

Nell Edgington



Attract Major Donors

**A Social Velocity
Step-By-Step Guide**

No. 5

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What is a Major Donor?

Major donors are individuals, foundations or corporations whose gifts to a nonprofit are solicited and stewarded in a one-to-one, as opposed to a many-to-one, relationship. Major donors are those wealthy individuals, corporate leaders or foundation officers who you want to get to know on an individual basis in order to convince them to invest in your organization. What constitutes a major gift varies by nonprofit organization and depends on the size of the organization and the depth of their donor base. A major gift could be as little as \$100 for a small, grassroots organization and as large as \$1,000,000 or more for a large, established organization. We will discuss later how to define the right level for your organization.

How to Use This Guide

This guide is intended as a tool to help smaller nonprofits create a strategy and plan of action for securing major donors. Typically major donor campaigns are undertaken by larger, older nonprofit organizations. But I believe that any nonprofit organization can turn their board and staff into an army that can secure larger gifts for their organization.

This guide is part educational and part planning document. Each section will provide background on the Major Donor process. Then in a part at the end of each section called “Your Major Donor Plan,” the guide will walk you through a series of questions or tasks. Your answers there will become the basis for your final Major Donor Plan. Your plan will organize your staff and board to raise major dollars for your nonprofit.

To begin, open a Word document and create five sections with the section titles #1-5 below. As you go through the “Your Major Donor Plan” parts at the end of each section of this guide, write your answers to the questions or tasks in a narrative format, with bullets as appropriate. You are ultimately creating a strategy document. Your Major Donor Plan should have a logical flow, as opposed to a series of answers to questions. The next section, #6 “Operational Plan,” will become an Excel or Google document, which we will discuss later in this guide.

Your nonprofit’s Major Donor Plan cannot be written in just a day, by one or two people. You will need to get feedback and insight from staff and board members. You will also need to gather some data for certain sections. This work will take time, so it may be a few weeks or months before you have a plan that you can implement.

Sections

1. Major Donor Goal
2. Finding Prospects
3. Moving Prospects to Donors
4. Staff and Board Roles
5. Building Fundraising Infrastructure
6. Operational Plan
7. Next Steps

Section 1: Major Donor Goal

The first step in your major donor campaign is to determine how much you think you can raise from major donors in the first year of your campaign. In order to get at that goal you need to:

1. Define a major gift level for your organization
2. Analyze your current major gift activity
3. Determine what investments in fundraising infrastructure you are going to make this year

Let's take these one by one.

Defining a Major Gift for Your Organization

A major gift is a giving level at which you currently have a few donors, but the vast majority of your donors are below. So for example, if you currently have a handful of donors at or above \$500, but most of your donors are below \$500, \$500 would be a major gift for your organization. Keep in mind that the major gift level for your organization can change over time as you bring in more donors and they start giving at higher levels.

Analyzing Current Major Donor Activity

Once you know what a major gift is for your nonprofit, you will want to review how much you are currently raising at and above that level and from whom. Pull a report from your donor database that lists all gifts over the past 2-3 years at or above your major donor level. This will give you an idea of how much you currently bring in from major donors.

Determining Your Fundraising Infrastructure Investments

Your major donor goal depends in part on the resources you will devote to the major donor campaign. Do you have any plans to invest in your fundraising infrastructure? Do you plan to hire a Development person to focus on major gifts, or add other position(s) in order to free up current fundraising staff to focus on major gifts? Do you plan to upgrade your donor database to be more functional and efficient? Will you create marketing materials for major donor prospects? The fact that you are putting together this major donor plan will ensure some gains in major donor activity because strategy itself is a great resource investment. If you plan to invest in the backend of your major donor fundraising effort, you can expect to see some gains in major donors.

Once you have these three elements, you can determine a reasonable goal for your first year of a major donor campaign. It should be an increase from what you discovered in #2 above, and that increase is dependent upon how many changes (#3 above) you are willing to make to how you are currently securing major donors.

Once you've determined your major donor goal for the coming year, you will want to create a gift range chart that breaks that goal into gift amounts, # of donors, and # of prospects so that you have a sense of what it will take to get to your goal.

If, for example, your major donor goal is \$100,000, and you define a major gift as \$1,000 or above, you would develop your gift range chart as follows (see the example gift range chart below):

1. **Lead Gift:** The lead gift should be 10-20% of your campaign goal. In the example below, the lead gift is \$15,000, which is 15% of the goal of \$100,000.
2. **Gift Amount:** Create reasonable giving levels below that, in round numbers. In the example below I created gift levels below the \$15,000 lead gift level of \$10,000, \$5,000, \$2,500, and \$1,000. The final level should be your beginning major gift level. Remember that in our example our major gift level is

\$1,000.

