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What Volunteer Leaders and Professional Staff Should Know
About the *Mother of all Fundraising:*
CAPITAL CAMPAIGNS — Part 2

The Campaign Process

Phase I — The Feasibility Study

The campaign process begins with a *study*—*"feasibility"* or *"campaign planning" study* are the terms most commonly used. Smart professionals never would undertake a capital campaign without first asking a carefully selected sample of constituents some very specific questions (no more than a surgeon would do heart bypass surgery without *first* completing a thorough workup on the patient).

In capital fundraising, it's what you do *ahead of time* that determines, in large measure, how successful you will be. You should expect to invest a reasonable sum of money (we call it "risk capital") into a planning study. How *much* it will cost depends primarily on how many interviews need to be done.

Typically, the larger the case (need), the more interviews the professional team will need to complete to validate the findings and determine how much you likely will raise (given what people said they would do) if there were a campaign. In other words, a $9 million case typically would require doing more interviews than a $2 million case.

~ RESULTS ARE TELLING ~

The results of a properly done study will tell you (1) how much you are likely to raise under existing conditions and circumstances, (2) how long your campaign likely will take to complete (each campaign is unique and depends on the speed at which people set their appointments to solicit), (3) *who* the leadership needs to be and (4) how to set the sequence of soliciting properly. The *sequence* of soliciting is critical because campaigns are run in a *top-down, sequential manner* to get the largest "multiplier effect" of each gift.

Sequence is critical, because people give *serious* money to people they admire and respect, *not* to causes and projects. We know you stand a much greater chance of getting a larger gift when the prospect is being visited by two or more people whom the prospect admires and respects. The example of giving set by each solicitor will tend to raise the prospect's sights and provide your solicitors with the moral high ground so necessary to move the prospect to do what they clearly would *not* do left to their own devices. Hence, the need for a top-down sequential pattern of solicitation that can be accurately determined *only* by the process of pre-campaign interviews with key constituents.

With the *right* questions being asked during the study interview, the professional can learn ahead of time who needs to solicit and at what level the prospect can be pushed to give and still feel good about it.

To summarize the first step in the campaign process, a properly done study should do the following for you:

- validate your *needs*, indicating where fine-tuning needs to occur and, specifically, which aspect of your case appeals *most* to *each interviewee/prospective donor*
- identify the *best possible campaign leaders*

and *how* to recruit them successfully

- determine *how much money* you realistically can expect to raise *over what period of time*
- confirm your constituency's *level of commitment* as well as that of your board of directors
- identify major donors, *how best to approach them*, in what sequence and under what circumstances
- *pre-sell your key prospects* by raising their levels of awareness and putting them on notice that something important is happening which may require their help
- *establish the solicitation sequence* and *how* to launch the "quiet" and "public" phases of your campaign to insure success
- determine *who will work* on the campaign (and who *won't* or *might*, depending upon who asked)
- determine *how long your particular campaign will take* and how much it will cost
- judge what steps *must* be taken if the elements for success *aren't* present
- *enhance your professional image* among those on whom you are counting for financial support and leadership

~ LIMITED SHELF-LIFE ~

Once your study is complete, assuming the conditions for success are present, you are best advised to begin the campaign solicitation process immediately. Putting off a decision or waiting for some future date is neither wise nor timely. We've learned from experience the study process is the equivalent of taking a picture, capturing how people feel *now*, not how they might be feeling in the future.

The longer you wait to begin execution of the campaign plan, the less valid and reliable the feasibility study information is in helping guide you through the leadership phase of the emerging campaign. If a major prospect's feelings or circumstances have changed between time of the study interview and campaign visit, it could have serious repercussions in executing campaign strategy.

If conditions are positive in the areas of leadership, constituency and case, you should move forward. The old adages—"he who hesitates is lost" and "nothing ventured, nothing gained"—are worthy exhortations in this instance.

