



Strategies for Success

Metrics: Winning the Numbers Game

Action is fundamental to fundraising success, but it is managing the right actions that can turn a mediocre effort into a record-breaking performance. This is the factor driving the growth of planning for a major gift metrics program. More than just a buzzword, metrics has been pushed to the front of the line as a way to define expectations for fundraising professionals, a way to communicate those expectations, and a system to hold each member of the team accountable.

The theories and methods of metrics have been used in the development world for decades, most commonly as a way to measure and manage progress in a capital campaign. Today, we can take this same information – proven over time – and apply it to the specialized focus of annual major gifts fundraising. As more organizations have moved to add development staff, managers are focusing on these key elements by establishing a unique metrics program for their specific circumstances.

The success to using metrics lies in knowing **what** to measure and **how** to use those measurements to achieve the desired results. In order to do this, consider the following:

- What outcomes will benefit the organization, the campaign, and those served?

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Planning for Major Gifts

Time to Check the Health of Your Major Gifts Program

The new calendar year arrived once again with the anticipation of growth in our fundraising results and new levels of accomplishment for our organizations. For most development professionals the New Year also begins with zero dollars raised toward our annual goals. The best way to achieve these goals and to fund your organization’s essential purpose is through a vibrant and successful major gifts program.

We’ve put together a few ideas to lead a review of your plan for raising major gifts. Some institutions assign a single person to handle major giving, while others rely on their development officer in tandem with the CEO. Still others retain fundraising counsel to conduct their major gifts program. Whoever manages the process, focusing energy now where the impact is greatest will result in significant improvements by year-end.

The first step will be to develop a table of gifts – a graphic financial tool commonly used during a capital campaign. **A carefully drafted standards of giving table will help define:**

- Size and range of major gifts required
- Quantity of gifts required to reach goal
- Number of potential prospects to be identified, and
- Volunteer and staff resources needed to make the requests

A realistic and flexible table of giving standards will also help measure progress throughout the year and identify areas for greater focus. In the end, the table can be used to evaluate efforts and plan for the future.

For better or worse, most development professionals are judged on the basis of short-term financial results. **Attracting major gifts, however, is more like a marathon than a sprint. Your objective is to win in the long run.** There are no set rules for identifying, cultivating, and soliciting prospective major donors; each individual warrants a personalized strategy with a time frame based on the donor, not the

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Major Gift Solicitation: Converting Interest and Involvement to Investment

The moment will arrive when it is most advantageous to solicit a major gift. The success of the entire development process depends on your ability to recognize that moment and direct staff and volunteers to act upon it wisely.

The “**Four Ws**” of Major Gift Solicitation

■ **Who** should ask whom?

The short answer is deceptively simple: “the person(s) who can best deliver the maximum gift.” The actual results will vary greatly depending on the relationship between the solicitor and the prospect.

■ . . . for **What** amount?

Great care should be taken in presenting the amount to be requested from each prospect, and may be determined based on their ability to give, their current and past **involvement**, and their relationship to the solicitor.

■ . . . **When**?

The best time to ask for a major gift is when the prospect is ready to give, regardless of the campaign timetable or the director’s calendar.

■ **Why** should the prospect give?

When an organization listens carefully and responds thoughtfully, the prospect will realize that a major gift is actually an **investment** in his or her own philanthropic objectives.

Time to Check the Health of Your Major Gifts Program

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financial needs or convenience of the institution.

Just as in a capital campaign, a major gifts program involves at least a four-step process to achieve success:

1. Identify major donor prospects with sufficient financial capacity
2. Cultivate their interest and involve them with your organization
3. Invite their financial support through a major gift
4. Steward their continued involvement

A potential donor’s initial inclination to make a major gift is almost always emotional — perhaps a simple desire to do good by helping others. That’s one reason the more ambitious, visionary projects are often more successful than modest or recurring organizational plans. Think about how you can fire up the imagination of prospective donors who want their involvement to have impact, not just to maintain the status quo.

Experienced major donors are also accustomed to making financial decisions based on reason, so they will need a valid rationale to affirm their initial emotional response. Some of the factors that can motivate a prospect to make a major gift include:

- ✓ Strong support for the mission
- ✓ Participation in setting goals for the future
- ✓ Knowledge gained from extensive cultivation
- ✓ Respected peers on the governing board
- ✓ Personal solicitation by an acquaintance of equal stature
- ✓ Evidence that the fundraising effort will succeed
- ✓ Credible financial oversight and plans for the future

For each individual prospect, a moment will come when it is time for action. It is at this highly critical point that a prospective donor’s cultivated interest — and involvement — turns into an investment in his or her aspirations. It is essential that the major gifts program be managed by someone who is able to recognize that moment and mobilize the organization’s resources to secure the donor’s investment.

