

Major Gifts in a Small Shop

Philanthropy Day on Cape Cod
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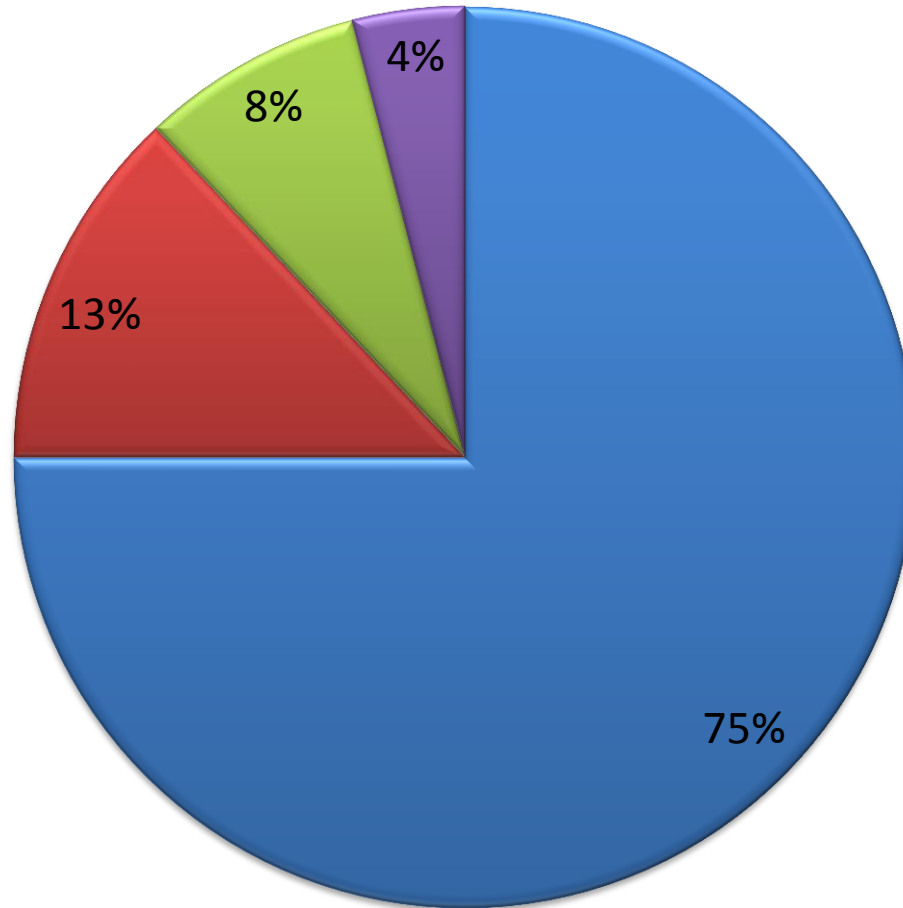
Major Gift Fundraising Today

- **Competition** (1,200 non-profits on the Cape)
- **National Figures**
- **Sources of Giving**
- **Demographics**
- **Economic and Tax Issues**



2009 Contributions = \$303.75 billion

■ Individuals ■ Foundations ■ Bequests ■ Corporations



Source: *Giving USA Foundation*, Giving USA 2010 Executive Summary

Advice for Newcomers

- Develop your human skills along with the technical
- Find someone with experience in the field and interview them or ask if they might mentor you
- When you are face to face with a potential donor, you have to:
 - build rapport
 - make the case for your organization
 - develop trust
- Never say more than you know, and never be satisfied with what you know



What is a Major Gift?

- Goal specific, time specific
- Gifts from savings not checking
- Multi-year pledges over 3-5 years
- Transformational: Focused on a specific need or multiple needs
- Stop-and-Think Gift
- Requires cultivation time and face-to-face solicitation
- Varies from organization to organization



Musts for the Small Shop

(or any shop)

- **Prioritize** - Major gifts are the most important element of your program and have the greatest return
- **Must keep all balls in the air**
 - Development plan
 - Annual Fund
 - Special Events
 - Planned Giving
- **Cultivate & utilize volunteers** (committees & office)



Overcoming Reluctance to Seek Major Gifts

- “We don’t have any prospects”
- “We don’t have any volunteers who will ask for large gifts”
- “Our staff is too busy”
- “We are too small or grass roots”
- “We don’t have enough money in our budget to pay for major gifts fundraising”
- “We won’t succeed”



