of the organization, but they still should be informed of activities and progress.

## 1. Planning

Every major gifts fundraising strategy must have a solid timeline and plan. The professional staff should take the lead on drafting this plan with the key volunteer team providing feedback and adjustments. Plans should include:

**Fundraising Goal:** A financial goal should reflect the needs and aspirations of the organization, but also realistically fit with the capacity of the potential donor base and the ability to mount an effective campaign. The giving potential of the donor base can be discovered through a formal feasibility assessment or study. If this is not possible, consider as a rule of thumb that the top ten gifts to a campaign typically account for 40-60% of the total. In other words, once you estimate the realistic size of your potential top ten donors, you can estimate the cumulative total. Alternatively, you can ask yourselves if you are able to raise about half of your total target from ten donors.

**Fundraising Team:** You need to ensure that the members of the Fundraising Team are clear on their respective roles and responsibilities. This includes clarifying the role of Executive Director vs. Development Director vs. Campaign Lay Leadership. See next page for mutual expectations.

**Back-office Preparation:** The professional administrative team and processes must be ready for a fundraising campaign. This includes:

- Ensuring that fundraising administrative work on the campaign is built-in to support the staff's job description and schedule.

- Preparing for contact data management and acknowledgement procedures for donors.
- Material preparation such as printed case statements, stationary, pledge cards, newsletters, invitations etc. some of which might have its own campaign graphics.
- Web site preparation for campaign material and on-line donations

**Campaign Events:** Create a timeline of key campaign events. This should include house parties, fundraising events such as concerts or dinners and the appropriate time for quiet major donor campaign gatherings and public campaign kick-offs.

**Training:** Keep in mind that both professional staff and volunteers might need additional training or outside consultation on key components of the campaign. Identify these ahead of time and incorporate them into your calendar and budget.

**Budget:** The old saying that “it takes money to make money” is true for fundraising campaigns. You must anticipate campaign expenses - not only for professional staff, but for outside consultants, material design & printing, events (include meals for volunteers), postage, etc.

### **The Fundraising Team: Volunteers and Professionals**

Successful fundraising is a team effort! It takes the work of dedicated and skilled volunteers in coordination with the fundraising staff professionals. Communication and coordination are the keys to effective teams. In the case of small organizations, some of the “staff” roles will need to be taken on by designated, responsible and accountable volunteers.

#### **Professional staff fund-raisers:**

- Organize the work, stay on schedule, and maintain clear communication.
- Work with volunteers to identify and select prospective donors.
- Provide the skills development and preparation necessary for success.
- Prepare the background information needed for effective solicitations.
- Develop the case for support and any related necessary materials.
- Provide appropriate avenues of support and communication.
- Follow through promptly with requests for additional information.
- Acknowledge and recognize volunteer efforts.
- Maintain discipline and stay freshly schooled in the art and science of the fundraising process.

- Provide timely and clear input, direction and approval to professional staff and the overall fundraising activities.
- Identify prospective donors from their networks and community.
- Understand the fundraising process and the multiple roles that are important to success.
- Take time to thoroughly prepare themselves for their role as volunteer fundraisers.
- Make their own gift that is in proportion to the gifts for which they are asking.
- Provide timely responses to communication and requests.
- Follow through on assignments as expediently as possible.
- Submit appropriate reports as soon as actions are taken.
- Operate as a member of the team; communicate regularly on all fundraising activities and assignments.
- Raise philanthropy and stewardship to new levels of importance and integrity for the organization.

The volunteer-staff Fundraising team can immensely augment the organization, both financially and in its reputation. The team's success depends on hard work, open communication and careful coordination.

## **2. Prospect Identification**

An ingrained, systematic program of identifying new donors is essential to both the short-term growth and long-term success of your fundraising program. Identification and qualification of prospective donors is integral to developing and maintaining a fresh, vibrant fundraising cycle.

Board members should be involved regularly in these identification processes so they can have a keen sense of awareness of "Who else can be involved?" and a readiness to share those names with the fundraising staff as they surface. Fundraising staff should be continuously on the alert for new prospects and combing various sources that can be used to future prospects.

### **Prospect Research**

How do staff and volunteers find information on donors and donor prospects?

- Read the local community and Jewish media.
- Check out bulletins and newsletters from congregations in your catchment area.

