

BUILDING YOUR MAJOR DONOR PROGRAM

High Divide Workshops

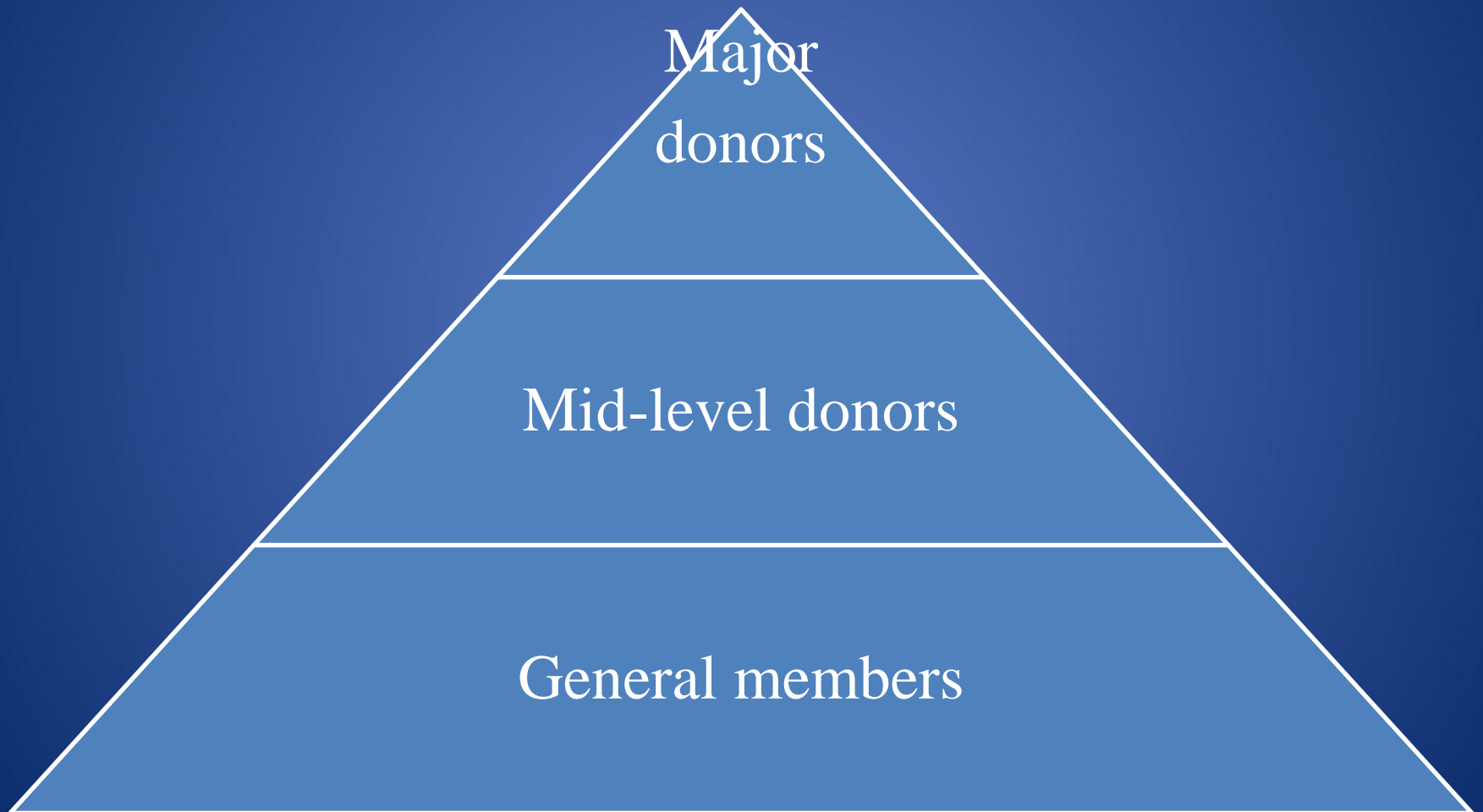
Dillon, Montana

February 6, 2015

Don Elder, TREC

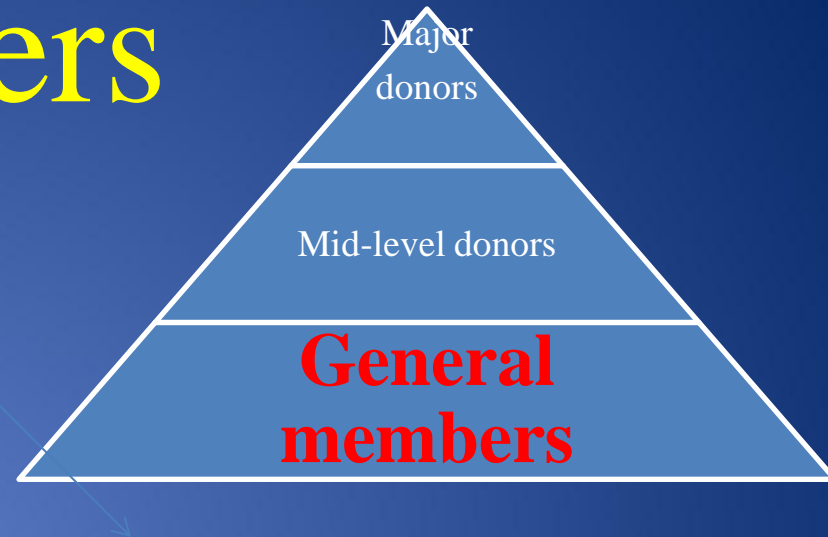


Classic “Donor Pyramid”