- # of Gifts:** There should be one lead gift (in this case \$15,000) but then multiple gifts at the levels below the lead gift. Increase the number of gifts as you work your way down the gift range chart. In our example we have 3 gifts at \$10,000, 5 gifts at \$5,000 and so on.
- # of Prospects:** For every gift you secure, you will need to work with a greater number of prospects because the rule of thumb is that it takes 4 asks to get a "Yes." For the single lead gift, you will need to work with 4 prospects. Therefore determine the number of prospects you need at each gift level. Keep in mind that as you work your way down the gift range chart, you will need fewer prospects because although 3 of the 4 lead gift prospects will say "No" to the lead gift level, they may say "Yes" to a lower level. So your prospect-to-gift ratio will decrease to 3-1 and then 2-1 as you move down the chart.
- Total \$'s:** Keep altering the # of gifts until the sum of your Total \$s column adds up to your Major Donor Goal. In this case the Goal is \$100,000.

So your final gift range chart would look like this:

Gift Range Chart
Major Donor Goal = \$100,000

	# of Gifts	Gift Amount	Total \$'s	# of Prospects
Lead Gift	1	\$15,000	\$15,000	4
	3	\$10,000	\$30,000	12
	5	\$5,000	\$25,000	20
	8	\$2,500	\$20,000	24
	10	\$1,000	\$10,000	20
TOTAL	27		\$100,000	80

Keep in mind that when your major donor campaign is complete and you have raised all of the money, your actual number of gifts, number of prospects, gift amount may look nothing like your original gift range chart. But that's okay. The purpose of a gift range chart is to give you a strategy for breaking down a large goal into manageable chunks.

Your Major Donor Plan

Now open the Word document that will become your major donor plan. Under the first section titled "Major Donor Goal" do the following:

- Define a major gift for your organization.
- List the number of current major donors and total dollars raised from them in the last 2-3 years.
- List the investments in fundraising infrastructure you are going to make this year.
- Create your major donor goal.
- Create your gift range chart.

Section 2: Finding Prospects

Now that you have created your gift range chart, you need to start attaching prospect names to the # of Prospects column within the chart. In the gift range chart example in the previous section, we would need 80 prospects to meet our goal. Contrary to popular belief, anyone with money is not a prospect for your nonprofit. So how do you find appropriate prospects?

To be a strong major donor prospect for your organization, a person (whether they are an individual donor, corporate decision maker or foundation giving officer) needs to meet three criteria (the “Three Cs”):

1. The **capacity** to give at your major donor level
2. A **concern** for your mission
3. A **connection** to your organization

When you first are considering someone as a prospect you probably won’t know if they fit all three criteria, but they should at least meet one criteria in order for you to add them to your prospect list. For example, a board member may have a friend (connection) who has given major donor level gifts to other organizations (capacity), but you don’t know if they are passionate about your mission (concern).

Finding prospects is very much a group activity. So you want to involve your staff, board, other donors, friends of the organization, volunteers to help you brainstorm potential people and determine whether they meet some of the three criteria above. As you gather information about potential prospects (interests, giving to other organizations, connections, etc.) be sure to capture that data in your database.

Here are some beginning places to look for prospects:

- Current donors who have given below the major donor level, but could potentially upgrade their gift
- Lapsed major donors
- Board members
- Volunteers to the organization
- Event attendees
- Web site visitors
- E-newsletter subscribers
- Donors to similar nonprofit organizations
- Friends, colleagues, neighbors of board members, volunteers, staff, donors

Honestly, the possibilities are endless. The trick is to be thoughtful and systematic about who you add to your major donor prospect list. Evaluate every potential name for the three criteria above (capacity, concern, connection). If you don’t know whether they meet some of the three Cs ask board, staff, friends, volunteers, others for help determining whether they do.

Once you have a list of prospects who meet at least one of the three Cs, you are ready to start the process of moving them to donors. Remember, you don’t have to know whether they meet all three Cs. You will learn more about your prospects and which Cs they meet as this process progresses.

Your Major Donor Plan

In this section of your plan you want to answer the following questions:

- Where are all of the places you will look for prospects to add to your list?
- What process will you use to gather prospect names from staff, board, volunteers, others?
- How will you capture information gathered about prospects in your database?