Realities of Major Gift Fundraising

- Not a quick process
- 18-24 months from initial contact
- 7-12 touches per prospect
- 4 prospects for each major gift secured
 - 4:1 ratio or 7:1 ratio (Determine your ratio)
- Typically receive 75-85% of what you ask for (when well cultivated)
- Must be PATIENT



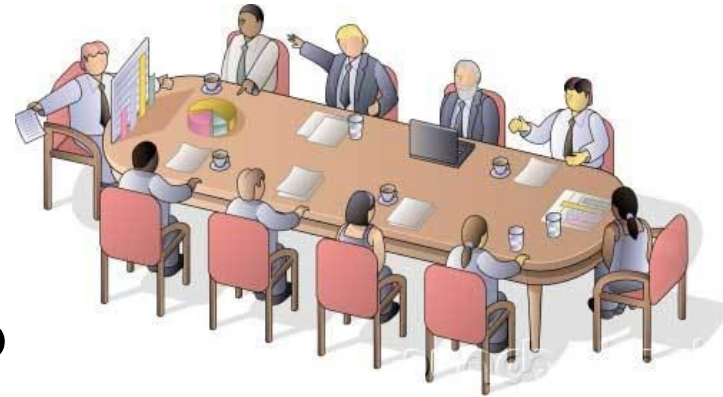
Donor Centric

- Focus on interests of donors - it's about their needs not yours
- Work with donors to help them decide how to use wealth for philanthropy
- Listen: What do they want?
- Must be donor's timetable
- People give to people
- Invest in results and impact of gift
- Ongoing stewardship



Top Reasons Most Likely to Motivate Giving

- Belief in the mission of the organization
 - Personal experience
- Community responsibility and civic pride
 - Local/National impact
- Fiscal responsibility of the organization
 - Join a winning team
- Regard for Management and Leadership
 - Prestige by association and respect
- Service on board or committee
 - Personal involvement
- Good Ole Boy/Girl Network



Tips for Success

1. Are you ready?
2. Establish goals
3. Where do I spend my time?
4. Moves Management
5. Indentify and qualify prospects



Tip #1

Are you ready?

- Case statement and funding priorities
- Donor base
- Donor communications
- Financial resources
- Governance
- Leadership
- Management
- Organizational Culture
- Planning and Evaluation
- Programs and Services
- Staffing
- Systems, Procedures and Technology

Tip #2

Establish Goals

- What is organizational need?
- How much is needed from how many?
- Length of pledge period?



