



Careful Planning Leads to Greater Success

When NOT to Conduct a Campaign Planning Study

If a nonprofit executive tells a consultant they want to launch a capital campaign, the consultant will first recommend a study, right?

Best practices in fund-raising management point to the importance of and the need for a campaign planning study (a.k.a. feasibility study). In fact, the donor marketplace also places great importance on planning studies as many corporate and community foundations in major metropolitan areas now require proof of a study before accepting a grant request. So, is the planning study always the first step toward a successful capital campaign?

We have faced, on occasion, the awkward task of informing some nonprofit executives that their organization is **not prepared** to conduct a planning study simply because they are not in a position to achieve their stated funding goals.

The internal perspective of your organization can be clouded by the desire for more funding to solve persistent organizational problems. Unfortunately, more money does not always solve every organization's problems. The most successful and well-managed organizations raise much more money.

(continued, page 2)

Campaigning for Programs or Endowment

Are Planning Studies Only for Brick and Mortar Campaigns?

Over the years we've encountered more than a few organizations that have an outdated view of capital campaigns, thinking major campaigns can only support brick and mortar expansions. There is no denying the fact that capital campaigns are often successfully conducted for new and expanded buildings. But is that new building the ingredient for success, or is it what the building will allow your organization to do?

Let's face it, people understand buildings. When running a campaign for a new or expanded building, it is very easy to see when the project goals have been attained. But, when an organization's future plans include a path to greater capacity without funding bigger and better facilities, it is more difficult to demonstrate success to your donors.

Should a capital campaign support only brick and mortar objectives? Certainly not. We have often conducted planning studies and directed fund-raising campaigns that target program and service growth through increased funding for endowment, or operating funds. These non-traditional approaches to capital campaigns require more pre-campaign planning and careful study. Too often, the typical capital fund-raising campaign relies on the inherent appeal of new facilities and less so on careful long-term organizational planning to make a strong appeal.

We've been pleasantly surprised to observe, during two recent client engagements, that our clients' constituents are saying that they prefer supporting programs and endowments over funding new facilities. These donors would often say that buildings are not unimportant, but in their view it was the people and the programs that they are more interested in supporting.

Conducting a major gifts fund-raising campaign for anything other than a building requires a greater focus on the organization's strategic planning that creates the case for support. The organization must better define their business model and its anticipated and various revenue streams through pro forma financial statements. The organi-

(continued, page 3)

An Internal Self-Assessment

Warning signs for when NOT to conduct a planning study:

If any of these statements accurately describe your organization, you may NOT be ready to conduct a campaign planning study.

- Your organization has not conducted an externally-based strategic plan.
- Your proposed goal is indistinguishable from annual or program goals.
- Your organization lacks a general case for support that differentiates your organization and positions itself as unique in its ability to meet community needs.
- Oprah Winfrey, Bill Gates and Warren Buffet are your top prospects for lead gifts . . . but you have had no prior contact with them.
- Your organization has not ended any of the past five fiscal years with a balanced budget.
- Your board members do not have a track record of annual giving, and their capacity to give is minimal.
- Your executive director cannot generate a list of the top 30 donors he/she would like to meet.
- Your quarterly newsletter hasn't been mailed for two years.
- Your board leadership has determined to move ahead with a campaign because they need the money.

When NOT to Conduct a Campaign Planning Study

(continued from page 1)

Before conducting a campaign planning study, your governing board and administration should complete an honest self-assessment. Do the essential elements of a successful capital campaign sufficiently exist? Or, is the desire for more funding pushing your leadership to cut a few corners?

Over the years, we've noticed a pattern: organizations that are more on the ball and are closer to launching a successful campaign are the institutions that really want to conduct a study. They recognize the value of an externally based critical analysis of the organization and its plans for the future. They recognize the importance of success, and the value of carefully building capacity to achieve their full fund-raising potential through a capital campaign. A well conceived and expertly conducted planning study can provide instrumental and influential information about your plans, including whether:

- your organization meets a compelling community need in an effective and efficient way, and if there is a stable and/or increasing demand for services;
- your organization demonstrates financial and programmatic stability that indicates an ability to sustain and grow quality programs and services;
- your board is regarded for its effective leadership in fund-raising and governance; and,
- your proposed project represents an opportunity for broad, demonstrable community benefit and donor involvement.

A campaign planning study provides an organization with an invaluable opportunity to conduct an objective donor- and community-based assessment of its mission, image, leadership, and programs. Perhaps most important, a study also indicates how an organization aligns as a philanthropic opportunity for investment, relative to other nonprofits.

Finally, a well-conducted campaign study — based on a representative number of confidential one-on-one interviews with key stakeholders and thought leaders — is not designed to provide nonprofit leaders with “what they want to hear.” Rather, it should provide focused findings and actionable recommendations that, if followed, will greatly strengthen an organization's ability to succeed with a major campaign.



Are Planning Studies Only for Brick and Mortar Campaigns?