Section 3: Moving Prospects to Donors

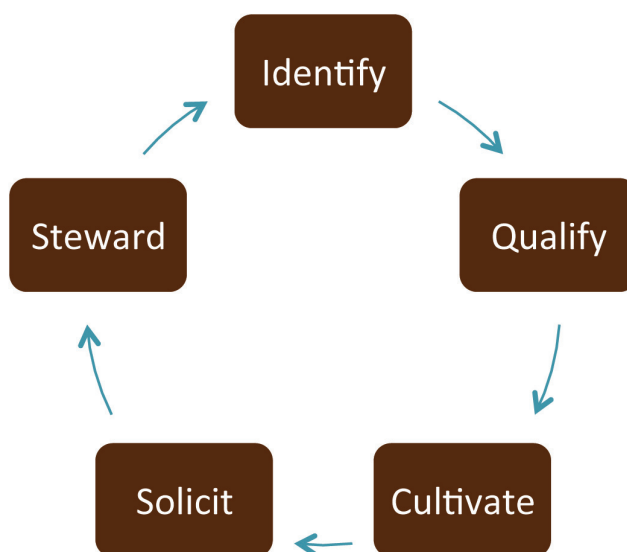
The parts of this section of your major donor plan will be:

- Identification
- Qualification
- Cultivation
- Solicitation
- Stewardship

The questions to answer in each of these sections are below, but first let's start with some background to help you understand the moves management process a little better.

Moves Management

The only way you will move prospects to donors is if you take a very systematic approach. Prospects become donors by being moved through the 5 stages of the moves management process. The process looks like this:



This 5-stage, ongoing process proceeds like this:

1. **Identify** potential major donor prospects by brainstorming people who might meet some of the three Cs listed in the Finding Prospects section of this guide.
2. **Qualify** these potential prospects by determining how many of the three Cs they actually meet. You can qualify people by asking board members, volunteers, friends, staff, other donors what they know about these prospects. You can also find a lot of information about prospects by Googling them, researching foundations and corporations at your local library, and researching local tax and property records. If a prospect meets the three Cs, move them on to the Cultivate stage.
3. **Cultivate** these prospects, both in group and then in one-on-one situations. Host house parties, invite them for a tour of your program or facility, take them out for coffee or lunch. Get to know them, what their passions and interests are, and let them learn about your organization. Work to find common ground between their interests and your work. You should NOT ask for any gifts at this stage.

You are simply getting to know the prospect and allowing them opportunities to get to know your organization.

4. **Solicit** them for a gift. If you have done the cultivation stage correctly, you will know when your prospect knows enough about your organization to want to invest and is ready for an ask. In a one-on-one meeting with the prospect you will ask for a specific gift that corresponds to their capacity and interests.
5. **Steward** their gift. The most important stage in this process is to thank the donor and give them regular updates on what their investment enabled your organization to do. Treat them as a partner in your work and demonstrate the value of that partnership to them.

And then the cycle starts over again as you begin to identify this now current major donor for their next annual gift.

Your Major Donor Plan

In this section of your major donor plan, you want to articulate how you will handle each of these 5 stages. You need to answer the following questions:

Identification

- You have answered this in the previous section of your major donor plan.

Qualification

- What regular process will you go through to qualify people that make it to your prospect list?
- Who on staff will handle prospect information?
- How will you ask board, volunteers, others for prospect information?
- How will you capture the information in your database, what fields will you use?

Cultivation

- Group cultivation events
 - List each event (house parties, site tours, etc.) that you will employ and describe the event's purpose, what groups of people will be invited, what will happen at the event, what the follow up will be. Remember you will NOT ask for money at these events.
- Individual cultivation
 - What are your plans for individual cultivation? When will you move a prospect from group to individual cultivation? Who will do the individual cultivation meetings?

Solicitation

- When a prospect has been properly cultivated and you are ready to ask for a gift, how will you handle the solicitation meeting? Who will attend the meeting? How will you set up the meeting? What will you say in the meeting?

Stewardship

This is the most important part of the process, and if done well ensures a long-term relationship with a new donor.

- How will you thank major donors (form letter, handwritten letter, board phone call)?

Your Major Donor Plan Cont'd

- What sort of updating/reporting back on outcomes does each donor level get and at what point? For example, you might decide to send a written letter updating them 3 months after their gift, invite them to tour the program 6 months after their gift, call them with an update 9 months after the gift. Or you may decide to customize the stewardship process for each donor and so in this part of your Major Donor Plan you will describe the various stewardship options and how you will determine what makes sense for each donor.

Section 4: Staff and Board Roles

It is very important in a major donor campaign to define who does what. Both board and staff should be involved in the campaign. It is absolutely essential that the board be actively involved as a group and individually in your major donor campaign. It cannot be left up to staff alone.

