

The Goettler Series
To Advance
The Business of Philanthropy

11

The Winning Campaign

*The Essential Elements
of Success*

The Goettler Series

This article is one of a series on what we at Goettler Associates consider to be the essential elements of fund raising and institutional development today.

We have developed this series in response to interest expressed by our clients and our colleagues in the field.

One must, however, always exercise caution in writing an article as a guide or “how-to” piece. While the article addresses general principles, each philanthropic institution finds itself in different circumstances.

We like to think that one of the qualities that distinguishes Goettler Associates in the fund-raising field is our recognition of this fact: that each institution, each campaign, each situation is different, and that each requires the experience and skills of a team of professionals to listen, learn, analyze, and interpret — and then to organize and carry out the strategy appropriate to the specific circumstances.

On the other hand, we also recognize the need to increase awareness of the time-tested principles of successful fund raising and to advance the “state of the art,” so to speak. We intend this series to be an important contribution in this respect.

This series may also help you understand how we think and how we approach fund development and advancing our philanthropic sector. We hope that it will provoke questions — and that you’ll call us for answers.

The Winning Campaign

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“There’s never a best time for a campaign.” That’s how some folks respond when we ask them about the timing of a capital campaign. We know what they mean — but we feel a bit more encouraged when we hear them say, “This is as good a time as any!”

Our consulting firm is now in its fifth decade in the fund-raising business — so we’ve experienced, along with the rest of the country, a good many economic peaks and valleys. When the future seems uncertain, it’s helpful to remind ourselves that it’s not the first time in history that Americans have felt that way. And in tough times, as research has shown, Americans have generally given *more*, rather than less. That’s because philanthropy is such a powerful means of connecting with each other, affirming our values, and putting them into practice.

In good times and “not-so-good” times, it’s been our experience that most major fund-raising campaigns continue to succeed or fail *on their own merits* — i.e., on the strength of their planning, preparation and execution. A well-conceived and well-organized campaign, in other words, almost always stands a good chance of success. Other programs, launched with less care and forethought, are frequently in trouble from the outset — even when the economy is booming and the mood is upbeat!

Our firm recently conducted a planning study for a medical research and treatment center associated with a university medical campus. This center, although it had been treating local patients for more than twenty years, had never developed a high profile or a strong philanthropic tradition in the community.

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Now, however, with new leadership at the university and the medical school, as well as the research center itself, major improvements were planned. The planning study tested a campaign goal of more than \$50 million to dramatically expand and upgrade the center.

At the time of the study, as one interviewee reported soberly, there were numerous capital campaigns for \$1 million or more currently underway in the community, and the total funds being sought were close to \$300 million. Many of these campaigns did not appear to be succeeding.

Our interviewee was aware that the university had recently enjoyed unprecedented success with its own capital campaign, and that several million dollars in state funding had already been designated for the research center. Still, he feared that a campaign for the center would increase the strain on the community's resources, and that other organizations were better positioned for success.

As a result of the study, however, a local foundation with strong historical ties to the research center decided to match the state funding. Now that the proposed goal appeared readily attainable, and the planned improvements certain to go forward, the community began to see the facility's potential. Soon, another major health-care provider proposed an alliance. By that time, the research center was already preparing for *Phase II* of its "long-range" development program — and thinking about a campaign goal of \$100 million or more!

Obviously, not every planning study or capital campaign can have such a transformative impact on an institution. Our point is this: Right now, in your community, as in others, numerous organizations are probably contemplating capital campaigns. Some, no doubt, are wondering if this is the best time. In such an environment, it's not difficult for an organization to justify holding off, for example, on the active solicitation phase of a campaign.

In some cases, that's exactly what we recommend. But with effective planning, preparation and execution, your chances of success will be greatly improved—whatever your present circumstances. Every nonprofit organization, after all, has access to a powerful and time-tested methodology that's been developed and refined, over the past century, through thousands of successful capital campaigns.

