



Research Power: The Right Gift by the Right Donor, Asked the Right Way!

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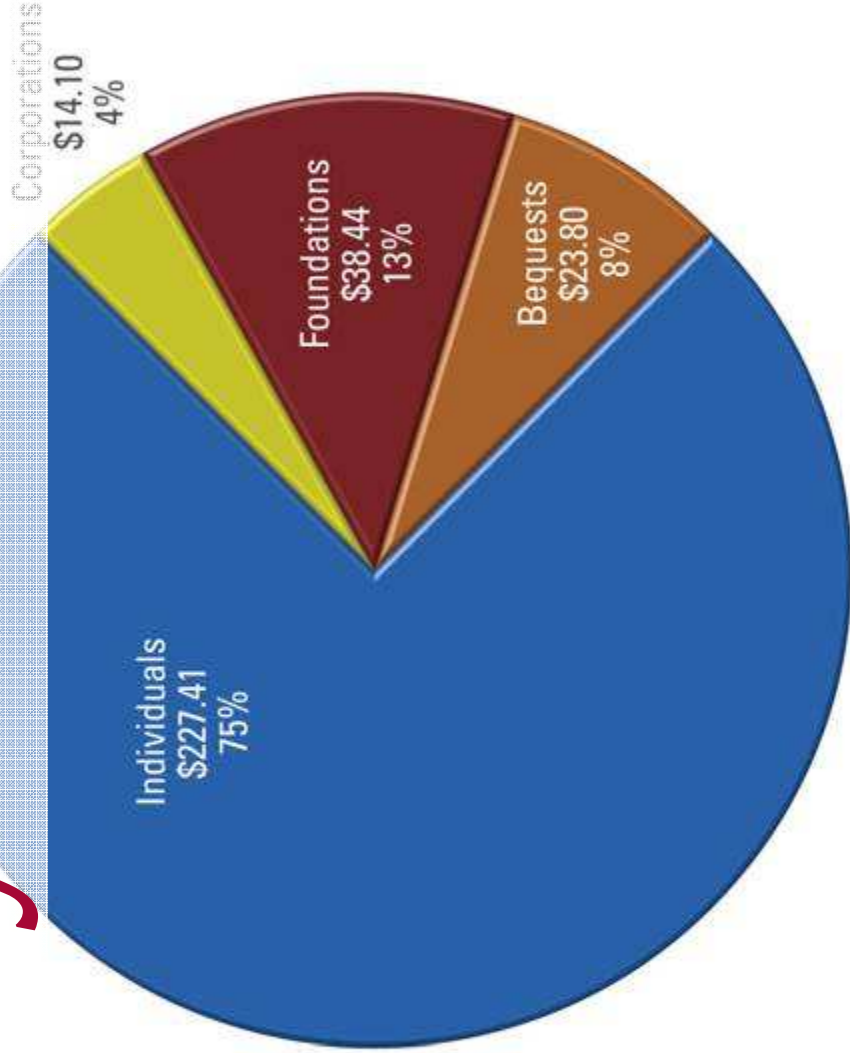
Where is the Money?

- Richest 20% of world's people consume 86% of all goods and services
- 100 people are going to give 84% of your money. (Really, 4-5% give 97% of money)

Where should you

spend your time?

(in billions - All figures are rounded)



