

The Perfect Time for a Campaign

A Capital Campaign Workshop Presented for:

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Preparing for a campaign

In three steps:

Step 1: Shift Assumptions

Step 2: Shift Tactics

Step 3: Go!

Shifting Assumptions

Old Assumptions

- Scarcity
- Hoard
- Persuade
- Outcome
- Survive

New Reality

- Abundance
- Share
- Engage
- Impact
- Thrive

Shifting Assumptions

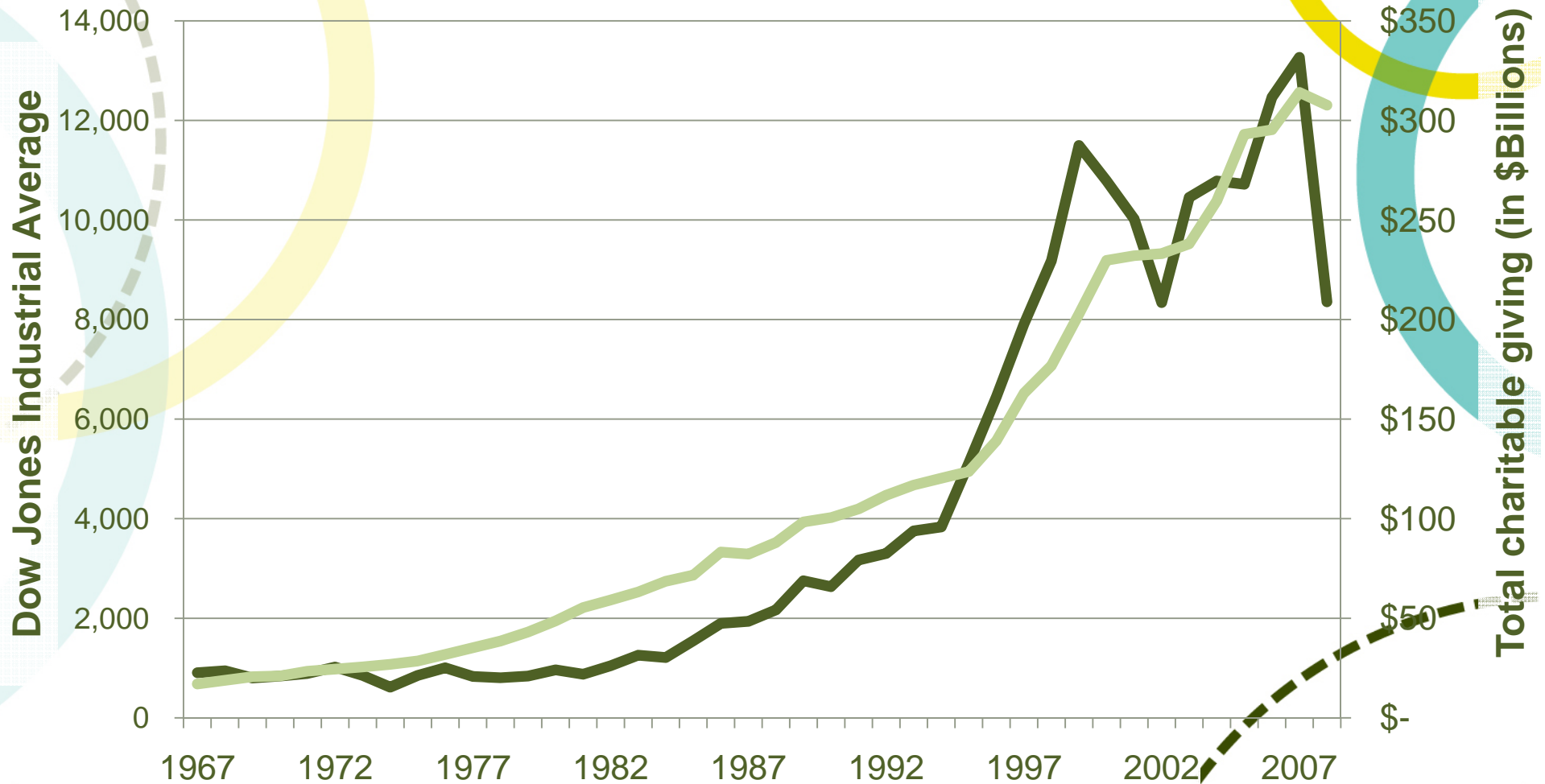
Scarcity

- There's not enough
 - Money
 - Time
 - PeopleTo accomplish our goals

Abundance

- There's more than enough
 - Vision
 - Leadership
 - Desire

There is enough money: charitable giving is resilient



— DJIA — Total Giving

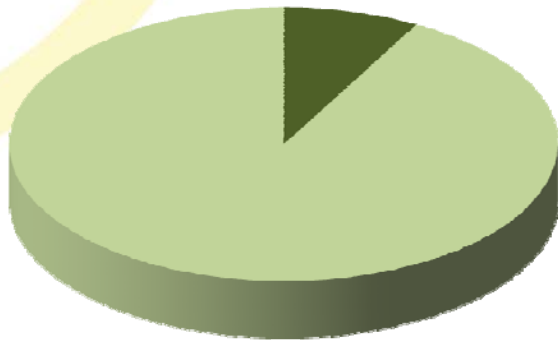
(in current \$\$, not adjusted for inflation)