In summary, the campaign planning study process literally *creates* the conditions under which good professionals can guide and manage a campaign to a successful conclusion, typically raising three to ten times more money than untrained or inexperienced staff and volunteers. Normally, a study can take anywhere from one to three months or more, depending on the size of the project. Costs can range from a few to many thousands, again depending on the number of interviews being done, whether or not the prospects are in one geographic area or spread over a large region requiring more travel time.

Phase II — The Capital Campaign

Your professionals should be able to explain to you if your campaign is on track toward success during the first 30 to 90 days of the "quiet" phase. If you haven't secured one or more leaders and a lead gift of 10% of the objective or more during this time, you may be in trouble. Remember, campaigns are predicated on securing gifts in a top-down, sequential manner. In other words, you typically get your largest commitment first and so on. Sequence is *crucial* during the initial efforts as is building a leadership team of campaigners.

Often we're asked why we don't announce the campaign immediately, as we're starting. The reason is *to insure success* and create the best possible spin on the campaign. In other words, if your study tells you $3 million is likely, based on what people told us, we're better served to *solicit* all our major prospects and *then* determine if we have the gift levels and leadership *capable* of getting us to $3 million. If not, adjustments can be made up or down, and an announcement or kickoff done in a manner putting your project and leaders in the best possible position.

Announcing a $3 million goal with the first two dozen gifts totaling $2 million sounds like a slam dunk! Those who would oppose your campaign for reasons usually revolving around "pocketbook protection" seldom will speak negatively at this point. Those who are on the fence or supportive of your efforts will be thrilled and impressed. Your project sounds like a *winner*! And people *like* to be part of a winning team or cause. Announcing a campaign prematurely is the sign of amateurs. *Rely on your development counsel for guidance* when to announce your campaign for maximum results.

~ SETTING THE GOAL ~

Many lay leaders and staff are surprised to learn *needs* and *goals* are *not* the same. You may have a $10 million *need*, but your campaign *goal* may be $4 million. (You may have to phase your plans.)

You have the option of setting a

- *high goal*(or *stretch* goal) you may not reach
- *low goal* you almost certainly will exceed
- *realistic goal* your study indicated was *likely* to be achieved
- *no-goal* campaign, where your intent is to raise as much money as you are capable of raising

There are strategy considerations for each type of goal. Again, you should rely on your fundraising counsel to assist you with the right goal for your particular campaign situation. Another note on goal-setting: You may choose to have an *internal* goal and an *external* goal. What your inner group of campaign leadership is attempting to do may be different from what is proclaimed publicly. This tactic can be very effective in motivating the leadership to stretch or push harder.

Finally, if your board of directors and campaign leadership essentially are two *different* groups of people with little or no overlap, don't allow your board to set a campaign goal. Give responsibility to your campaign leaders to *set their own goal*. They're more likely to achieve it than one set *for* them by others.

~ SOLICITATION TRAINING AND RESEARCH ~

Among the many skills your consultants should bring to your campaign is the ability to train your volunteer leadership in the art of asking for money with sensitivity and conviction. Asking for money is neither begging nor arguing, but rather selling and negotiating—creating a win-win situation. We recommend solicitation training be done on an individual, one-on-one basis. Group training is not nearly as effective.

In addition to training your volunteers, good development professionals will want to build on the research done during the study phase by doing research with your staff and each volunteer. While most professionals seem to do research in groups, we recommend its being done *individually—after* the individual has been solicited. We've found from experience most people rate their peers *higher—after* they themselves have given their own thoughtful and proportionate gift.

The reason for research is simple: you want to raise as much money as possible while maintaining sensitivity and fairness to every prospect. It does no one any good to ask a prospect for $100,000 if they don't have the *capacity* to give at that level. By the same token, you don't want to ask for $5000 if they could afford $100,000.

Aiming high while being realistic is the smart strategy. Relying on research done with many individuals is the best way for professionals to insure fairness and sensitivity to everyone being asked.