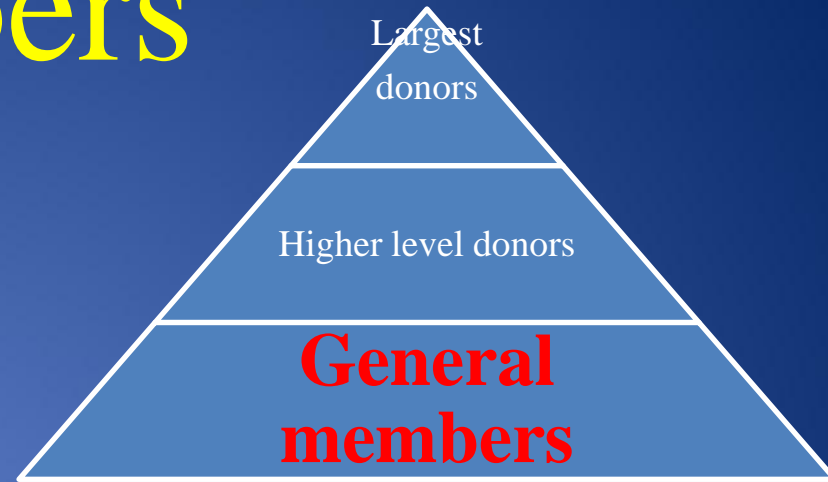
General members

- **Largest in number**
- **Fairly small revenue**
- **Even smaller *net* revenue (cost a lot per person to find, to keep informed, and to keep involved)**



General members

- **Still, *very* important**
 - **Credibility**
 - **Connections**
 - **Clout**
 - **Eyes and ears**
 - **Source of prospects for higher giving levels**