The campaign principle

Reduced to its bare essence, an intensive fundraising campaign can be defined as an effort to raise a *specific amount of money*, for a *specific purpose*, over a *specific period of time*. Each element of that formula is integral to the whole:

- A specific dollar goal provides a *measure of success* — so that everyone knows when the job has been successfully completed. With a goal, we 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 we’re all annoyed by deadlines, it can’t be denied that they help to maintain a “critical mass” of interest, involvement and commitment to the task.

The traditional organization of the campaign reflects, to some extent, that of its prototype — the military campaign. Fund-raising campaigns, however, are clearly unique. First of all, regardless of the metaphors some of us employ,

capital campaigns operate through *personal influence and persuasion*, rather than coercion. There is a “chain of command,” or at least a hierarchy — but as *volunteers* (rather than conscripts or mercenaries), people can only be *asked* (rather than ordered) to give generously or to complete their assignments. Since they don’t *have* to work and give, they must be inspired and “self-motivated” to take action — because they *want* to.

In recent years, the number of paid professionals working in the development field has increased dramatically — so it’s possible to lose sight of these unique dynamics. But we need to remember that our volunteers don’t work for us; we work for *them!*

The Evolution of the Campaign

While philanthropy in some form has been practiced for thousands of years, the capital campaign is a relatively recent American invention. Observing the activities of Ben Franklin and others, Alexis de Tocqueville famously remarked on our ability to generate a new organization to serve every possible cause.

Until the middle of the 19th century, however, most of these efforts relied on securing large numbers of small gifts. Then, as America began to industrialize, wealthy individuals began making six-figure contributions. Soon, John D. Rockefeller, Andrew Carnegie, and others were pouring millions into philanthropy — using their influence to found and shape great institutions (and the practice of philanthropy itself).

Early in the twentieth century, many elements of modern fund-raising practice were introduced by two YMCA executives, Charles Sumner Ward and Lyman L. Pierce. Their “whirlwind campaigns” took the campaign principle to the extreme — asking all volunteers to complete

their calls within a month, and building excitement to a fever pitch through maximum public relations. For this strategy to succeed, however, all prospects had to be carefully evaluated and assigned in advance, and a substantial challenge grant had to be secured.

Bishop William Lawrence, as president of the alumni association at Harvard University, was equally successful with a completely different approach — similar to that advocated by Rockefeller. For Lawrence, arm-twisting and high-pressure tactics were anathema; he relied on a respectful, low-key presentation and a convincing case to carry the day.

Ward and Lawrence did agree on something: that large gifts and outstanding volunteer leadership were both indispensable to success. By the 1920’s, each of the contending schools of thought had spawned successful consulting firms — and these firms, in the years ahead, would refine and advance the methods and techniques of the modern capital campaign.

An art and a science

The management of capital campaigns has evolved both as an art and a science. From one point of view, as we often assure our clients, a campaign is essentially “a series of steps taken according to schedule.” Each step, once completed, leads naturally to the next — and if the plan of campaign is followed conscientiously, success almost invariably results. Based on the campaign goal and past experience, for example, it’s not too difficult to estimate the number of gifts, prospects and volunteers that will be required at each level of giving, and at what point in the campaign each soliciting committee will need to be activated.

From a different perspective — one that is equally familiar to experienced development professionals — a capital campaign presents a unique challenge in *working with people*. Again, because they’re volunteers, they can’t be managed in the same way as employees. Their performance and productivity will be driven largely by *their own personal convictions, desires and aspirations*, as well as their influence on and interaction with each other. From this point of view, the most effective thing a professional campaign manager can do is to nurture these qualities, bring them to the surface, intensify them, and keep them “in play” — so they can have maximum positive impact on the campaign.

Finally, campaigns rarely unfold precisely as planned. No campaign plan devised by mere mortals can ever anticipate all the contingencies that are bound to arise during any capital campaign — let alone how each of these unique situations can best be resolved.

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For example: How, by whom, and in what order should each individual prospect for an advance gift be approached? When and how should each of their financial commitments be announced publicly? When should you press a volunteer to complete a difficult assignment, or a prospective donor to make a decision, and when should you leave him or her alone? Yet another option is to ask someone else to use their influence with the volunteer in question!