Shifting Assumptions

Hoard

There's only so much



■ My slice ■ Everyone else

Share

Working together, we can make the pie bigger



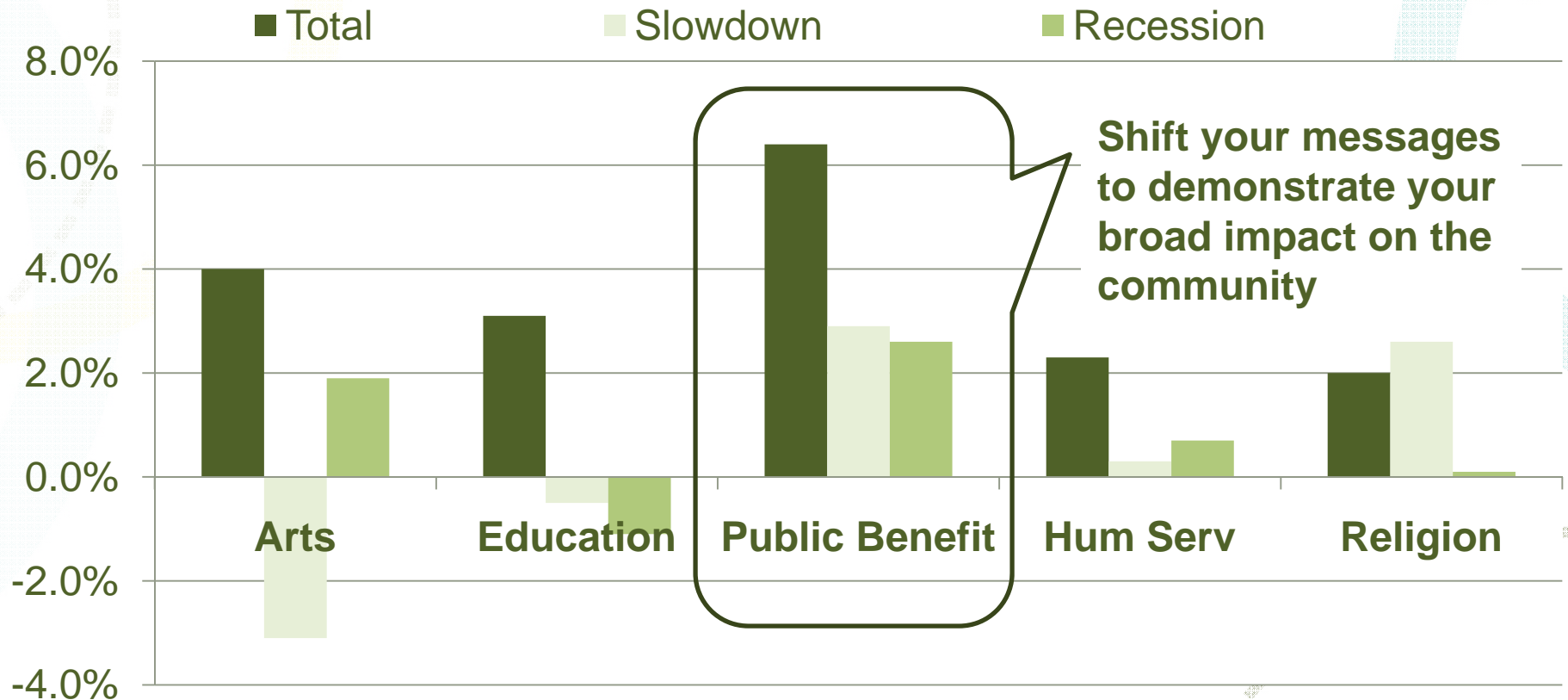
■ My slice ■ Everyone else

Shifting Assumptions

	Persuasion	Engagement
Focus		
Desired Outcome		
Result		

Shift focus from outcomes to impact

Average change in giving under various conditions (inflation adjusted)