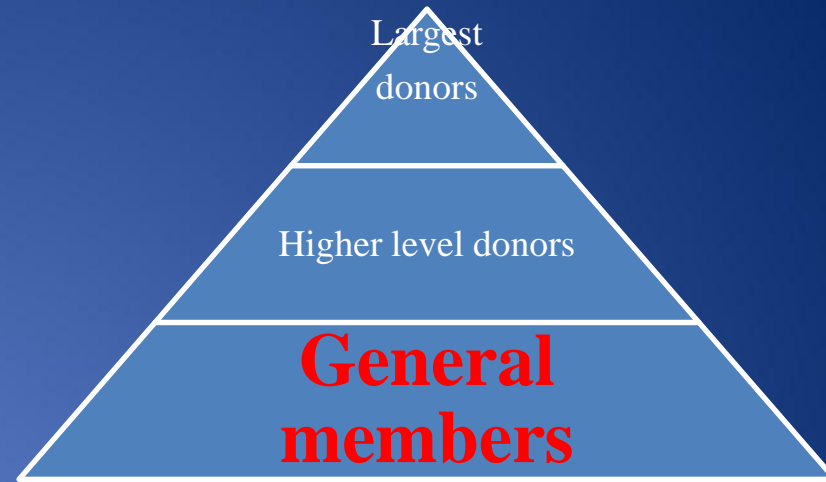


Key idea

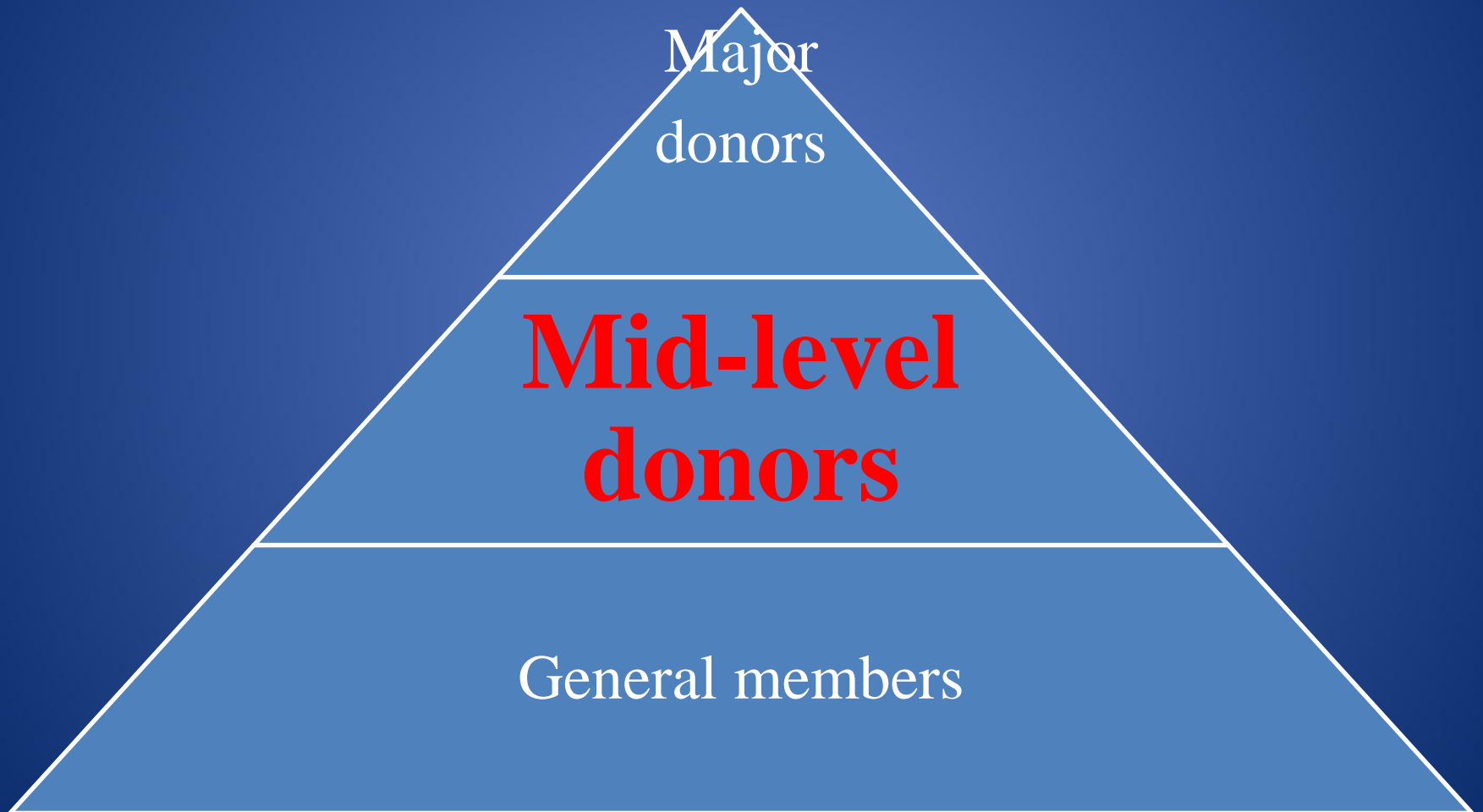
It's OK to lose money on your general members each year if you are using them to maximum overall effect for the long term.*

In fact, for most organizations, it's necessary to do so.

** expenses to get and keep greater than direct, short-term revenue*

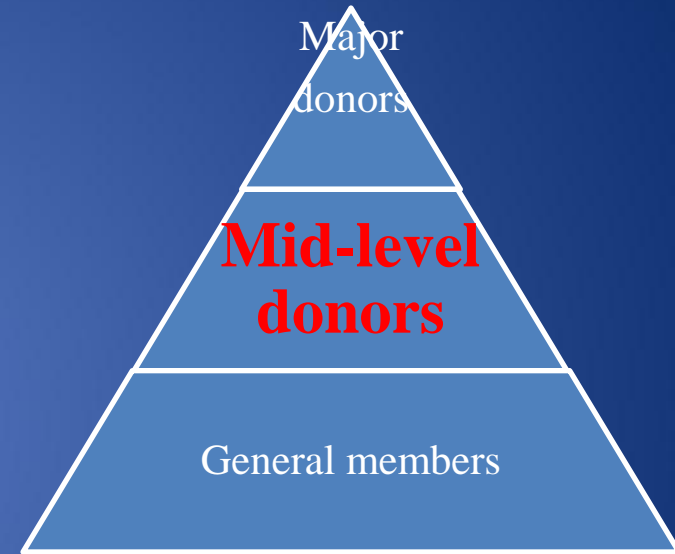


Classic “Donor Pyramid”



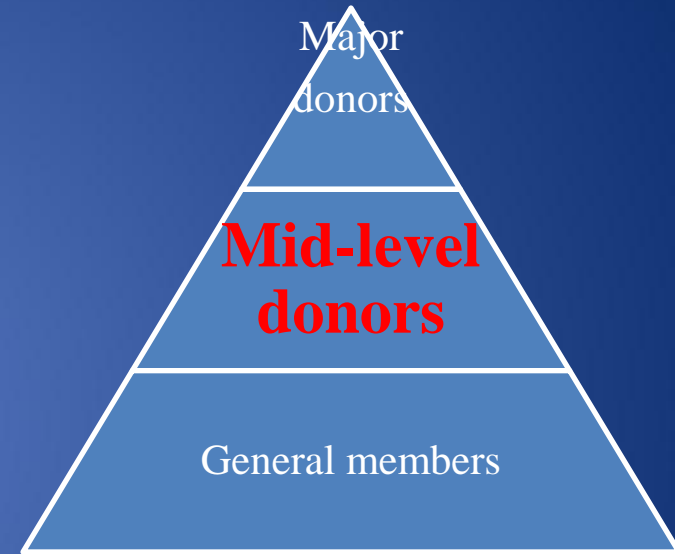
Mid-level donors

- **Smaller in number**
 - Often 10-20% of donor base
- **As large or larger in revenue**
 - Often provide 20-50% of total support
- **Much larger in *net* revenue**