Decisions like these require insight, imagination, and sound judgment — in essence, the ability to “think on your feet.” Such skills cannot be learned by attending a seminar; they can only be acquired through years of experience and professional growth.

Seven Essential Elements of Success

What ingredients are essential to a successful capital campaign? Entire books have been written about far narrower topics. Every expert has his or her “Ten Commandments,” and there’s probably no such thing as a definitive list. Based on our experience, however, it’s difficult to imagine any large-scale fund-raising program — especially an intensive capital campaign — succeeding unless each of the following elements is present.

1. *A solid organization*
2. *A worthwhile project*
3. *A compelling case for support*
4. *Availability of sufficient financial resources*
5. *Qualified and committed volunteer leadership*
6. *Pacesetting leadership gifts*
7. *A realistic and well-executed plan of campaign*

1. A solid organization

While it may seem obvious, it must be emphasized that people generally prefer to invest in *successful organizations* — those they know will use their money wisely, and continue to serve the community well for many years to come. That’s one reason that “established” organizations raise a great deal more money than those which are lesser-known. The “mainline” organizations have simply been around long enough, and provided quality service to enough people, to earn and keep the community’s trust and confidence.

If an organization is contemplating a capital campaign, then, it should be able to demonstrate that it is:

- ✓ Providing a needed service, with quality and reliability
- ✓ Led by competent and respected professionals and volunteers
- ✓ Financially sound and well-managed
- ✓ Known and valued in the community

Even well-established organizations can grow complacent and become alienated from those they serve (or should serve). A gradual process of decline may continue for years before it begins to assume crisis proportions. By that time, the organization’s problems may be well-known to community leaders — and before they reinvest, they’re likely to insist on corrective action.

RESPONSIBILITY: Such matters as the organization’s fiscal soundness, effective governance and good reputation are largely in the hands of its governing board and CEO. If there are serious questions about some of these issues, a foundation board or a consultant probably won’t be able to resolve them — at least not without the involvement and support of the governing board and chief executive!

Element #1 at work

Consider the case of an important cultural organization in a Southwestern city. Over the years, the community’s population has grown considerably more diverse — but the organization’s programs have remained strongly “Euro-centric.” As a result, membership, attendance, and contributions have all declined significantly.

It was conflict between the organization’s “business side” and its “artistic side” that finally brought matters to a head, and thrust the problems into public view.

At this juncture, the organization decided to go forward with a planning study for an endowment campaign. The study showed that while community leaders still valued the organization, they also understood the seriousness of its condition. Before they would support an endowment campaign, they wanted the issues addressed — and what’s more, they were willing to help. One prominent individual, in fact, offered a seven-figure commitment to the campaign — on the condition that the organization’s

board and staff sit down with community leaders to come up with an effective plan of action!

That process, as of this writing, is now underway. To coordinate it, as we recommended, the organization has engaged a management consultant who specializes in the arts. The results, we’re confident, will include an organization which enjoys new credibility and confidence in the community, not to mention a successful campaign.

2. A worthwhile project

As we suggested earlier, a major capital campaign needs to be “about” something important — something that people consider to be worth the considerable effort and expense required to get it done. That could be a capital project, a program initiative, an endowment fund, or all of the above.

By definition, a capital campaign is about more than ongoing operations — “continuing to do well what we’ve always done well.” Ideally, it should meet all of the following criteria:

- ✓ The campaign should *build the capacity* of the organization on a permanent basis — by adding new services, improving existing services, or extending services to new constituencies.
- ✓ At the same time, the campaign should respond to a need that is perceived as *urgent*. (By this, we mean the kind of need

that is felt by those the organization is in business to serve — rather than something the organization’s leaders think it should have.)