- Review the published donor lists, thank you ads and newsletters from similarly valued charities.
- Walk through the organization's history - read the names on those old plaques on camp cabins, look through the old files, identify family names of founding and past supporters and research their children and grandchildren.

### **Qualifying Prospects**

In order to build the pool of prospects, the camp needs to create criteria for "qualifying" a prospective donor. In other words, instead of just brainstorming a list of all the rich people you can think of, look to your organization's natural constituencies and think in terms of connections or degrees of separation to the organization. The closer the degree of connection to your organization the better - secondary criteria will be the depth of their wealth and their charitable history.

### **Individual List Reviews**

Periodically, key volunteers should be asked to meet with the fundraising staff and lay leaders to review names of prospective donors. These names may be alumni, friends, past donors, or other list of individuals within the camp's communities. The key question for an individual list review is, "*Who on this list could give us \$X?*" As individuals are identified, the fundraiser should ask:

- What is the connection to our organization? Board, staff, alumni...
- What are their areas of interest? Charitable or other interests...
- Is there a specific project that would especially spark their interest?
- What is their history of giving to the organization?
- What is their financial status? Estimates are fine, but web sites such as [wealthengine.com](http://wealthengine.com) can also be utilized.
- Can the volunteer who suggested this prospect facilitate an introduction or do they know of someone else who can make a personal connection?

### **Rating Sessions**

Rating sessions are designed to review large numbers of names in one session. First, Board members and other key volunteers are asked to identify individuals who have knowledge of wealth in the community and whom they can invite to a rating session. At this confidential session:

- The Executive Director gives a brief presentation about the organization's vision and case statement.
- The host (board member) presents the need to identify prospects to potentially fund those aspirations.
- Participants are given a list of up to 1,000 - 1,500 names with addresses only and asked to rate the persons they recognize based on the questions:

*"If this prospect made the organization their number one philanthropy for the next three to five years, what size gift could they make?"*

*or*

*"What is the maximum gift we think we could get from this person given what we understand of their various commitments and wealth?"*

- Participants are asked for those prospects that they personally identified, could they make an introduction to this prospect or do they know who could make the connection.
- Rating sessions always conclude by asking, *"Who else comes to your mind that was not on the list?"*

After the session, conduct research and/or follow-up visits or phone calls with the individuals who identified the prospect in order to develop in-depth information which will guide cultivation and solicitation.

## Cultivation

Cultivation refers to the various strategies used by organizations to build a relationship with prospective donors and involve them in the organization's life. Prospective donors who are involved in current programs and who feel they know the staff and Board members are more likely to make large philanthropic commitments.

The key strategy in cultivation is to establish contact with the prospect. Get to know them by setting up a first meeting to uncover their interests are and explore their connection to the organization or to Judaism. Ask for insights, advice and feedback on your organization. Invite them for future involvement.

Identifying and implementing other opportunities to involve donors and prospective donors is one of the most important contributions board members and other key volunteers can make to

the fundraising effort. See the next page for ideas and activities that volunteers can do to engage and build relationships with donors and donor prospects.

Service on the organization's board of directors is one of the most significant forms of engagement in which a prospective donor can be involved. Service on important committees and advisory boards is also a significant form of cultivation. However, these are limited opportunities in terms of the number of individuals for whom there is space or who might want to participate.

The key to success is regular, disciplined attention to the donor and making certain that the organization is a conscious and ongoing participant in his or her life. Thoughtful engagement - the insightful cultivation of donors and prospective donors - is essential to fundraising success. Many board members and volunteers are reluctant to ask for gifts, but each of them can find ways to participate in ensuring the camp has a place in the heart and mind of potential givers.

### **3. Cultivation**

Ideas of how volunteers can help with cultivation of prospective donors include:

- Arrange meetings or meals with the administrative or key programmatic leaders.
- Bring the prospect to your organization or to a program. For example, although you can bring a prospective donor to a camp at anytime, the summer is optimal for visits as the kids are in session and the "magic" is happening.
- Take the prospect out for coffee or a glass of wine to find out what the prospect's values are and what might spark their philanthropic interest.
- Involve prospects in volunteering such as "Clean-up Days."
- Personally bring the prospect to activities such as performances or special events.
- Bring prospects to any other community artistic, cultural, educational and athletic events where organization people, values or programs are prominent.
- Drop them a note. You cannot over-estimate how powerful a short note is to a prospect.
- Send a card on a Jewish holiday - or if you know of an important day in the life of the prospect such as a bar mitzvah, birthday or wedding anniversary.