Gift Pyramids

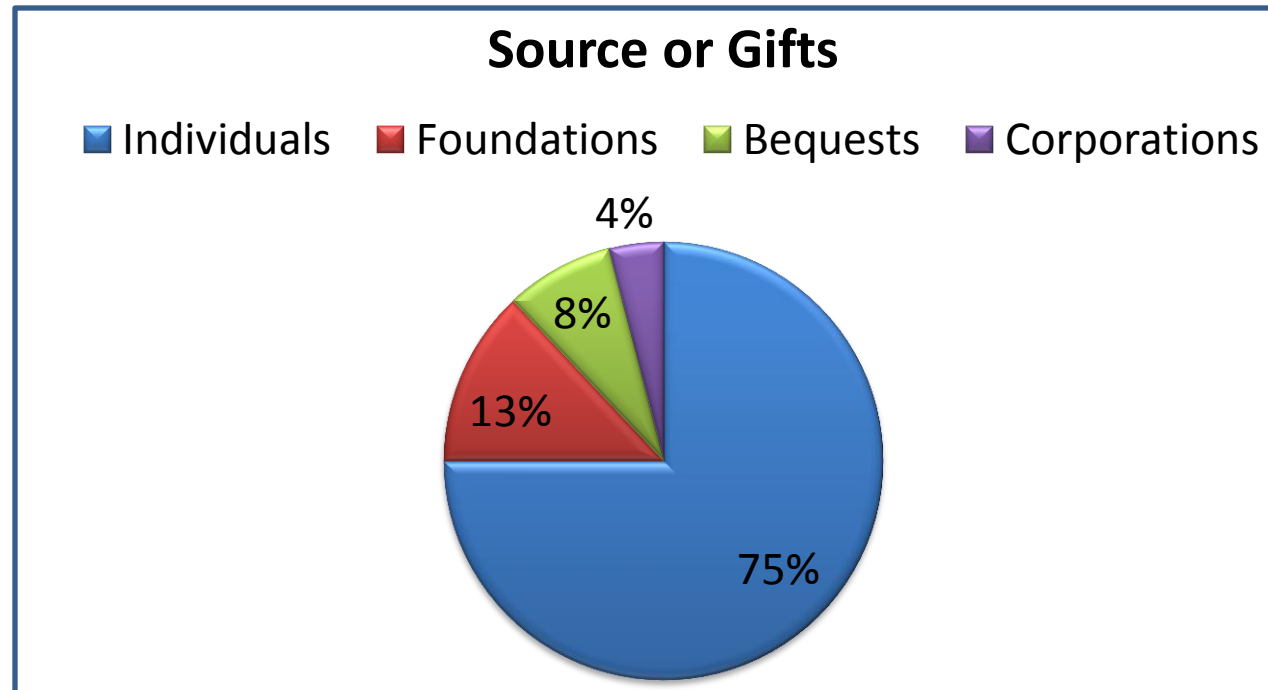
\$2,000,000

1	@	\$500,000	=	\$500,000
2	@	\$250,000	=	\$500,000
3	@	\$100,000	=	\$300,000
6	@	\$ 50,000	=	\$300,000
10	@	\$ 25,000	=	\$250,000
15	@	\$ 10,000	=	\$150,000

Tip #3

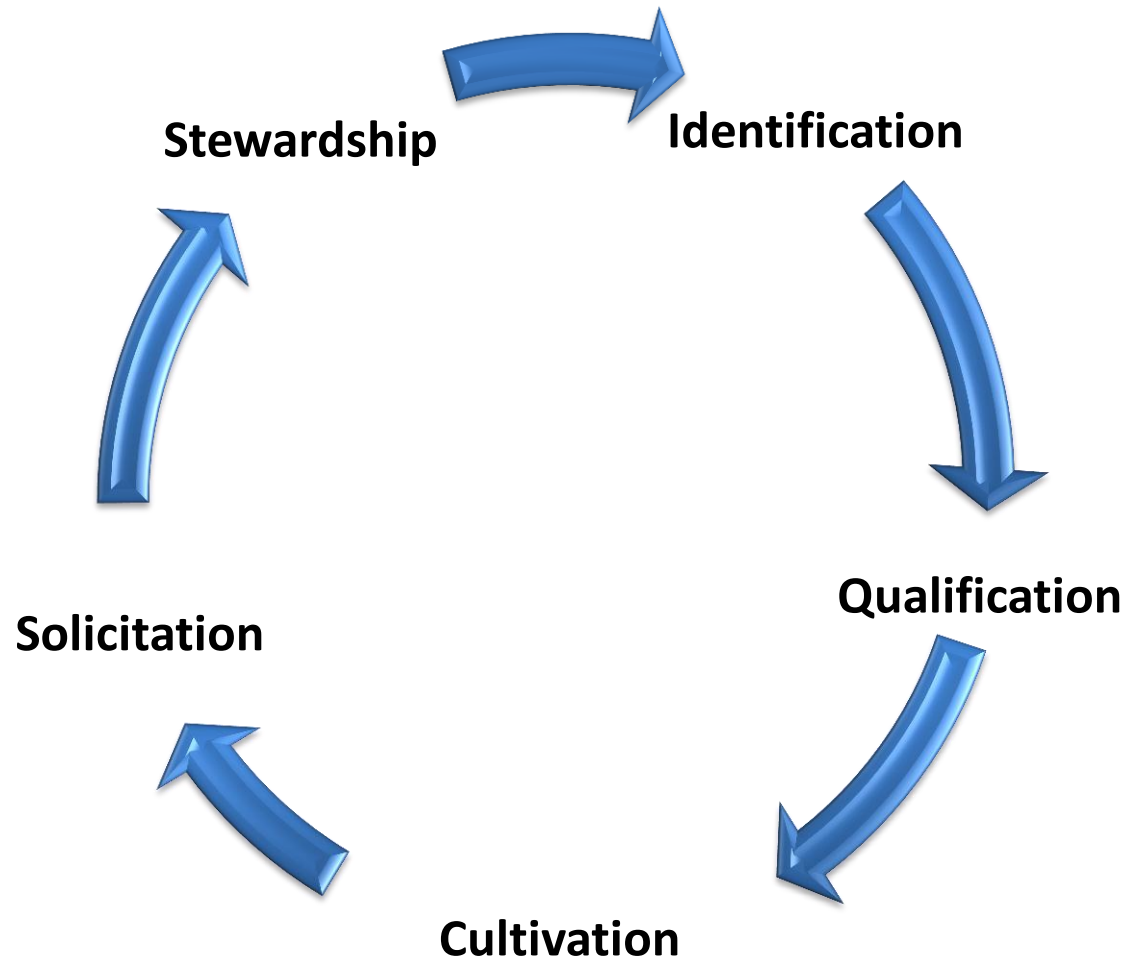
Where do I spend my time?