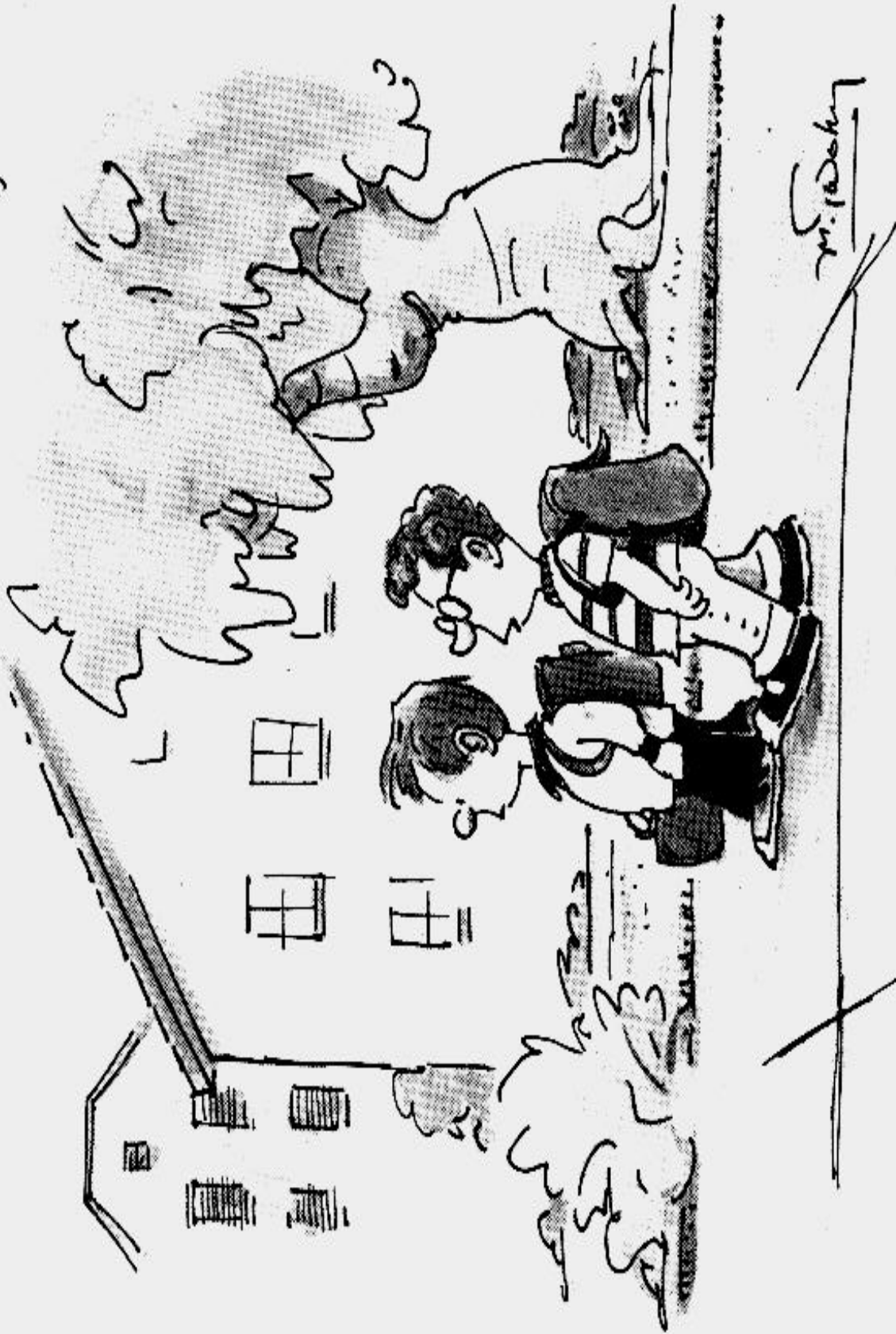
Why the Growth in Philanthropy?

- 55-64 age bracket is largest and most affluent segment of the population
- Generation just above – the Silent Generation – now making large gifts
- By year 2017, over \$26+ trillion will be transferred to succeeding generations

Fund-raising Today

- It's all relationships!
 - People give to make a difference
- “Give us the dollars; we'll make change!”
- People give with their hearts & minds, not for tax savings!
 - To be successful today, fund-raising needs a human face!