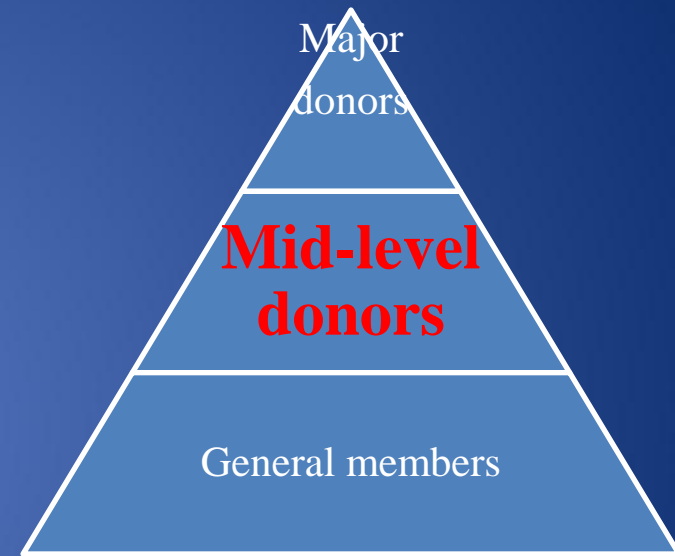
Mid-level donors

- These “mid-level” donors provide *crucial, reliable support* for your organization’s growth and health



Mid-level donors

- Are the people who are *self-identifying* as being good prospects for major and/or long-term support
- Need and deserve special attention

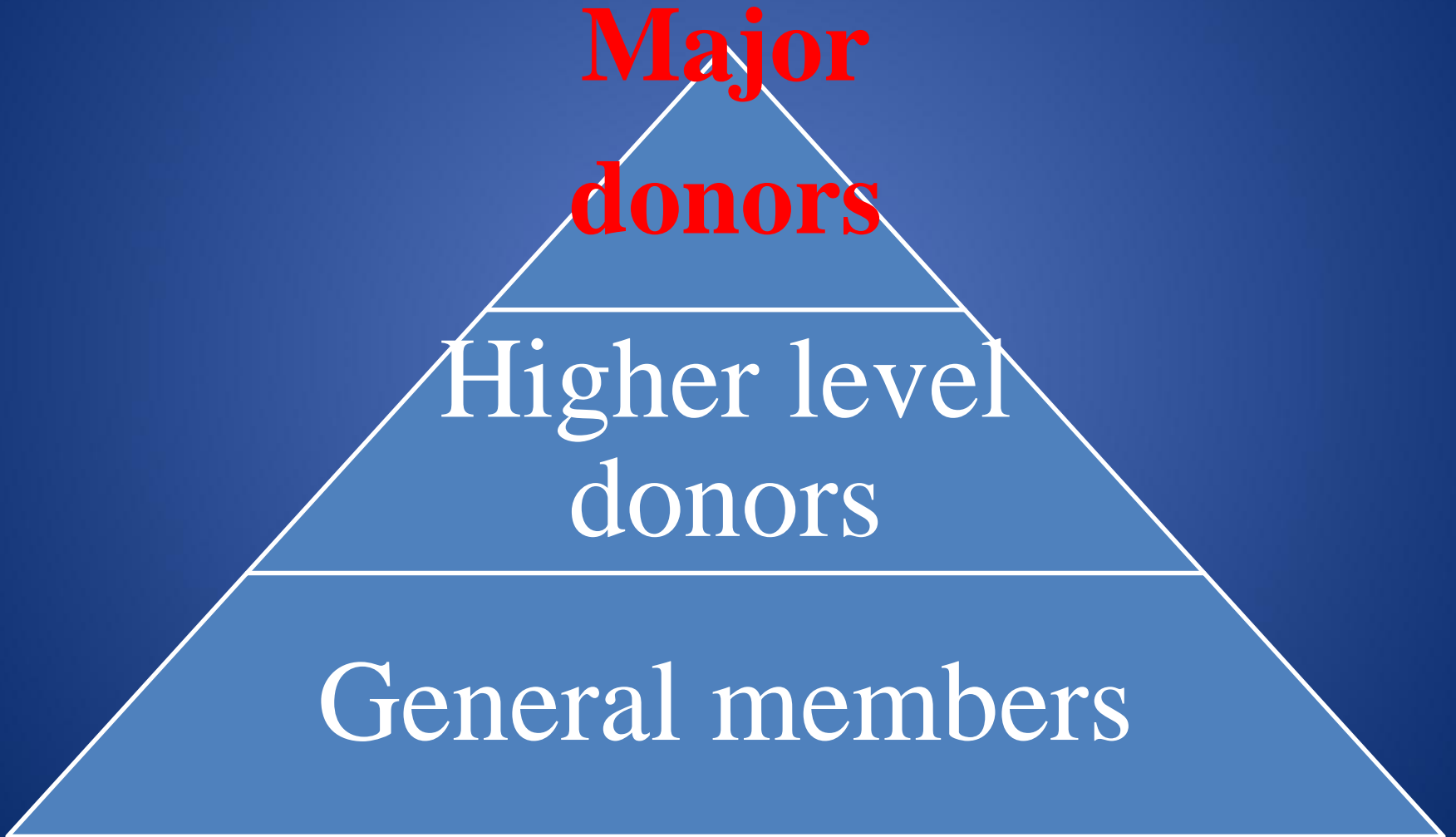


Classic “Donor Pyramid”