- It takes the same amount of time to get a \$5,000 gift as it does a \$50,000
- Results will exceed net income from all of your events



Tip #4

Moves Management

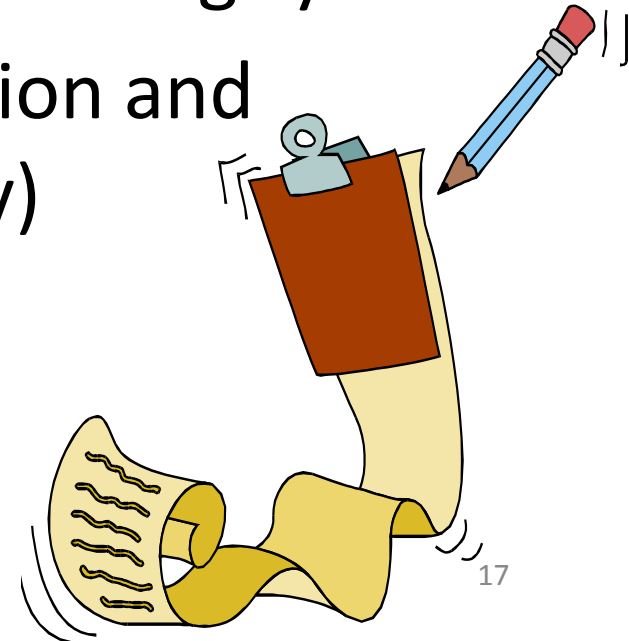


Identify and Qualify Major Gift Prospects

Build your list

- New networks: events, Board and staff contacts
- Current prospects and donors
- Donor surveys
- Buy lists
- Newspapers, annual reports, property tax lists
- internet searches

- Tools: Google, Wikipedia, Zillow
- Screening (can be expensive)
- Create a rating system (inclination and capacity)



Cultivate = Build Relationships

- It's all about **RELATIONSHIPS**
- All donors should be in a state of continuous cultivation



- Your job is 80% Cultivation and 20% Solicitation
- Be sincere
- **Build relationships**

Building Loyal Donors

- Pay attention to their needs
- Return their phone calls
- Thank them again and again
- Recognize those who want recognition
- Respect those who want to be anonymous but don't neglect them

Why You Are Calling

- Gauge their interest
- Listen to donor and their interests

When you go:

- Talk vision not what you do
 - “I was looking forward to the opportunity to talk with you about ending the hunger of children right here in our community.”
 - Not, “I was looking forward to talking with you about our program to give at-risk children food to take home on weekends.”
- If the donor is/has been a donor, talk about how their gift(s) have helped end hunger for children in your community.



Visit Questions

- How/why did you get involved (volunteer or not)?
- What are the areas of the organization that most interested you?
- What are your thoughts about our publications/communications? Improvements?
- Is there a way you would like to become more involved?
- Why do you support us?
- Find a reason after the TY letter to contact them again - event, newsletter, article

Think about it...



- People make small annual gifts to projects in which they are interested and involved.
- But they make large major gifts to projects to which they are COMMITTED
- Every major gift solicitation is a separate mini-campaign, treat it accordingly