© The New Yorker

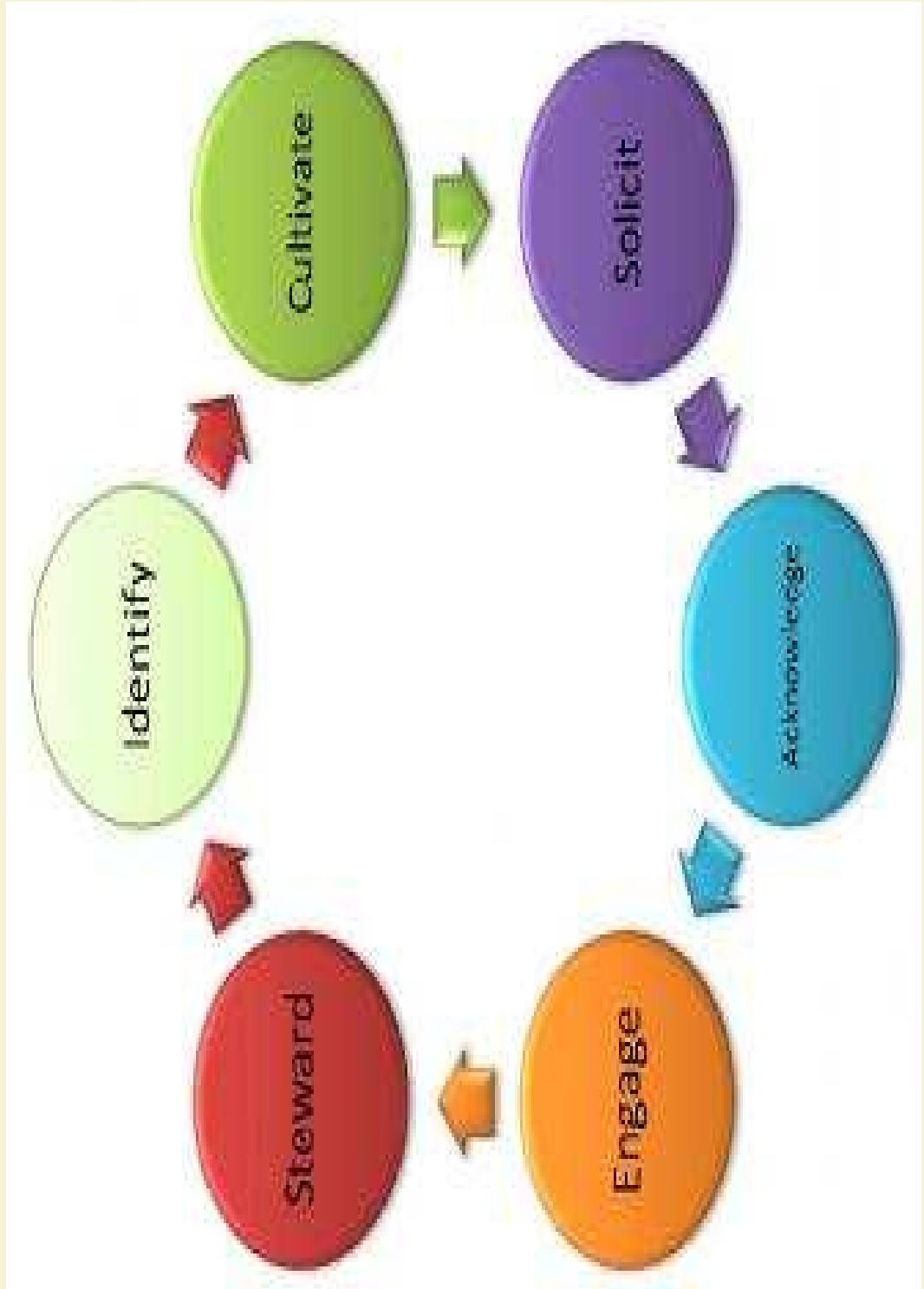


"When I grow up, I want to work with the affluent."

What is Prospect Research?