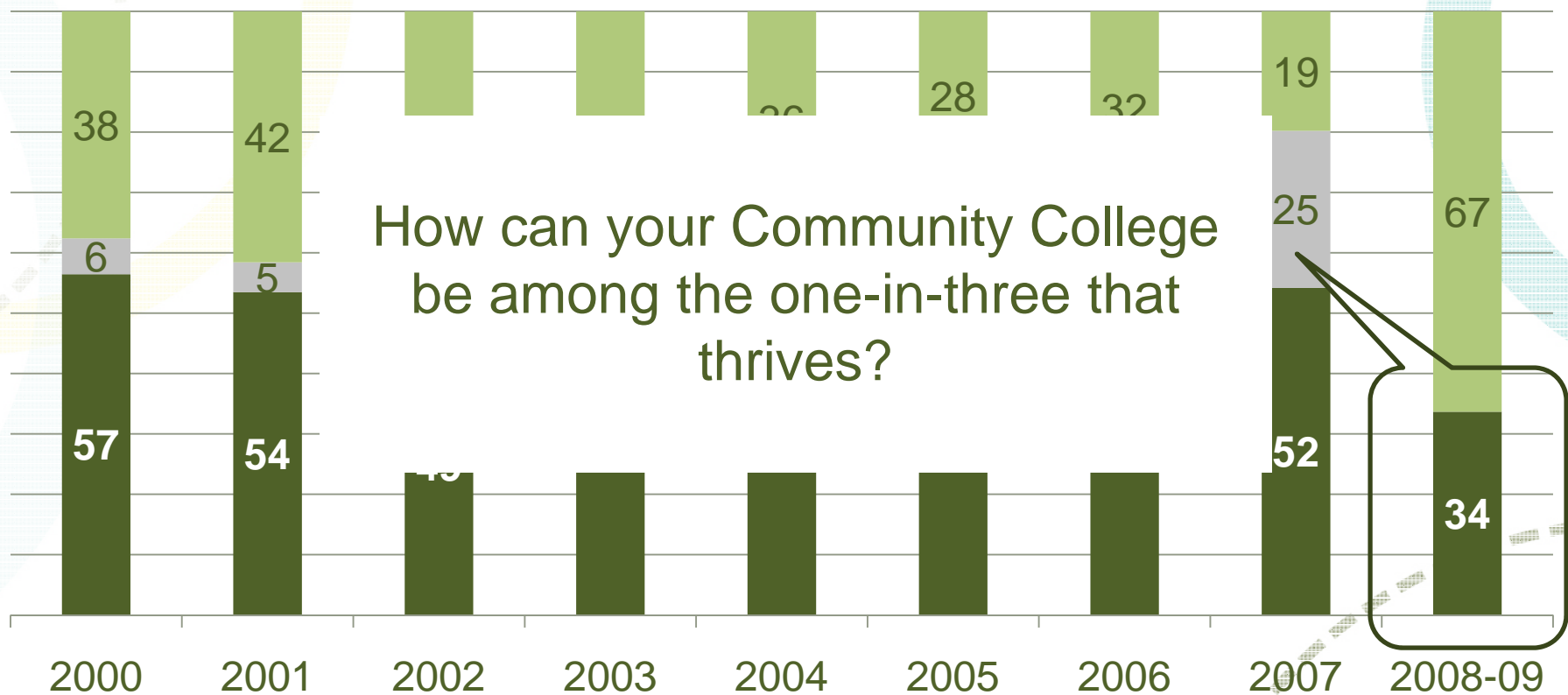


Shift your messages to demonstrate your broad impact on the community

Every year, some thrive while others wither

Charities reporting changes in giving compared to prior year

■ UP ■ No Change ■ DOWN



How can your Community College be among the one-in-three that thrives?



Shift Tactics

Going from Defense to Offense

Shift Tactics

Defense

- Cut costs
 - Cut staff, programs, events, mailings, publications
- Bunker down
 - Reduce contact with stakeholders
 - Eliminate innovation
- Fear competition

Offense

- Invest wisely
 - Measure ROI, not just expense
- Reach out
 - Sustain relationships with donors, stakeholders
- Act responsibly
- Embrace collaboration

Shift Tactics

Scenario		Defense	Offense	Aggressive
A	Long-term recession			
B	Mild recovery in 2010			
C	The market soars. Now.			