Board involvement should include four elements:

- **Give/Get Requirement.** You must establish a dollar amount which every board member must either donate themselves (“Give”) or help bring in the door (“Get”), or a combination of the two. If you are going to be successful at raising major gifts donors must see that every board member is committed financially to the organization. Establishing a give/get minimum not only brings more money in the door and signals to donors that the entire board is committed, but also spreads the burden of raising money among the entire board.
- **Board Fundraising Goal.** The board as a whole must have an annual dollar goal that they as a group must bring in the door.
- **Individual Board Fundraising Goal.** Each individual board member must have an annual dollar goal that they as an individual must bring in the door. This can be the Give/Get, or in addition to it.
- **Board Fundraising Committee.** There must be a body of board members that makes sure that the three above requirements are being met each year. They serve as the cheerleaders and enforcers to the board’s fundraising activities.

Because securing major gifts is done through one-to-one relationships, you need to assign every prospect in your moves system to a board or staff “solicitor.” This is the person who establishes a relationship with the prospect, gets to know them, sends them information, invites them to group or individual cultivation activities, eventually asks them for a gift, and thanks them.

A rule of thumb is that a full-time person can manage a portfolio of 120-150 prospects in a year. With that formula you can determine how many prospects each staff and board member can manage. So, for example:

- If your **executive director** can only devote 25% of her time to major donor fundraising, she could manage a portfolio of 37-38 prospects (150 prospects X 25% of her time = 37.5 prospects).
- Similarly for a **board member** who has only 5 hours per month to devote to major donor fundraising (or 3% of his time), he could handle a portfolio of 4-5 prospects (150 prospects X 3% of his time = 4.5 prospects).

Keep in mind that even though a board member is assigned to a prospect, they don’t have to be responsible for actually asking them for money (for those fundraising-shy board members). Instead they can fully participate in the 4 other stages of the moves management process and leave the ask to staff members.

Your Major Donor Plan

In this section of your major donor plan you want to answer the questions:

Board Role

- How many major donor prospects will the board as a whole be responsible for?
- How many major donor prospects will each individual board member be responsible for?
- What annual dollar goal will the board as a whole be responsible for?
- What annual dollar goal will each individual board member be responsible for?
- What is the annual Give/Get requirement for the board?
- How does the Fundraising Committee of the board function?
 - How often do they meet?
 - How many members are there?
 - What is the focus of their meetings?
 - How do they report progress back to the full board?
 - How does the Fundraising Committee get the rest of the board to focus on their fundraising duties?

Staff Roles

In this section you want to describe each staff member involved in the Major Donor Plan and what their role is.

- List the title of every staff member involved in any way in the Major Donor Plan
- Below their title, write a sentence or two (or list of bullets) about what their contribution to your major donor campaign will be. For example, you may have a Database Manager whose role is to enter information about prospects and donors into the donor database, send out thank you letters, notify board members of who they need to call, and print prospect reports from the database.
- Who among the staff will be solicitors?
- How many prospects will each solicitor be assigned?
- How will solicitor/prospect relationship information be captured in the database?

Section 5: Building Fundraising Infrastructure

In a major donor campaign you need not only an army of solicitors, but also a backend system of technology and materials to support the campaign.

Donor Processing

In order for the moves management system to really work and for prospects to truly become donors you must effectively manage prospect information. The best way to do this is through a database that allows you to not only capture contact information and past giving history for prospects and donors but also track:

- Who their board or staff solicitor is
- All meeting or phone call notes
- Any “touches” or interactions they have had with the organization
- Events they have attended
- Other organizations they give to and giving amounts
- Net worth or other financial data about the prospect
- Connections they have to board, staff, volunteers or others at the organization
- Where they are in the moves management process (often this is denoted with the first letter of the stage: an I (for Identify), a Q (for Qualify), etc.)

You also want to make sure that your donor database can produce some basic reports so that you can track whether prospects are being moved to donors. Some of the basic reports you will want to be able to pull include:

- Which prospects are at each stage of the moves management process?
- Which prospects does each board and staff solicitor have at each moves stage?
- Individual prospect reports that provides contact information, giving history, meeting notes, etc. so that a solicitor going to meet a prospect has all information at a glance.

Marketing Materials

You will need materials that help prospects get to know your organization and its work more clearly. Think through the various activities of your organization and determine if you have the right communication vehicles for prospects.