**Major
donors**

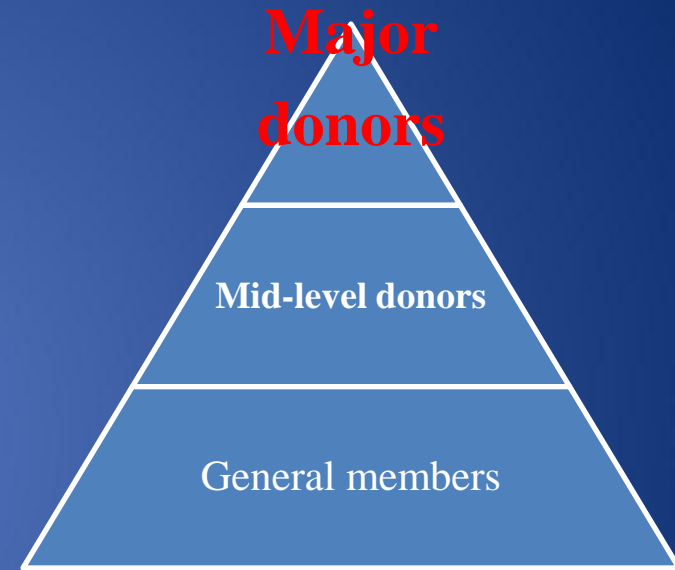
Higher level
donors

General members

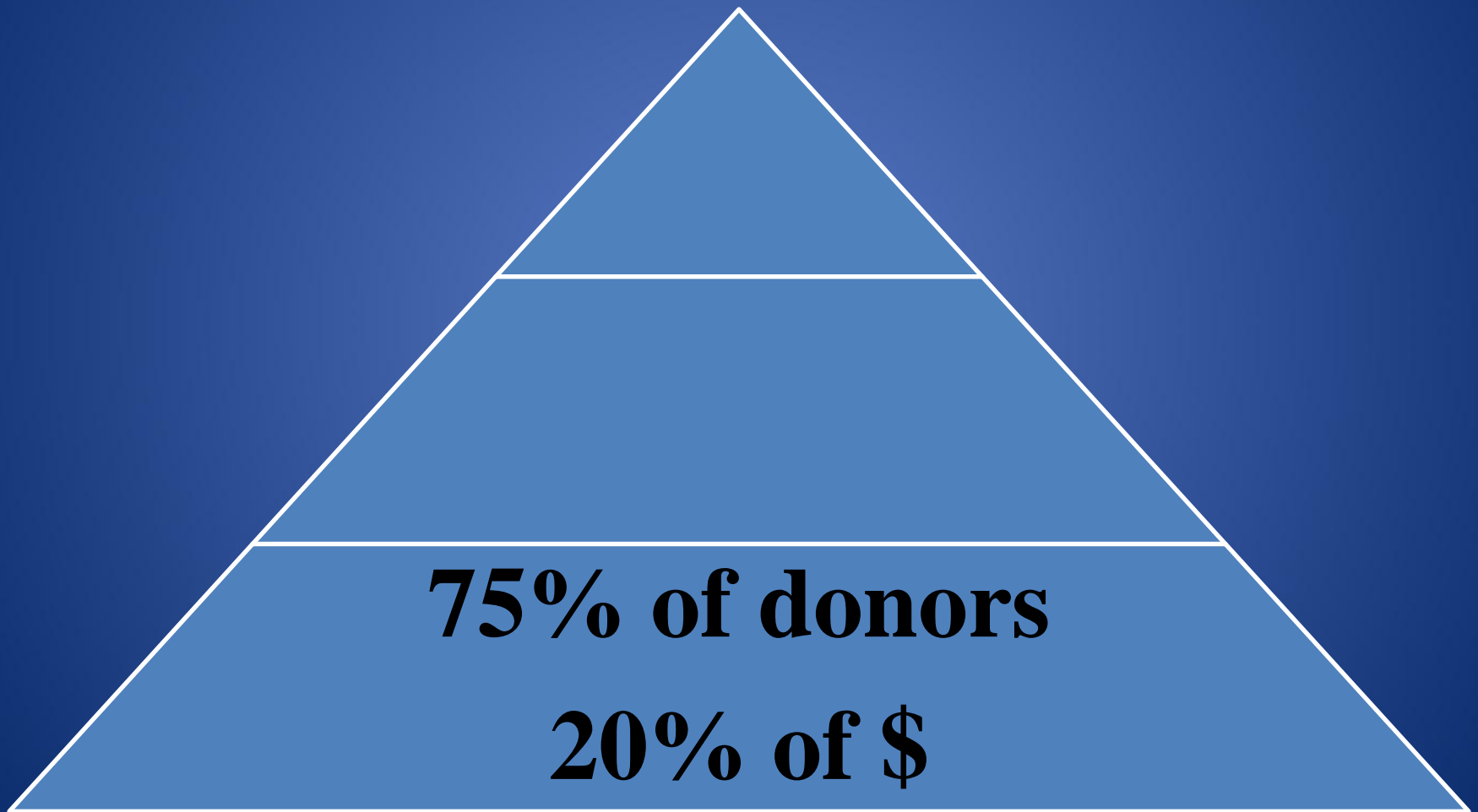


Major donors

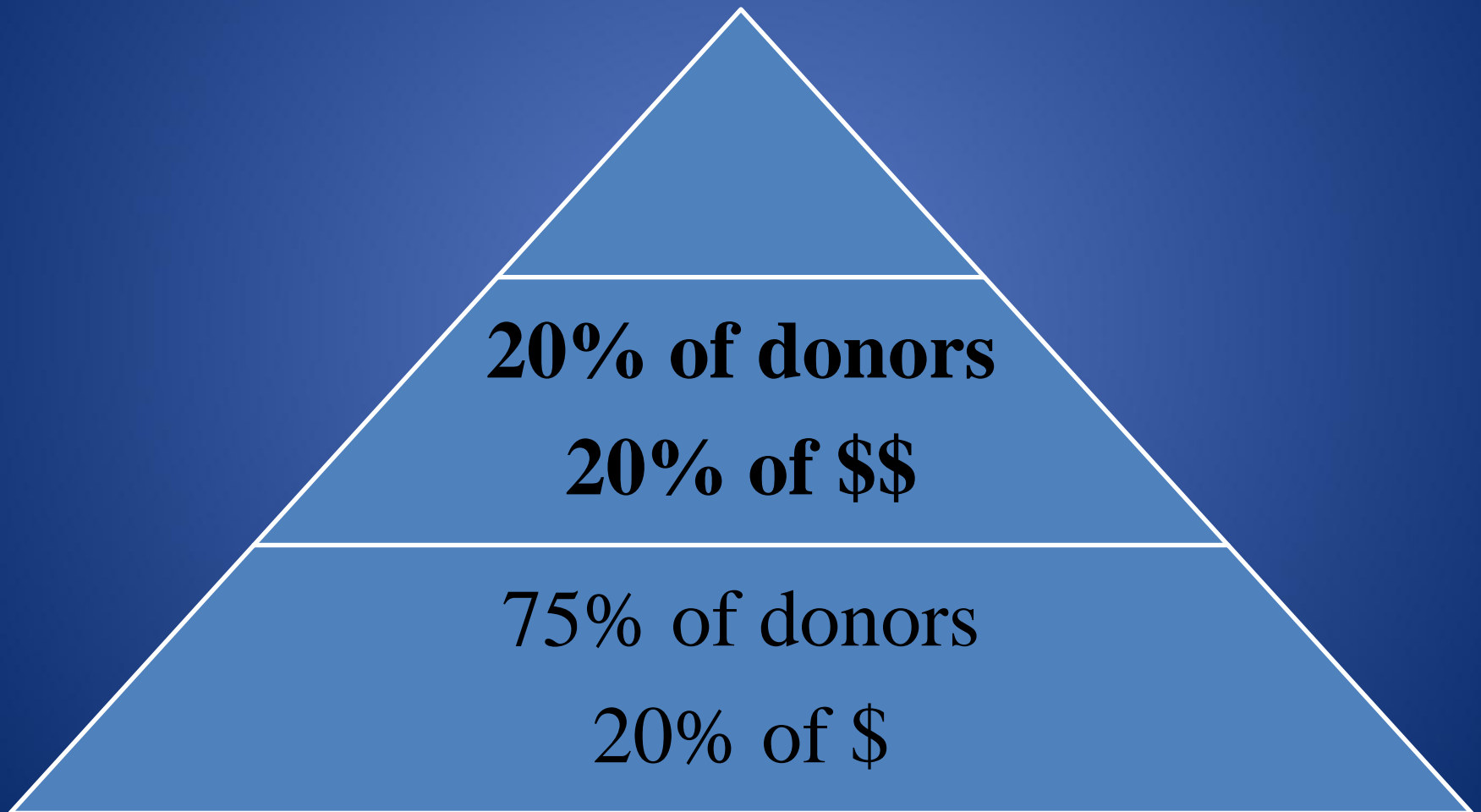
- **Smallest in number**
 - Often just 1-2% of donors
- **Often largest in revenue**
 - Often provide 50% or more of total
- **Usually largest in *net* revenue (often by a very large margin)**