Adapted from "Fundraising in Tough Times," Mal Warwick Associates.
www.malwarwick.com/learning-resources/e-newsletters/december-2008.html#fundraising_in_tough_times

Adapt to shifting donor behaviors

Cohort	G.I.	Silents	Boomers	Gen X
Year of birth	Pre-1924	1925-1942	1943-1964	1965-1976
Population	56.6 million	52.5 million	78.2 million	69.5 million
Primary trait	Civic	Adaptive	Idealistic	Reactive
Message style	Rational, constructive, optimism	Sensitive and personal, technical detail	Meditative, principled, undertone of pessimism	Blunt and kinetic
Financial style	Cautious	“Save a little, spend a little”	Refocusing on non-materialistic values	The purpose of money is enrichment, not status

Successful Campaign Tactics

- A well known and respected organization
- A compelling Case for Support
- Committed and effective leadership
- Generous lead gifts that set the pace for other contributors
- Sound fundraising strategy well implemented

*Successful
Campaign Tactics*

***Case for
Support***

- Based on the interests of the donor and the needs of the constituency
- ~~Not the “needs” of your organization~~
- Emphasize achievements
- Investment prospectus

NEEDS



Exercise

Build a Case for your Campaign

Worksheet 1: What are Your Campaign Goals (& Why?)

Describe each campaign objective:	How much will it cost?	How will it serve the needs of others?
<i>Building Renovation & Expansion</i>	\$6,000,000	
<i>Student Aid (current & endowed)</i>	\$2,000,000	
<i>Faculty Chairs (endowed)</i>	\$2,000,000	

Successful Campaign Tactics

Voluntary Leadership

- Leaders set an example
 - Make their own gift first
 - Informed and enthusiastic ambassador
- People give to people
 - Willing to solicit gifts
 - Visible and supportive at events
- Diminishing volunteers
 - Demographics
 - Lifestyles

Successful Campaign Tactics

Leadership Gifts

- People give in view of the gifts of others.
- Those closest to an organization are expected to make the most generous gifts.
 - Size
 - Amount
 - Participation

The Role of Leadership Gifts

"Rule of Thirds"

10 gifts for 1/3 of the goal

100 gifts for 1/3 of the goal

"all the rest" for 1/3 of the goal

Major Gifts

1 gift for 10% - 20% of goal

10 gifts for 50% of the goal

total of 60-70 gifts to reach goal

Standard Table of Gifts to Raise \$10 million

# of Gifts	@ Amount	Category Total	Cumulative Total
1 @	\$1,500,000	\$1,500,000	\$1,500,000
1 @	1,000,000	1,000,000	2,500,000
2 @	750,000	1,500,000	4,000,000
4 @	500,000	2,000,000	6,000,000
6 @	250,000	1,500,000	8,000,000
10 @	100,000	1,000,000	9,200,000
14 @	50,000	700,000	9,750,000
22 @	25,000	550,000	10,100,000