- Digging up undiscovered information on your donors and prospects from dusty books and magazine clippings?
- Combing the internet for public records on an individual's financial holdings?
- Responding to leads from the office and pulling together a prep sheet for the gift officer and president?

What is the Development Cycle?



a.

...And what is prospect management?

Identification →

Qualification →

Cultivation →

Solicitation →

Stewardship →

Solicitation →

But first, what is a prospect?...

An individual

- With capacity
- Inclined towards your organization

So what?

The Goal of Prospect Management:

To obtain the largest possible gifts in the shortest amount of time.

Is he a possible big donor?



Are They?



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Who Are Your Best Major Gift Prospects?

- Most likely from your current donors
- Your members, clients, families, vendors
- Your trustees and senior leadership
- Current major donors, close friends
- Previous donors
- **DON'T OVERLOOK WOMEN!**

How to find prospects (Identification)

Use your resources!

- Your own database – one of your best sources
- Public information (Google, newspapers)
- Ask for them
- Pro-active research

Prospects are not necessarily current donors

Vital Information

- Name, location and identity
- Source of name
- Connection to your organization, if any

Mine, then analyze, your data

- Look for patterns
- Why?
- How? What tools?
- Examples

Research

- Once you have determined who your top prospects are... it is time to conduct some research on your donors

Qualitative vs. Quantitative Donor Research

Qualitative:

- Notes from conversations with donors
- Research by talking with others who know the donor

Quantitative:

- Analysis of donor giving history- frequency, amounts, trends
- Wealth Engine, Nexus Lexus, other wealth data

Research, continued...

Qualitative:

- Observe donor's choice in career, lifestyle, charitable giving

- Messages from the donor's actions-frequency of contact

Quantitative

- Google, newspaper articles, about the donor

- Analysis of other nonprofits and the level of support by the donor

The Realities of Small Shop Research

Limited staffing resources suggests the following:

Traditional in-depth research will be focused on a few prospects

The annual fund will be used to surface many of these prospects

Global research is most effective

Ask your supporters too!

- Survey your donors
- Invite increased participation:
 - Upgrade
 - Consider a planned gift
 - Volunteer

Who screens?

Why Screen?

- Multiple records
- External data sources
 - Biographical
 - Assets
- Ratings

How Screen?

- Wealth/hard asset screening
- Predictive modeling
- Peer screening

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Ethics

From the APRA Code of Ethics:

Accountability- Respects the privacy of donors and prospects and conduct their work with the highest level of discretion.

Practice- Protect the confidentiality of all personal information at all times.

Segment and Plan for Cultivation

- The data doesn't lie: most of the giving is from people
- Internal commitment to creating a culture of philanthropy
- External commitment to donor-investors and to the community to utilize large investments in a way that leverages impact

Some ways that Major Donors Join the Fold

- Event attendee (unrestricted)
- Annual Fund donor (unrestricted)
- Direct Mail donor (usu. unrestricted)
- Program donor (restricted)
- Campaign donor (usu. restricted)

Moves Management

*“If you don't know where you are
going, any road will take you
there...”* Cheshire Cat, Alice in Wonderland

Moves Management- A system, a process
and a plan for building a relationship that
moves individual prospects to engaged,
passionate donors.

Stages of Moves Management

Identify- Determine capacity and inclination / interest, develop a strategy

Cultivate- Develop the relationship

Solicit- Discuss the gift- present a customized proposal

Steward- Thank and recognize

How Many Prospects Do I Need?

Research Shows That:

- 11 Prospects to Qualify, Leads to
- 8 Prospects to Cultivate, Leads to
- 5 Prospects Ready to Solicit, Leads to
- 3 Actual Solicitations, Leads to
- 1 Gift at the Requested Level

What is a Move?