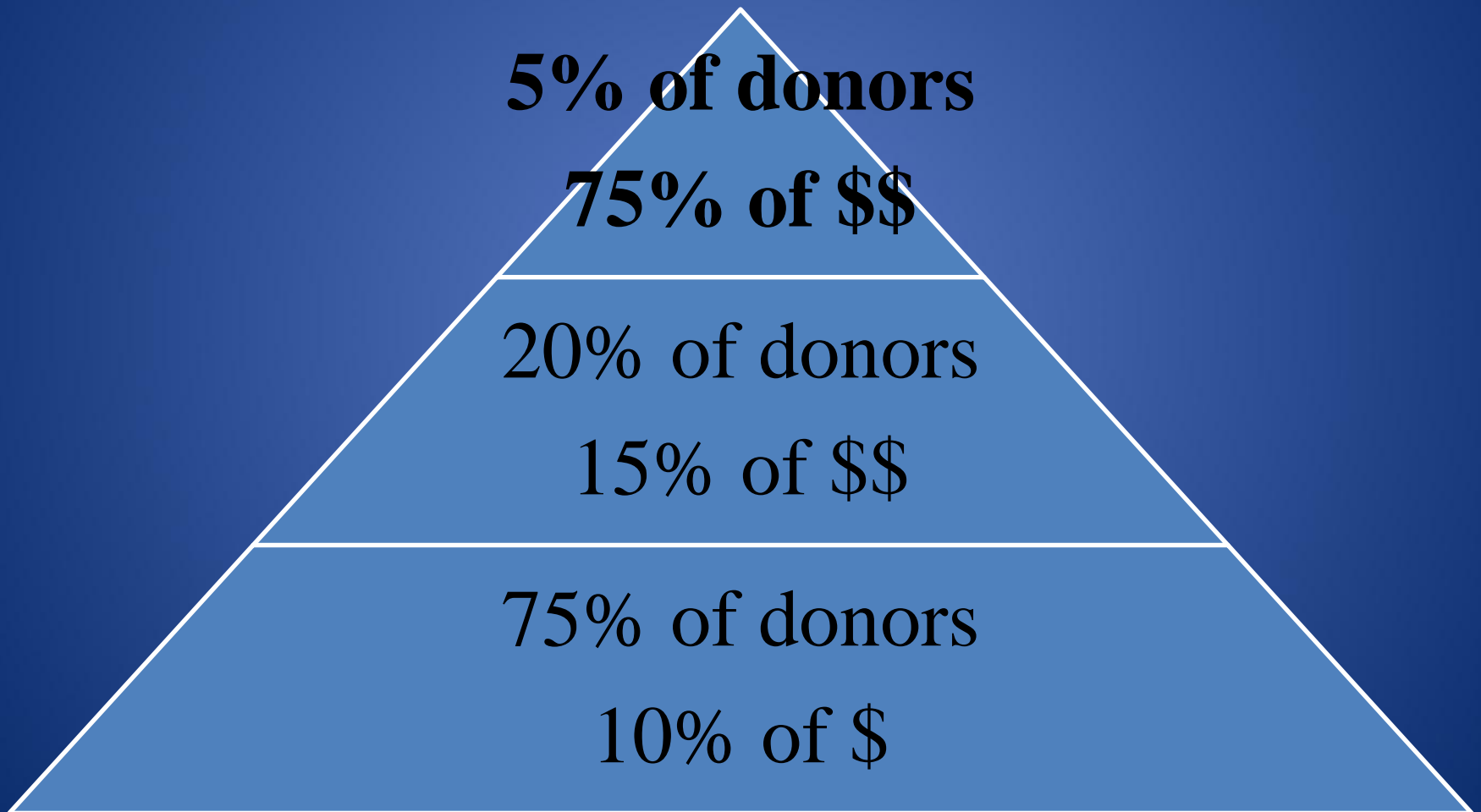
Typical performance of a well established, well rounded individual giving program



Typical performance of a well-established, well rounded individual giving program

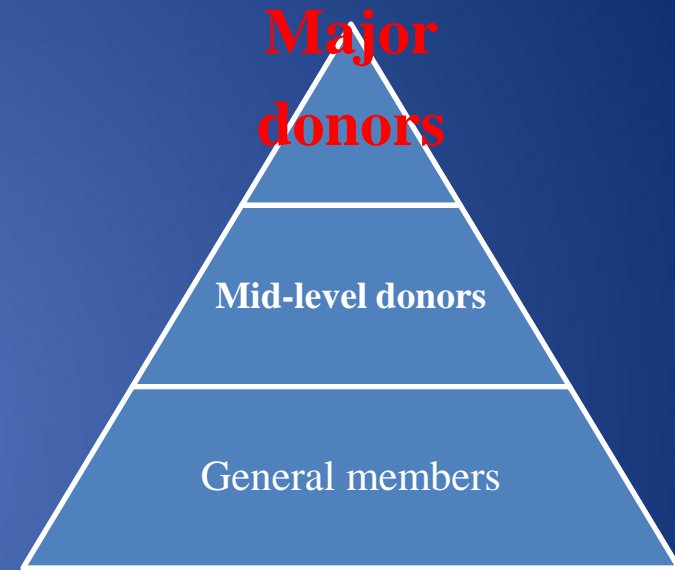


Typical performance of a well-established, well-rounded individual giving program



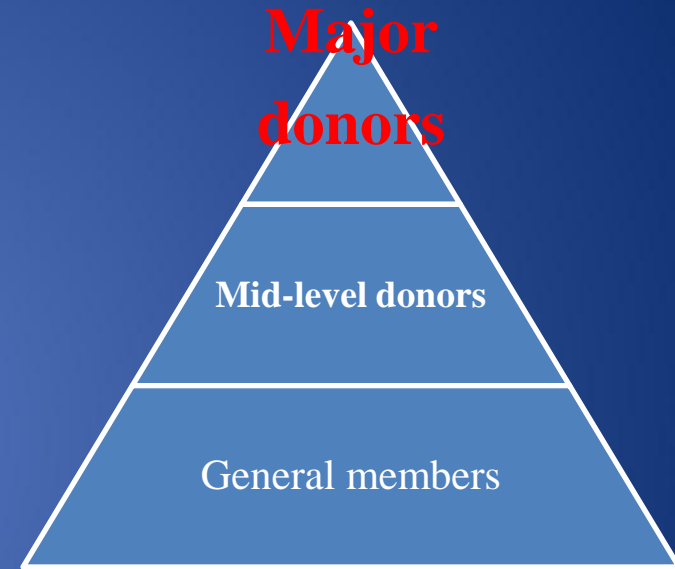
Major donors

Can be the single most important factor in your organization's strength, stability, agility and effectiveness