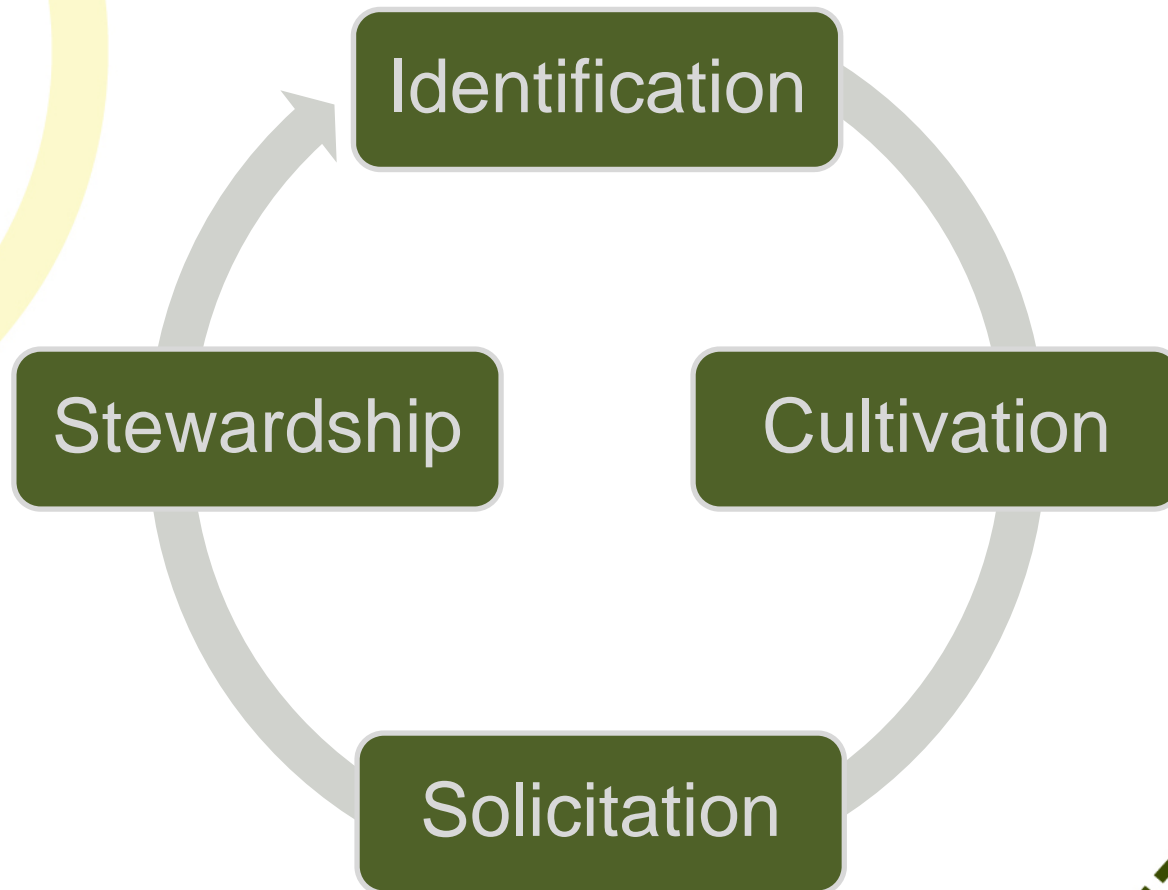
Exercise

Build a Gift Chart for your
Campaign Goal

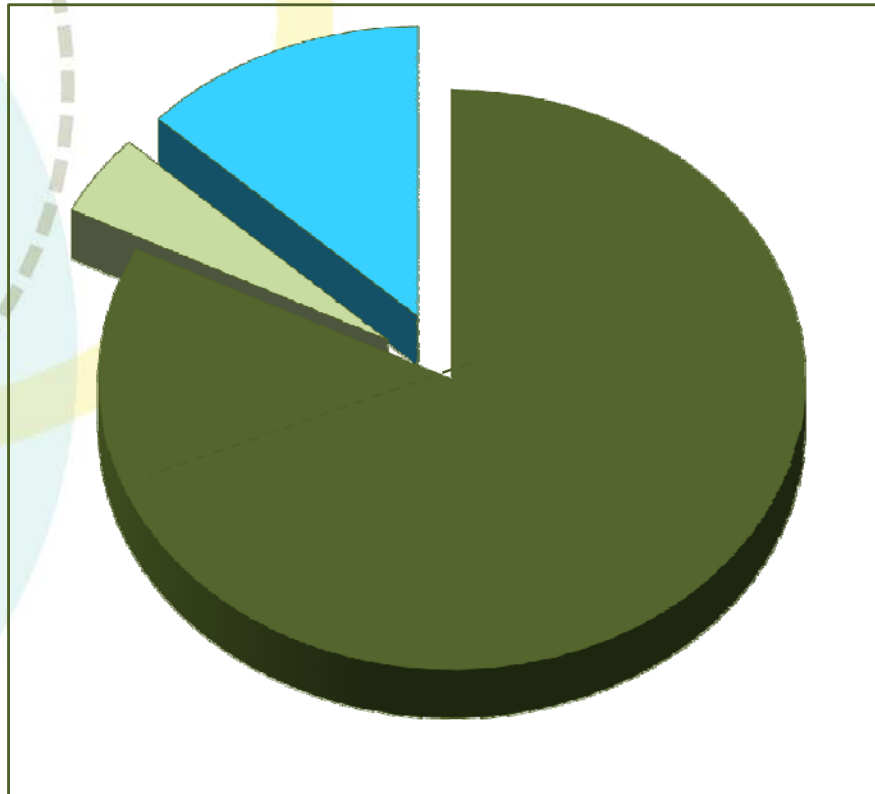
Worksheet 2: Table of Gifts to Raise \$___million

# of Gifts	@ Amount	Category Total	Cumulative Total
	<i>15% - 20% of goal</i>		
	<i>10% - 15% of goal</i>		
	<i>5% - 10% of goal</i>		