~ GENERAL RULES AND GUIDELINES ~

- Your *lead* gift needs to be at least *10%* of your campaign objective. You seldom will raise more than 10 times your largest gift—regardless of cause or project. Securing the lead or pace-setting gift early is critical. A $500,000 lead gift has much less impact at the end of the campaign than the beginning. It is far preferable to obtain a lead gift from an individual willing to solicit than from a non-soliciting individual, corporation or foundation. You will lose the multiplier effect of the gift so essential for successfully soliciting the next level of campaign leadership.
- Your top 10 to 15 donors typically will generate half of what you ultimately will raise—regardless of cause or project. The majority of these donors will need to be workers to insure your personally reaching the next level of givers and workers.
- Your top *100* donors generally will raise 90% of what you will generate in your campaign.

- The last 10% will come from everyone else—regardless of cause or project.
- Every constituency, regardless of cause, will break into thirds—1/3 will give thoughtfully, generously and proportionately; 1/3 will give inadequately and grudgingly; 1/3 *will not* or *cannot* give.
- Pareto's Law (80-20 Rule) also provides a reasonably accurate framework—80% of your money typically will come from 20% of your donors—regardless of cause or project.
- Never undertake to raise a substantial sum of money from your constituency without first doing your homework. It's what is done *ahead* of time that counts most. This is why knowledgeable development professionals *insist* on doing a feasibility study prior to a campaign.

~ PUBLICITY ~

Finally, a word about campaign publicity. Everyone loves to see his or her name in print! But we urge you to remember people give serious money to *people*, especially those whom they admire and respect, who have set an example of giving and articulated a rational, emotional case for support and asked with sensitivity and conviction. This is what makes people give, especially at levels beyond what they would have done, left to their own devices. *People do NOT give serious money to newsletters, brochures, videos, newspaper articles, TV spots, radio spots or billboards.*

If they *do* respond, invariably it's "chump change." Keep in mind, too, publicity has a one-in-four chance of helping you because it can hurt you, make you controversial or have *no* effect as well. With a 25% chance of getting a benefit, don't rely on it any more than you should rely on tax-deductibility to motivate a big gift.

Knowledgeable development professionals know the *real* reasons to utilize publicity are to educate and inform the constituency (make the case) and put maximum pressure on the volunteer leadership to carry out its mission of soliciting their peers and constituents. (Now they face public embarrassment if they fail to do their job!) Publicity often becomes the "scapegoat" of failing campaigns. Now you know better! Publicity rarely, if ever, is the reason a campaign fails. (We told you the three main reasons in Part 1.)

Remember, in the not-for-profit world, it is **the messenger**, *not* the message, who always carries the day!

~ FREQUENTLY ASKED QUESTIONS…AND ANSWERS ~

- ***How will our capital campaign affect our annual giving program?***

  Contrary to what most people assume, a properly-managed capital campaign will have a very positive effect on your annual giving. Most institutions experience a 10% to 30% increase in annual gift support.

- ***There are several capital campaigns currently underway in our service region/community. Shouldn't we wait until they're done?***

  Virtually every community has a multitude of campaigns going at any given time. If you were to wait until all the lights were green between your home and office before leaving this evening, you'd never leave! Remember, capital campaigns are a function of *need, leadership* and *constituency* and are based on a relatively small number of gifts. How well you do will be based on your leaders' ability and willingness to give and get. Rest assured, no one ever gives away his/her last dollar! Waiting for a better time seldom is smart strategy. Allow your needs and the study results to guide you about when to start.

- ***What if the results of our planning study are negative?`***

  If the results of your study don't warrant a capital campaign, you should expect an explanation about why and a plan of action that address your weaknesses so eventually you *can* run a campaign. Recommending you hire fundraising *staff* seldom is effective strategy. Yet, all too often that's the *primary* recommendation of many consultants. We suggest your focusing on board and leadership development. If you don't know *how* to build leadership, call us.

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