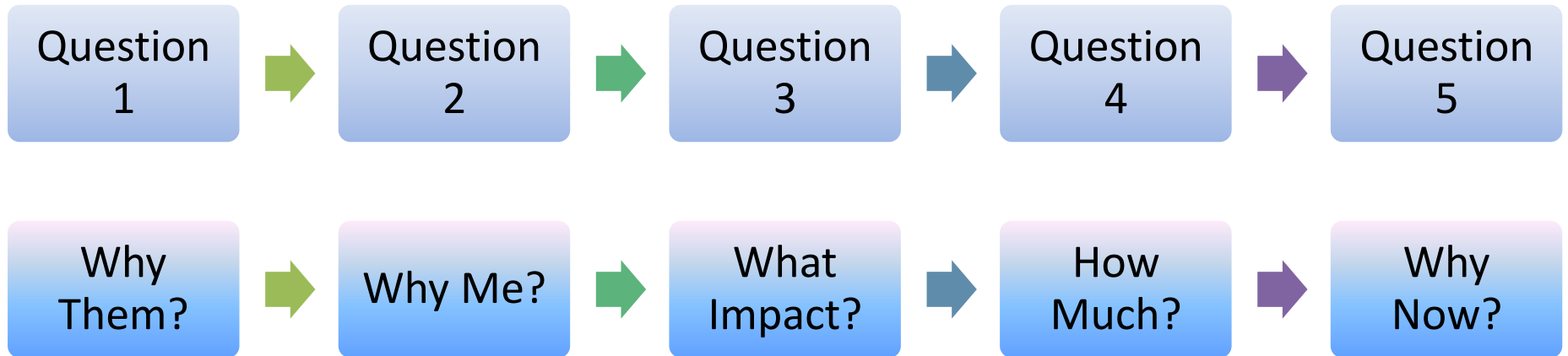
Solicit

The process of presenting an opportunity to invest assets in the programs and activities of the organization.

Who Does What When?

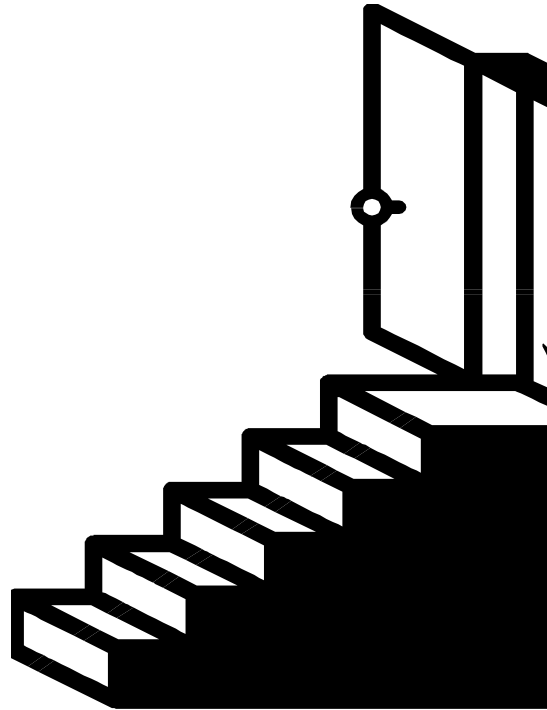
- Who is right natural partner for the donor?
- Have you all done your homework?
- Are you sure it is the right time?
 - Go with your gut
 - Don't be bullied by CEO or Board to rush ask
 - Remember, this is a marathon not a sprint
 - Integrity always trumps need

Major Donor Thought Process



Six Basic Steps

- Opening
- Questioning
- Listening
- Presenting
- Overcoming objections
- Asking for the Gift



Dealing with Objections

Basic Rules:

- Focus on the objection - don't dismiss it or negate their concerns
- Identify valid objections and discuss
- Never take objection personally
- If you don't have the answer, then get it
- ALWAYS follow-up

Why Major Gifts Fail

- Failure to ask
- Failure to follow up
- Listening vs. hearing donors
- Failure to address objections
- Lack of urgency
- Inconsistent information
- Wrong people involved
- Lack of background research



Stewardship

- Acceptance of the relationship to use gifts wisely and account for those uses
- Integrity of the relationship
- Responsible management of donated funds
- Communications-return on investment
- A personal process-a thoughtful process
- Beginning a new and higher level of giving
- Treat donors the way you want to be treated

Stewardship Tools

ACTIVE

- Phone call or visit
- Naming opportunities
- Public Thank You
- Thank you events



PASSIVE

- Annual Report
- Newsletter testimonials
- Donor Reports
- Donor profiles
- Plaques, honor walls

Interactive Case

Ms. Noble is a donor to your organization. She has made many gifts to the Annual Fund, but her largest gift was \$1,250 to your golf tournament. The tournament was held at her country club, which was founded by her grandfather who owned a successful Widget company. You are about to start a capital campaign and would like Ms. Noble's support.

1. **What factors will you consider before attempting to visit Ms. Noble?**
2. **What steps will you take?**
3. **How much will she be asked for and by whom?**



Workshop Summary

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- **Set annual goals and develop gift tables**
- **Focus on your top prospects/donors**
- **Develop a case for support**
- **Rate prospects for capacity and inclination**
- **Prioritize your prospects**
- **Conduct prospect research**
- **Use moves management**
- **Build relationships to organization**
- **Ask for \$\$\$**
- **Steward your donors!**
- **Evaluate your success**

Final Thoughts

- If you don't ask someone else will (the worst thing can happen is that they say no)
- You can only ask someone to support a cause that you care about and support yourself (employees & volunteers)
- You must get to know people and learn what they care about before you can ask – their passions
- Philanthropy will make a critical difference to your organization, now and for the future