Major donors

- Work is all about *relationships* based on
 - Values
 - Trust
 - Confidence



Benefits

- Seed funding
- Reliable annual revenue
- Opportunity funding
- Crisis funding

More benefits

- Unrestricted revenue
- Funding for reserves
- Basis for planned gifts in time

Even more benefits

- Community stature
- Community connections
- Board prospects

Mental blocks

Common barriers to major donor fundraising

- We don't know any rich people. (Or, we don't know any we aren't afraid of.)
- I'm too busy, and so is my board.
- I'm just not comfortable asking people for money.
- Double the effort should immediately yield double the results.
- What we really need is a "great fundraiser".

Getting started

Begin! (Plan later.)

Getting started

- Set up your first visit
- Prepare for your first visit
- *Make* your first visit
- Ask for feedback
- Set up your second visit!

Getting started

- Commit to good regular communications
 - With your existing members
 - With your prospects
 - With the community at large

Getting started

- Build a team
- Build a list of key donors and prospects
- *Start making regular calls*

Setting realistic goals:

Run several revenue scenarios, looking at:

- Last year's results
- Multi-year trends
- This year's prospects
- Cultivation status of prospects
- Fundraising team
- What's almost certain
- What's likely
- What's possible

Prospect identification

- Look first to your *existing* list of supporters!
- Have a brainstorming session with your board
- Ask *everyone* you meet with who else to talk to
- Set aside some time each week for research

Prospect research

- Google (of course)
- Facebook (of course)
- Dex Yellow Pages Online
- Zillow.com
- NOZA
 - Info on millions of donors' giving
- Prospect Research Online
 - NOZA-type info plus much more

Record keeping

- Hard files
 - Copies of correspondence
 - Newspaper clippings, etc.
- Electronic files
 - Summary of research
 - All formal correspondence
- Database
 - Contact info
 - Field with copies of emails, etc.
- Maps
 - Google Fusion
 - Google Earth
 - iRivers

General communications

- Newsletters
- Emails
- Annual reports
- “Insider” updates for top donors
- Etc.

Personal communications

- In-person visits
- Phone calls
 - Thanks calls
 - Important updates
- Personal notes
- Field trips

Developing Relationships (Donor Cultivation)

- First contact
 - Calls by mutual friends
 - Letters
 - Intro packages
 - Short personal notes with info tidbits

Developing Relationships (Donor Cultivation)

- Next steps
 - Follow up calls
 - Invitations to field trips or events
 - Requests for meetings

Defining your needs

- Types
 - General support
 - Special projects & campaigns
 - Reserves and/or endowment

Defining your needs

- Mini case statements
 - Short pieces
 - Print on demand
 - Keep current in notebook
 - Include with letters
 - Leave with donor after visit

The ask

- Many different kinds
 - Indirect, low-key
 - Letters
 - Calls
 - Face to face

What we say

What they hear

What
we say

What they hear

What we say

What
they
hear

How much we
talk

How much we
learn

How
much
we talk

How much we learn

How much we talk

How
much
we learn

The face-to-face ask

- Don't overwhelm
 - With people
 - With materials
 - With words
- Do take
 - A map
 - Perhaps one other discussion prop
 - Something to leave behind

The face-to-face ask

- Have a plan
 - Let prospect talk early!
 - Make case simply, directly
 - Invite questions
 - At key point, look in eye and make ask
 - Shut up and listen!
 - Make a plan for follow-up

Building confidence for face-to-face asks

- Practice/role play
- Take along someone more experienced
- Take along someone *less* experienced
- If it helps, don't ask in person at first –
Ask if you could send them something specific in writing for consideration

Building confidence for face-to-face asks

- Ask before too late
- Use silence: Wait. Listen. Wait some more. (Sometimes prospect will talk self into a yes.)
- Acknowledge what you've heard
- If still no, reframe the question!

Thanking and recognizing donors

- Can *never* thank too much
- Thank in writing
- Call to thank for special gifts
- Have board members call or write their acquaintances
- Thank on update notes
- Thank at events
- Thank again before next ask

Field trips!

- Commit to a few far in advance each year
- Organize others on spur of moment when weather, water good
- Consider destinations beyond your service area

Planned gifts

- Bequests, memorial gifts, trusts and more
- Promote simply, often
- You *don't* need to be an expert
- You *do* need to know the very basics about a few kinds of planned gifts
- Build a network of connectors and advisors

Recap

- **Get started: Make some calls next week!**
- **Prioritize prospects**
- **Make a short-term plan for each top prospect**
- **Set up initial meetings**
- **Get others involved**
- **Cultivate patiently and steadily**
- **Get prospects to your river!**
- **Ask all prospects at least once per year**
- **Thank, thank and *thank!***