Whether you are running a capital campaign or raising annual operating funds, major giving has never been more important to fundraising success. Focusing your efforts with these approaches will strengthen your results and give your organization the best chance of finishing ahead in the coming year.



Major Gift Metrics: Winning the Numbers Game

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- What tasks can be measured to ensure these results?
- How can we best manage our staff (and volunteers) to make sure the plan is followed to achieve the desired outcome?

Defining the Rules — What to measure depends largely on the unique characteristics of each institution, but among the more common measurements are the number of face-to-face visits a development officer makes annually to qualify and cultivate donors as well as the amount of money raised per officer through targeted gift requests. Expectations for these metrics generally go up as experience increases and relationships with donors mature. Other commonly measured tasks include the number of prospects identified, proposals submitted, and the number and amount of gifts received.

Creating the Game Plan — Once you know the rules for your organization, it's time to come up with a plan of action. Clearly communicated expectations and rewards will help create top-notch performances from each gift officer. A written plan works best, and can be created individually or as a team. A well-built plan will not only direct current fundraising activities, but will facilitate evaluation and planning for the next year.

The probability of completing a task increases dramatically if we commit to do it, set a specific date to do it, make a plan for doing it, commit to someone else that we will do it, and then report whether we have done it.

Playing to Win — Checking the scoreboard on a regular basis will keep your team on track to win the metrics game. Monthly prospect review sessions between management and development officers will provide an opportunity to assess goals, develop strategies, and improve solicitations. Depending on the needs of the organization, these sessions can be held more or less often. Review sessions also allow opportunities to coach team members to enhanced performance.

Golfing great and Ohio native Jack Nicklaus once said, "Achievement is largely the product of steadily raising one's levels of aspiration and expectation." By using these strategies, organizations can begin to move their major gifts programs into higher levels of professionalism, accountability, and return on investment. And in that environment, the mission and accomplishments of your nonprofit organization will surely come out a winner.

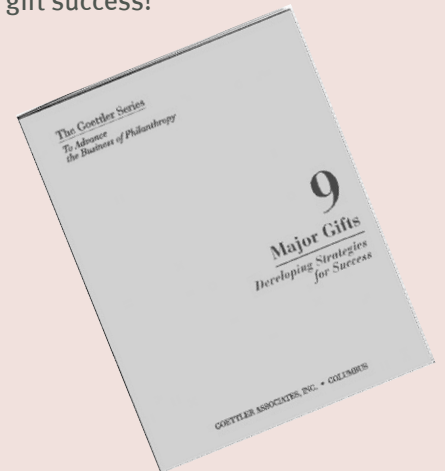


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On Second Thought: Move Toward the Next Major Gift Through Stewardship



David Goettler
Chief Executive

We owe it to our donors to use their gifts responsibly, in accordance with their wishes. Good stewardship is in our own interest as development professionals. Major donors, in particular, are much more willing to continue their support when they're given lots of reasons to feel good about their last gift.

Making our donors feel good requires more than a pro forma thank you letter and a listing in the annual report. We need to keep them involved, and let them know that they're truly valued and appreciated. In these ways, we can sustain and strengthen the relationships we've worked so hard to build.

From the donor's point of view, there's nothing more demoralizing than being *dropped* after making a major gift—one they may have thought about for a long time. How would you feel if you heard nothing from the organization, except for the occasional newsletter, until being asked to give again? The message is painfully clear: "They're only interested in my money."

Yes, we need to thank our donors, and recognize them in front of their peers, if possible. We should report back to them how their contributions are being used. It's also a good idea to update them periodically on the progress of the campaign and/or project they're supporting.

Major donors should be made to feel so good about their involvement that they naturally think about ways to do more.

For major donors, it's better to do this in person, or at least over the telephone, than to send an email. For example, introducing the donor to the current scholarship recipient is a familiar, but very effective method. You'll be able to think of many other ways to personalize ongoing dialogue with your major donors.

The whole idea is to keep in touch, and keep reinforcing the donor's interest and confidence in the organization, without always asking for money. You want your major donors to feel so good about their involvement that they begin, without prodding, to think about ways to do more. Believe it or not, it happens all the time!