The Major Gift Process



Successful Campaign Tactics: Identification



■ Individuals

■ Corporations

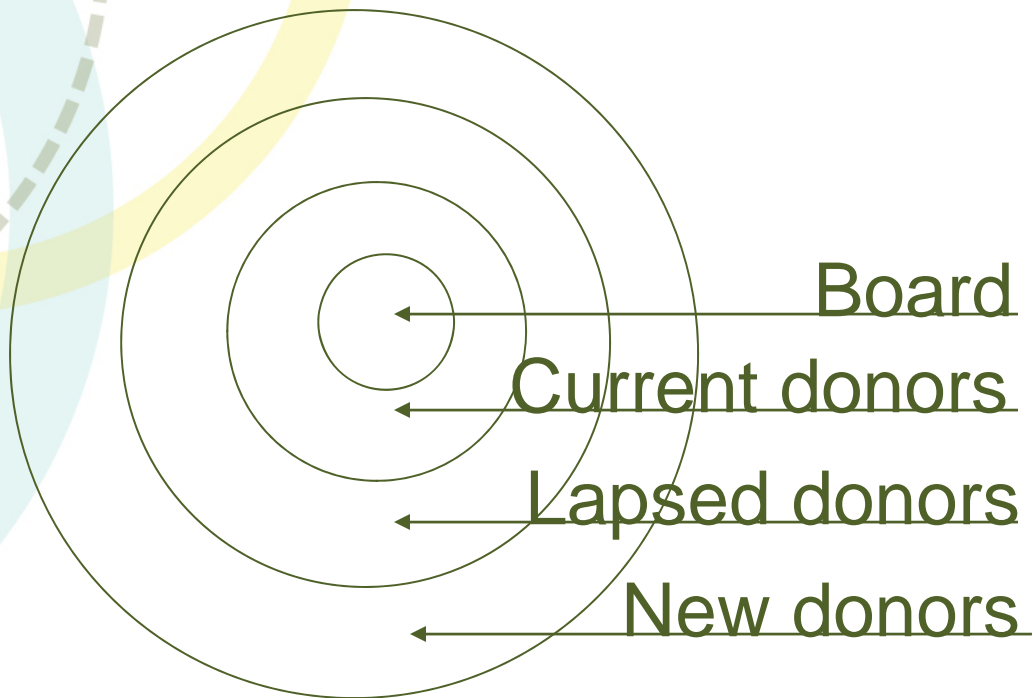
■ Foundations

- 2008: \$307 billion given to nonprofit organizations
 - Individuals:
\$ 229 billion
+ \$23 billion bequests
 - Foundations:
\$41 billion
 - Corporations:
\$14.5 billion