In addition to a professional web site that clearly demonstrates the work and results of your organization, you can create inexpensive (but professional-looking) one-sheets to take to group cultivation events and one-on-one visits with prospects. Here are some potential one-sheet topics:

- **Overview One-Sheet:** General information on the organization (mission, vision, theory of change, strategic goals, results)
- **Individual Program One-Sheets:** More specific information about each program of the organization (program results, client stories, program goals, program costs)
- **Strategy One-Sheet:** A description of the long-term direction and goals of the organization
- **Donor List:** A list of current major donors (individuals, corporations, foundations)

- **Finances One-Sheet:** A graphically-pleasing demonstration of income and expenses (pie charts or bar graphs) that articulates a sustainable financial model for the organization

Your Major Donor Plan

The questions you need to answer in this section of your Major Donor Plan are:

- What changes need to be made to our donor database to track all of the above information?
- What reports need to be created?
- Who on staff will be responsible for keeping up the database and creating monthly reports?
- When/how will all of the prospects from the gift range chart be added into the database and coded with their status in the moves process (I, Q, C, S, St)?
- What marketing materials will you create?
- What changes will you make to your website?

Section 6: Operational Plan

It is not enough to create a written Major Donor Plan and assume it will magically come to fruition. In order to make your plan a reality, you need to create an operational plan that you and staff can update and monitor on at least a monthly basis.

Your operational plan should put all of the decisions you have made in your Major Donor Plan into a list of activities and then assign those activities a lead person, a deadline, a deliverable and so on.

Your Major Donor Plan

To create your operational plan, gather all staff who will be involved in the Major Donor Campaign and create an Excel or Google spreadsheet with the below column titles. I prefer using a Google spreadsheet because it can easily be updated or reviewed by board and staff from anywhere and you don't have to worry about version control.

Spreadsheet Column Titles

- Activity
- Deliverable
- Person Responsible
- Others Involved
- Date Due
- Date Complete

Now fill out the spreadsheet as follows:

1. Go back through the Major Donor Plan you just completed and make a list of all the activities that need to happen to make the plan a reality.
2. Put each activity in a separate row under the "Activity" column.
3. Once you have listed them all, attach a "Deliverable" to each activity. A deliverable is the tangible thing that you will possess when an activity is complete. For example if one of your Activities is "Meet with board to create prospect list" the deliverable is "Board Meeting." You have to articulate what the final product is so that you can know whether to mark an Activity complete or not.
4. Then put a single "Person Responsible" for each activity. Make sure that only one person is listed in the "Person Responsible" column. You have to assign sole ownership to tasks in order to create accountability.
5. There may be additional people involved, so list them in the "Others Involved" column.
6. Finally, set a "Date Due" to each activity. Be careful not to assign everything to the next couple of months. Remember this is a full year plan, so spread your due dates out throughout the year and keep in mind what other things people have going on so that you set reasonable due dates.

Once your Operational Plan is complete make sure that all staff involved in the Major Donor Plan are going into the spreadsheet at least once a month to update their "Date Complete" fields, adding or

Your Major Donor Plan Cont'd

deleting activities as necessary and otherwise revising and updating the plan.

To ensure that staff are updating the plan, schedule a regular monthly meeting of all staff involved in the major donor campaign and ask them to update their portion of the plan prior to that meeting. Then they can each give a brief update on their plan in that meeting.

If you are the sole fundraiser, make sure to set aside a regular appointment on your calendar to update the spreadsheet. And update your board regarding progress on the plan at every board meeting.

Section 7: Next Steps

I've given you a framework for creating a systematic Major Donor Plan. Such a Major Donor Plan can create the required system and marshal the necessary staff, board and other resources to launch a successful major donor campaign.

After you have completed this guide, here are some things you can do next:

- If you got stuck and would like some help to get back on track, email info@socialvelocity.net.
- If you want to create your Case for Investment, a fundamental element necessary to talk with major donor prospects, download the [Craft a Case for Investment Step-by-Step Guide](#).
- If you are interested in making your new Major Donor Plan part of a larger effort to create a stronger, more effective financing strategy, check out the [Financing Plan](#) consulting service or go to the [Clients](#) page of our website to read about nonprofits that transformed their financing function through Social Velocity's guidance.
- If you need some advice and guidance about implementing your Major Donor Plan, check out the [Coaching](#) I provide nonprofits.
- Check out the other Social Velocity Step-by-Step Guides [here](#).

I hope you found this Guide helpful. As always, I welcome your feedback or questions about any Social Velocity tool. Please email info@socialvelocity.net with questions, comments or feedback.

Good luck!

This guide was designed to help you transform your nonprofit. If you want a more customized approach, or need help engaging more board, staff and donors in the change process, call (512) 694-7235 or email info@socialvelocity.net to schedule a free consultation with Nell Edgington.

Social Velocity is a management consulting firm that helps nonprofits become more strategic, sustainable, and above all, more effective at creating social change.