### **4. Solicitation**

The primary reason people choose to make a significant philanthropic investment is that **they are asked!** In every successful campaign, a small group of volunteers, usually Board or Development Committee members, will become significantly involved in gift solicitation. There is no single personality type or outward style that defines the successful solicitor. Every fundraising volunteer should understand the basics of successful solicitation and - when the opportunity presents itself - be ready to respond.

Successful fundraising is not the product of casual asking, nor are significant amounts of money raised on short notice. A straightforward presentation and effective preparation will go a long way toward maximizing your fundraising success. Your personal skill and your dedication to preparation will fuel the sense of immediacy and importance that contribute to positive responses.

***First and foremost, successful solicitors are significant givers*** - they have demonstrated their caring and commitment with their own personal and family gifts that are as large - or larger - than any other charitable gift that they give. This does not mean that every volunteer gives six figure gifts! Giving to one's best ability is the most important factor - as well as giving of one's time and energy.

1. Successful solicitors are prepared.
  - They stay current on the organization and its needs.
  - They know the case for support and are thoughtful about its application.
  - They know as much as possible about their prospects and are alert to the prospect's needs and interests.
  - They have a healthy, open relationship with the professional staff.
2. Successful solicitors know the components of a well-prepared solicitation
  - They have previously worked with the fundraising staff and the committee members to identify the asking level.
  - They make an appointment with a purpose and take time to engage the social niceties (they know how to break the ice!)
  - They **ask the question, "Would you consider a gift of...?"**
  - They wait and listen for a response.
  - They understand the time it often takes to receive a positive response (it might take several meetings).
  - They are active in following through and establishing continuity.

- They are both urgent and patient.
- They are good listeners and effective at translating what they hear.

### **Solicitation Tips**

- You are an advocate, not a beggar. You and your volunteers are involved because you believe in the cause.
- See your most likely prospects first. Initial successes will give you confidence and enthusiasm and some reference points for other givers.
- Be straight forward. Let the prospect know why you are calling for an appointment. You may send material in advance of your meeting.
- Plan the setting. If at all possible, make certain that it is comfortable and minimizes the possibility of interruption. Obviously, the meeting time and place should be at the prospect's convenience.
- Be positive. Assume that your prospect is going to make a significant gift, if not now, then some time in the future.
- Remind them that they are known. Remember, this solicitation comes after cultivation. Share information so they know you know them!
- Be friendly and low key - but do not be afraid to show your passion. The prospect knows why you are there and would not be seeing you if they did not share your belief in the organization.
- Share your enthusiasm and your personal commitment. Make it plain that you have contributed significant time and personally made a gift. Share your reasons for doing so. It is not necessary to share the amount of your gift, but you can if you are comfortable.
- Ask open-ended questions and encourage more of their questions. Your prospect's questions are a sure way to engage their interests and their concerns and interests. Relate the mission to their values.
- Ask for the specific gift amount or gift level. Don't assume the prospect will volunteer his/her commitment.
- Aim high. Your prospect can always adjust downward, but most prospects will be flattered by your expectation. Regardless of the outcome, you will have planted the seed that your organization expects important things from them.
- Listen. Be quiet after "the ask". Follow their lead in the conversation.
- Leave appropriate material behind and, if necessary, schedule the next meeting.

## **Prospect Objections**

Remember, in most cases, the prospective donor is interested in the good of the organization and cares about its future. At the same time, there are several objections that you may encounter.

Denial: What if the prospect says, "No"?: The prospect may decline to make the gift. Keep in mind, the donor is not rejecting you. Don't argue. Listen actively for the reason the request was turned down, reflect your understanding back to the prospect and look for clues to guide future solicitation. You naturally will get some denials, but a positive approach sets the stage for the future when many, "No's," will become "Yes's." Always thank your prospect for his/her time and willingness to listen and keep the door open for future conversation.

Information: Prospects may feel that they do not have enough information. Re-affirm the important role their gift would have to fulfilling the mission. Assure them that you will get whatever information they need - and make an appointment to get back together with the answers.