source: Giving USA

Successful Campaign Tactics: Identification

- Who are your potential donors?
 - Individuals, Corporations, Foundations



Successful Campaign Tactics: Cultivation

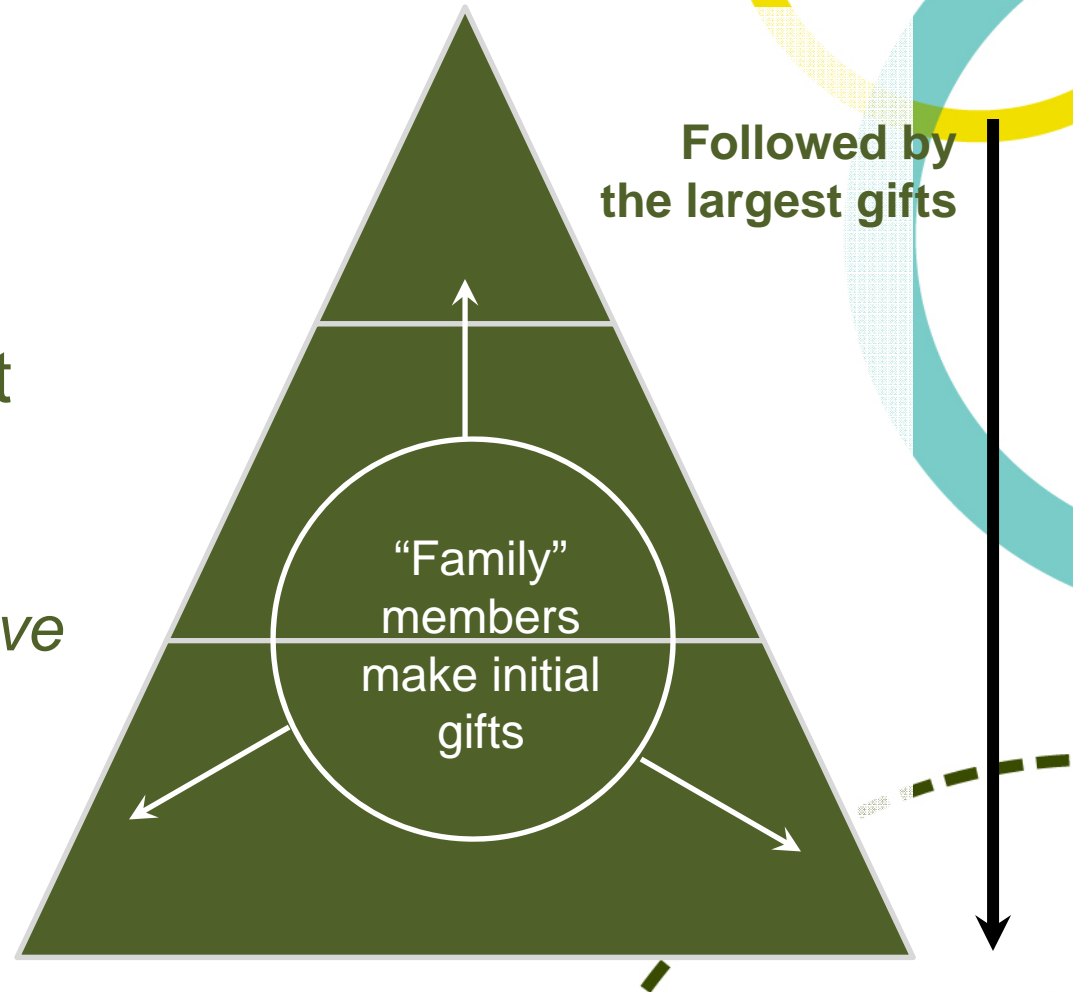
Converting *suspects* into *prospects*

- A ***suspect*** is someone with the financial capacity to give.
- A ***prospect*** is someone from whom you can reasonably expect a gift, based on ability, interest, and linkage.

Successful Campaign Tactics: Solicitation

- The “4 W’s”:
Who
asks Who
for What amount
When

(Because people rarely give unless they’re asked.)



Successful Campaign Tactics: Stewardship



***Seek not a donation,
but a life-long donor
and friend.***



Exercise

Are you ready for a capital campaign?

Worksheet 3a: Are You Ready for a Campaign?

Case for Support	5- highest 1-lowest
Our plans are well-defined.	
Our plans were developed with input from constituents, including prospective donors.	
We have considered capital, endowment, and operating funds that will be sought during the campaign.	
Our campaign objectives are likely to be appealing to potential donors.	
Case for Support Score:	

Leadership & Leadership Gifts	5- highest 1-lowest
100% of our board members are likely to support the campaign with a pace-setting gift.	
There are individuals on our board with the capacity to make leadership gifts.	
Our board members are willing to ask others to contribute to the campaign.	
We have potential donors with the capacity to make leadership gifts.	
We can recruit volunteers with the influence to secure gifts from various constituencies (individual, corporate, foundation).	
Leadership & Leadership Gifts Score:	

Worksheet 3b: Are You Ready for a Campaign?

Internal Readiness	5-highest 1-lowest
We are a highly regarded institution with a clear mission.	
Our senior staff have earned the confidence of the philanthropic community.	
We are financially stable and have a good reputation for fiscal responsibility.	
Our board provides effective leadership in governance and fundraising.	
Our development office functions well.	
We have appropriate fundraising resources, including a functional donor management system.	
Internal Readiness Score:	

External Factors	5-highest 1-lowest
The economy is relatively stable in our community, and there is confidence about the future.	
Philanthropic competition is low to moderate, and we will not need to compete with similar institutions for campaign leadership and large gifts.	
External Factor Score:	



*The Perfect Time for a
Campaign?*

*When you are ready to
GO!*

Step 1: The Big Idea

- Strategic Planning Process
 - Involvement and ownership or trustees & other leaders
- External Threats/Opportunities
 - Sense of urgency
- Singular Vision
 - Strong leadership & collective wisdom

Step 2: Hire a Consultant?

- Advantages

- Expertise
- Objectivity
- “Insistent voice”
- Coaching/mentoring
- Customized services

- Disadvantages

- Unrealized expectations
- Expense
- When they’re bad, they’re *really* bad
- Note: you ***can’t*** outsource relationships

Hiring a Consultant: the Process

1. Define the scope of work.
2. Identify potential vendors and gather general information.
3. Request formal proposals from 6-10, check references.
4. Invite vendors to make presentations.
5. Select a consultant, negotiate contract in phases.

(see also www.aafrc.org "8 Steps")

Or: Sole Source

Step 3: The Assessment Process

- Identify 30-50 people who will influence the success of the campaign.
- Develop a “preliminary case for support.”
- Send letters/place phone calls to schedule appointments.
- Conduct candid, confidential interviews.
 - Strength of the case, likelihood of attracting leadership & leadership gifts, other factors
- Prepare and present findings and recommendations.

Step 4: Planning

- Campaign Plan & Budget (operations, travel, events, marketing, consultants)
 - +/- 10% of every dollar raised
- Case for Support & Campaign Marketing
- Recruit Leadership
- Begin Solicitation of “Family” (staff, board)