- Specifically tailored to the individual –
Donor Centered
- Increases engagement
- Increases involvement
- Increases your understanding of the donor
- Advance your strategies and goals
- Leads to solicitation
- Results in gift

Major Donor Analytics

One touch every 6 weeks= ~9 / year

F/T MG officer portfolio= 125 donors

Small Shop MG officer= 75-100

100 donors= 900 touches / year

75 donors= 675 touches / year

REALITY= 2-3 touches per DAY

Setting Criteria

- Identify types of moves
- Contacts are meaningful – make progress in the relationship
- Moves add new information
- Moves help present the case, introduce leadership
- Moves result in presenting a proposal or making an ask

Foreground Moves

- Planned contacts- one on one meetings
- Event with a focus on one prospect
- Submission of a proposal
- Lunch with a board member

Background Moves

- Cultivation events
- Mailing a newsletter
- Thank you notes
- Activities or events that include more than one prospect

Guidelines

- Set dollar goals
- Determine number of solicitations
- Guidelines for meaningful contacts monthly
- Regular staff assessments – what is working?

How do I know if it is working?

It must be Quantifiable:

- Number of solicitations and success rate
- Amount of money raised towards MGI

As a “trickle down”, you should have:

- More engaged donors
- More annual gifts
- Better attendance at events.

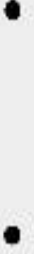
Benchmarks

Expectations:

- One-third in active movement toward solicitation
- One-third moving from small annual gifts to major gifts
- One-third “suspects” being qualified and introduced



"Trust me, Mort—no electronic-communications superhighway, no matter how vast and sophisticated, will ever replace the art of the schmooze."



Getting to know them (Cultivation)

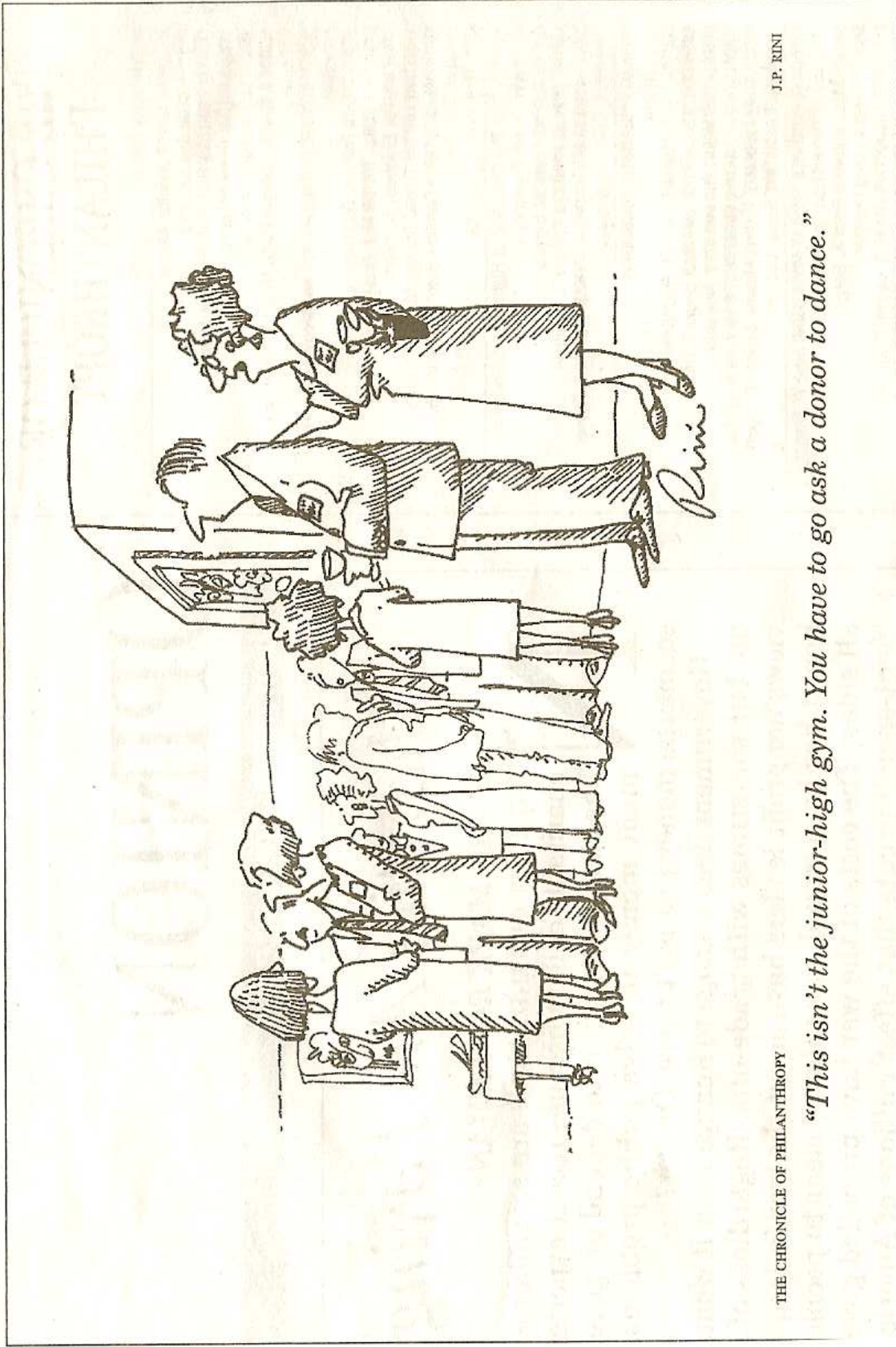
Don't be shy! Find out who they are:

- Family
- Career and civic involvement
- Specific program interests

Getting to know you (Cultivation)

Keep them informed of program work

- Phone calls
- Personalized correspondence
- Visits and events



J.P. RINI

THE CHRONICLE OF PHILANTHROPY

"This isn't the junior-high gym. You have to go ask a donor to dance."

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Cultivation of prospects

- Must be donor centered
- Tailored to each individual person
- A blend of personal, telephone and written communications
- A planned, regular sequence of activities
- Real continuity important
- Both Background and Foreground

initiatives

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Arm your management and key volunteers!

Give them prospect research
beforehand:

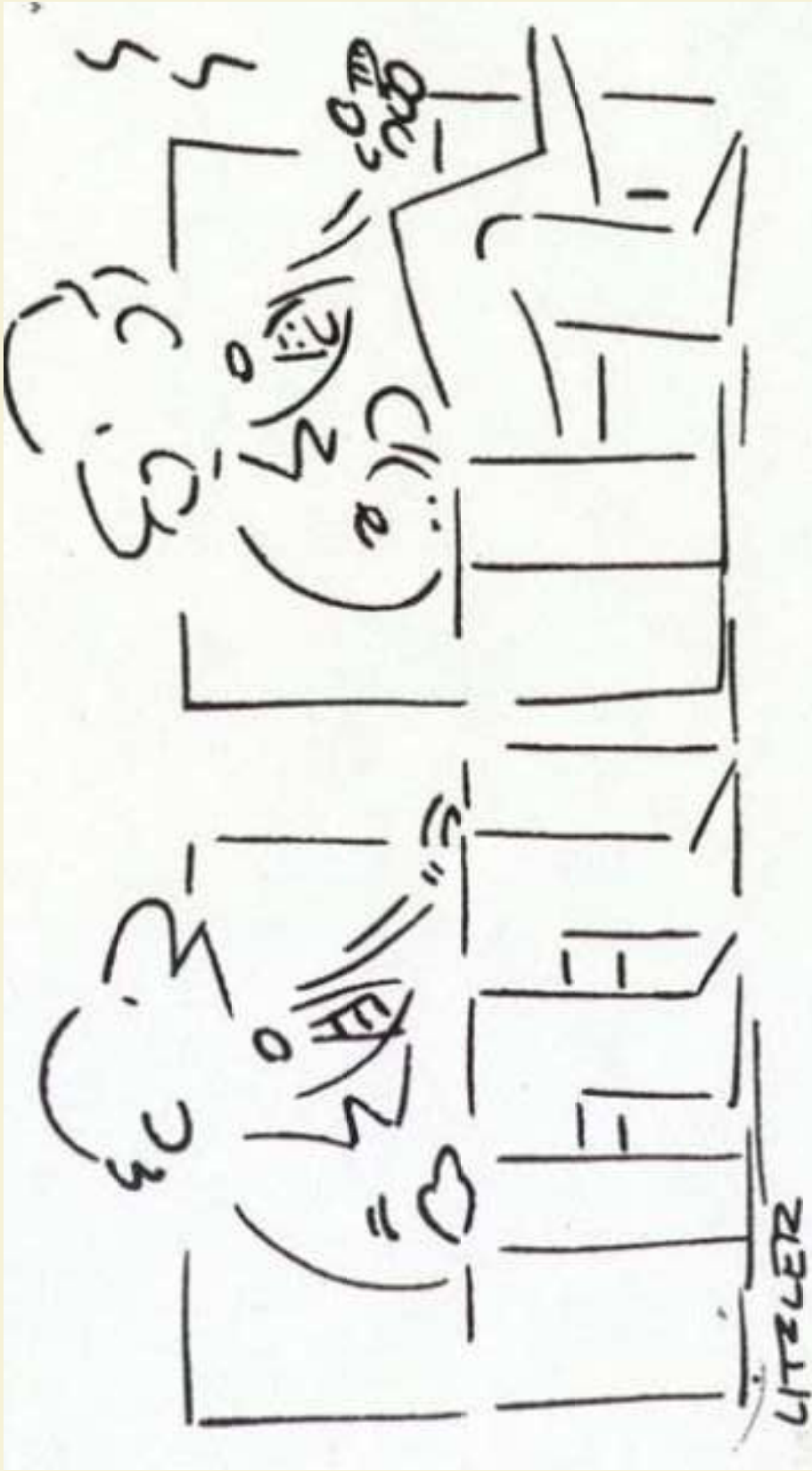
- Names
- Connection to organization
- Pertinent biographical info

Sample Plan

MAJOR DONOR	Inclination Rating 1=Strong Interest; 2=Moderate Interest; 3=Possible/Unknown Interest; 4=No Interest	NOTES	LAST GIFT	PLAN	ANNUAL GIFT SOLICITATION & DATE	NEXT ACTION TIME FRAME	RELATIONSHIP	Next step
Granger, Hermione	1	CEO of Gryffindor Ventures; Dean Thomas knows;	\$5,000	PLAN: RECRUIT TO OUR BOARD OF TRUSTEES. ACTIONS: TMH and Dean meet; invited to strat plan dinner at Parvati's house; TMH sent specific dates for program tour; TMH call to follow up	Tanya will solicit by Dec. 2010	Sept. 2010	Dean Thomas	TMH

Persistence

- Follow through on every detail
- Re and re-read your notes frequently
- Revise strategy as needed
- Keep volunteers and key players up-to-date



MARK LITZLER

"We ran out of things to talk about so I asked him for money."

THE CREDENCE OF PHILANTHROPY

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After you've made contact

1. Track and analyze information learned:
Who, What, When, Where, and Why?
2. Purpose, Amount, Type, Timing,
Solicitor

Don't Stop Yet...

It doesn't end with a successful solicitation,
Additional gifts can and do happen!

Identification → Qualification → Cultivation
→ Solicitation → Stewardship → Solicitation →

Don't Forget!

Prospect research – be prepared in advance!

Have patience, take your time, be deliberate!




Be very prepared and ready for next moves!

Have fun while raising money!

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