(continued from page 1)

zation must define the impact not only of future programs but also how funding the organization's strategic plan will meet the needs of donors and constituents.

Conducting a fund-raising campaign for programs and endowments is not only possible, more and more organizations are doing it. The success of these efforts often requires more planning than traditional capital campaigns. The institution must have a current market-based strategic plan and case for support that brings the prospective donor to a quick understanding of why an endowment is the best way to fund a targeted percentage of your program objectives.

Anyone who is contemplating a capital campaign for something other than bricks and mortar will quickly realize the irreplaceable role of the campaign planning study.

Finally, let's dispel any remaining myths about the essence of a capital campaign. Our definition of a capital campaign has more to do with the construction of the campaign and less to do with the intended use of those funds. We define a capital campaign as:

an effort to raise a specific amount of money, for a specific purpose, over a specific period of time.

Each element of this formula is integral to the whole, and begins to lay the foundation for a corps of "self-motivated" volunteers and donors that will make your campaign a success.

The campaign principle helps the prospective volunteer and donor to define the task at hand and to take action, so your campaign operates through personal influence and persuasion, rather than coercion.

The campaign principle:

- A specific dollar goal provides a measure of success — so everyone knows when the job has been successfully completed. With a goal, you can also determine how much each prospect should be asked to contribute.
- A specific project, purpose, or cause gives the enterprise a mental, emotional and spiritual focus — something that's worth working for.
- Finally, a specific timetable creates a sense of urgency and allows the campaign to build and sustain momentum. As much as everyone is plagued by deadlines, it can't be denied that they help to maintain a "critical mass" of interest, involvement and commitment to the task.

The Goettler Series

The Planning Study *Foundation for a Successful Campaign*

How essential is a campaign planning study to the success of your next fund-raising effort? How can it position your organization for long-term success?

This remarkable volume in our acclaimed Goettler Series explains the importance of a study, the necessary preparation involved, and the vital role played by professional fund-raising counsel.



To receive your complimentary copy, please take a moment to complete and return the enclosed reply card. Or, you can download a copy from our website:

www.goettler.com

For more information, e-mail us at:
info@goettler.com





GoettlerAssociates

Our mission is to assist nonprofit organizations in achieving challenging fund-raising goals by:

- strengthening the client's image and awareness;
- recruiting, training, and motivating volunteers; and
- attracting significant philanthropic support.

We guide our clients toward their financial goals through:

- the integrity and high performance standards of our employees;
- effective and honest relationships; and
- the quality of our work in achieving success.

We would welcome the opportunity to learn about the current status of your advancement program — your development objectives, the challenges you face, and the resources you have for achieving your goals.

A Goettler Associates representative is available to discuss your future plans and share our insights and ideas for advancement. We offer a preliminary consultation without cost or obligation.

580 South High Street
Columbus, Ohio 43215
(614) 228-3269 voice
(800) 521-4827 toll-free
(614) 228-7583 fax

Regional Contacts

Philadelphia: Mike Green
(610) 662-9527
Virginia: Craig Rogers
(804) 840-9109

On Second Thought

The New New Normal

By John Goettler, CFRE



I first met Gayle in May 2009. She has been on the board of a public library in Pennsylvania for a long time. After a considerable amount of energy researching the community's usage and strategic planning, the board decided the current library was far too small to effectively serve their community.

As part of this planning, the board identified a possible new location. By the time that Gayle contacted our firm, the only missing ingredient was private philanthropic support for their vision of the future.

During our first meeting, we spent a lot of time talking about the economy and the current state of funding for public libraries in Pennsylvania. At that time, the governor was in a standoff with legislators over a large budget deficit. One of the budget balancing strategies was to significantly cut funding for public libraries. Similar debates continue raging in many other states across our nation, perhaps in your state as well.

To make a long story short, the library board decided in 2009 to shelve their plans for a new facility. They did not question the work required to raise the funds for a new library, but instead feared their ability to secure operating funds to manage the higher costs of a new and larger facility.

Fast forward to a call this week from Gayle. She told me the board just voted to proceed with the project, and to authorize working with our firm on a campaign planning study. While I am pleased to learn of this new development, I had to ask Gayle an obvious question. Why now, when Pennsylvania is considering a proposed 52% reduction in funding for higher education, including public libraries?

Gayle said that the board came to a unanimous decision to move forward with their project and a campaign; concluding, they can no longer count on the state for support and the sooner they get into the fund-raising business and stay in the fund-raising business, the better the library can serve their community.

I gather that the library board decided to view the word "public" in a new way. Yes, they are a public library, and continuing its mission to serve all members of the public, but *public* no longer refers to *public sector* funding.

Economic analysts are calling the slow recovery of our national economy the "new normal" as it may remain "slow" for some time. Like Gayle's board, we hope you, too, will embrace the "*new new normal*" as it pertains to your development operations. We cannot return to yesterday's business as usual. The times call for rethinking and reassessing your entire development approach. If you are enjoying support from the public sector today, then we encourage you to develop ancillary strategies and recast your efforts