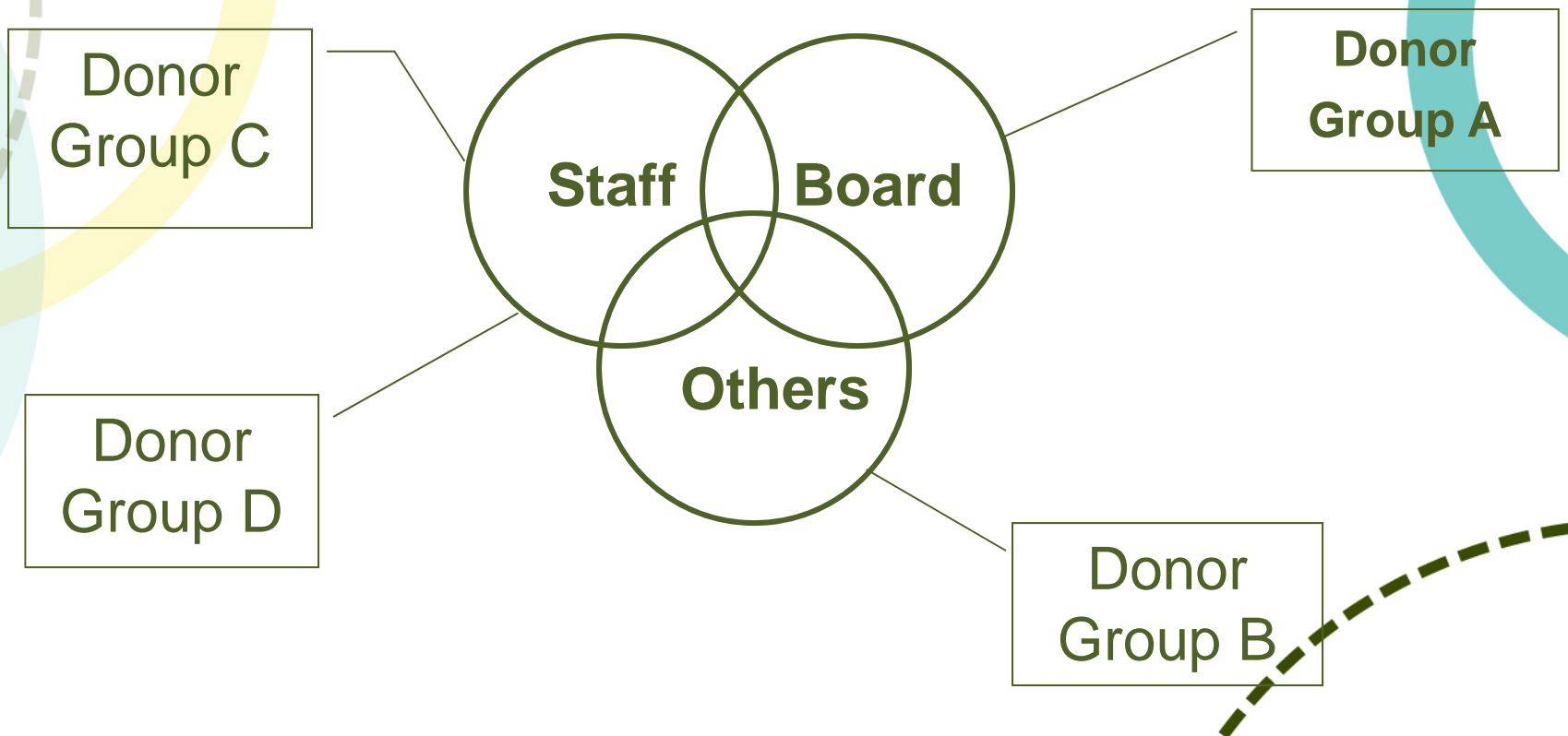
Step 5: The “Quiet” Campaign

- Complete recruitment of campaign leaders.
- Solicit “family.”
- Solicit “top” prospects.
- Do not announce campaign publicly until at least 50% of goal is reached.

Campaign Structure: *Old Style*



Campaign Structure: Contemporary



Campaign Phases Defined by Gift Chart

# of gifts	@ amount	Category total	Cumulative total
1 @	\$1,500,000	\$1,500,000	\$1,500,000
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2 @	750,000	1,500,000	4,000,000
4 @	500,000	2,000,000	6,000,000
6 @	250,000	1,500,000	8,000,000
10 @	100,000	1,000,000	9,200,000
14 @	50,000	700,000	9,750,000
22 @	25,000	550,000	10,100,000

Quiet Phase

Public Phase



Exercise

Create a Campaign Timetable

Worksheet 3: Create a Campaign Timetable

	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 5	Qtr 6
Develop vision/goals						
Assessment						
Planning, marketing & Recruitment						
"Family" solicitation						
Leadership Gifts						
Public Announcement						
Major & Special Gifts						
Broad base campaign						

Questions

- When is the best time to start a campaign?
- What should we say to donors or volunteers who are worried about the economy? How about philanthropic “competition”?
- Our board is weak (or unenthusiastic) – what can we do?
- Can we blend capital, endowment (and even other financial goals) into a single campaign?
- How long should a campaign last? How much should it cost?
- What can be done about a stalled campaign or a campaign that’s falling short of the goal?
- How do we determine “naming” opportunities? Are they useful?

Thank You

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