Institutional: The prospect may share concerns about the organization or the organization's umbrella organization. You need to deal with this feeling before serious consideration of a gift can be made. The prospect may know someone who had a bad experience. There may be a policy or value with which they disagree. Work to develop an understanding of the issues, then move to tactfully asking what changes could be made that would allow them to consider your request in the future.

Time, Amount, Purpose: Prospects may say, "I can't do that right now," or, "That's more than I can do," or, "That's not really my area of interest." These responses are not denials of your request. You can negotiate a pledge over more than one payment, shift the purpose, or, if need be, lower the amount. You should practice a variety of these conversations with your colleagues to both hone your listening skills and improve your facility in dealing with objections.

What if the prospect says, "Yes."?: Celebrate the opportunity fulfilled, thank the donor and move forward with the appropriate gift planning. At a minimum, get a pledge card signed or have the donor send a letter of intent to the organization. See next section on "Closing"

## **5. Closing**

The larger the size of the gift, typically, the longer the “sales” cycle. A direct mail solicitation has a sales cycle of only a few seconds as the recipient decided to open the envelope or not. The cycle adds a few more seconds when the envelope is opened to let the recipient decide whether or not to respond. On the other end of the spectrum, gifts \$100,000 or \$1.0 million may be a year or more between the actual “ask” and “the close.”

Once the solicitation has been made, the prospect may want additional information, to discuss the proposal with a spouse or advisor, or to examine his/her financial situation - or any of a myriad of good, and often necessary, steps that will defer a decision. The fundraising professional and key volunteers need to stay in close communication during this period to make sure they are keeping the request fresh in the prospect’s mind (without seeming pushy), providing additional information, and fostering the ongoing engagement of the prospect with the organization.

Effective closing often involves a second or third solicitation as new information comes to light and the prospect goes through the decision-making process. The fundraising team should be skilled in bringing requests to closure. When a prospect makes a decision, the organization should be ready to get a pledge card signed, assist with the drafting of a letter of intent, or present a formal gift agreement. Closure sets out the terms and conditions of the gift and ensures a set of mutual expectations and understandings.

When the prospect says, “Yes!” The volunteer and professional should work together to formalize the gift.

- For many gifts, the formal closing could be as simple as having the prospect sign a pledge card designating the amount, purpose, and time frame.
- For larger gifts, a gift agreement that is contractual in nature and spells out the specifics of the gift in some detail may be used.
- For endowment gifts, a gift agreement that not only details the terms of the gift but also makes provisions for change or adaptation once the donor has died is very important.

You and your organization should have a written Gift Acceptance Policy that defines how gifts, pledges and gift agreements will be processed. Once you become an active solicitor, you

should always keep a few pledge cards and campaign material in the glove compartment of your car because you never know when a philanthropic opportunity is going to present itself.

## **Stewardship**

Of all the forms of cultivation, stewardship of donors once they have given is the most powerful of all. First and foremost, acknowledge the gift immediately. This includes an organizational thank you note as well as personal notes from the solicitor and the Board President. The organization must be able to clearly describe for the donor the value of their gift. Organizational thank you notes with photos, brief descriptions of program impact, annual reports, newsletters etc. all serve to involve the donor in the results.

Most institutions do a good job of accounting. They record gifts and provide both an acknowledgement and receipt thanking the donor for the gift. Stewardship takes the next step. Stewardship:

- Lets the donor know that their gift has made a difference and the ways in which the organization and its mission are stronger because of the donor's generosity.
- Connects the donor's values and the camp's values.
- Demonstrates respect for the partnership between the organization and its donors.
- Is the underpinning for the long-term relationships that lead to increased financial support and personal advocacy.
- Engages the donor in the life of the organization in a first-hand, ongoing way that results in shared aspirations and long-term commitments.

Board members and key volunteers can support the stewardship effort by ensuring that the proper support and maintenance structures are in place to support donors and donor relations. Even more important, board members and other key volunteers can participate personally in stewardship. These activities are similar to cultivation activities. Volunteers can assist stewardship efforts by making "Thank you!" visits to donors, hosting donors for on-site visits, being attentive to individual donor interests. Stewardship is not only critical to show appreciation for current gifts, but it enables the organization to clearly establish its position to ask for additional and larger gifts in the future.