- ✓ The objectives of the campaign must be more than a collection of unfunded and unrelated projects it would be “nice to do.” Ideally, the objectives should reflect a *vision* — of what more the organization, with increased resources at its disposal, could mean to the community, and what more it could do for those it serves, or could serve. A vision “paints a picture” of an attractive future, one that the organization and its donors can actually help to create.

The objectives must be an appropriate focus for philanthropy. That is, they should make possible services that cannot readily be funded in some other way.

- ✓ The campaign objectives should also make sense as part of a larger *plan* — a well-thought-out and well-documented “road map” that shows exactly how the organization expects to get where it wants to go.
- ✓ Finally, the objectives must be an *appropriate focus for philanthropy*. That is, they should make possible services that cannot readily be funded in some other way (from the organization’s reserves, operat-

ing revenues, government grants, etc.). Among those who will benefit from these services, there should be a substantial number whose needs would not otherwise be met.

A capital campaign, in other words, must be more than just another way for the organization to increase its revenues or reduce its expenses! A campaign is, in fact, a unique type of voluntary initiative — a collaborative project undertaken by the organization and the community, on behalf of all those the organization serves.

RESPONSIBILITY: The best way to develop an appropriate focus for a capital campaign is to *link the development function directly to the organization’s “visioning” and/or strategic planning process*. While this process needs to be driven by the governing board and the CEO, it should involve many of the organization’s key leaders, both staff and volunteers — and seek input from many more. When it’s time to translate the goals of the strategic plan into possible campaign objectives, both the chief financial officer and the chief development officer need to be involved.

Element #2 at work

Many of these principles have helped to shape an exciting “comprehensive” campaign for a public university in the South. Until recently, it’s fair to say, neither the university nor the community it serves have especially distinguished themselves, and there might as well have been a wall between them. Over the past several years, however, both “town and gown” have begun to manifest their long-dor-

mant potential. Community-minded philanthropists, working in partnership with the university, have undertaken a number of projects to encourage development, and the results have been impressive. As a result, both the community and the university have begun to see themselves quite differently.

Up to that point, the university had mounted only one capital campaign in its entire history, with moderate success. Now, however, there was a growing feeling that its time had arrived. The president and development staff, with some input from the faculty, had prepared a rather sketchy list of projects which would require more than \$50 million to complete. Rather than the usual planning study, counsel suggested sharing this agenda informally with key community leaders (including trustees of the university's foundation), and seeking their input into the proposed campaign objectives.

The ideas which emerged from those conversations led to the formation of several "university/community task forces." For several weeks, these groups investigated further the objectives originally proposed by the administration as well as several others suggested by community leaders during the interviews, and still more which emerged from the task force meetings!

This process, of course, yielded an even longer list of possibilities — which the president and his cabinet, with the assis-

tance of counsel, subsequently "edited down" and packaged as a new set of priorities. Most of these projects (requiring a total of \$67 million to fund) were directly related to one of several "special missions" identified earlier, through the university's strategic planning process. A strong theme of community service and economic development ran through these priorities. Because the university was clearly responding to the community's needs, there was a sound basis for a compelling case for support.

This university had now accomplished something truly significant: It had spent several months involving members of its key constituencies in helping it to make important decisions about the institution's future development. It was now in a strong position to proceed with a conventional planning study. Based on that series of interviews, we concluded that the university would now be able to raise at least \$67 million, and perhaps much more, in support of the new objectives. And the success of the campaign to date is bearing that out.

3. A compelling case for support

An effective case for support is not a static written document, but a *practical, action-oriented tool* for volunteers, as well as professionals. It enables the organization to present itself and its development program to prospective donors in a manner that captures their attention and interest, and elicits their advocacy and support.

In essence, the case *positions* the organization and the campaign as an attractive opportunity for philanthropic investment. It clearly outlines the goals of the fund-raising program, and describes (quantitatively, if possible) the positive impact that a successful campaign will have on all those the organization serves.

It is essential for the case to be written from the perspective of the *potential donor and volunteer*—rather than the internal perspective of the organization. Specifically, the case must focus on how a successful campaign will meet the needs of the community and all those the organization serves, as opposed to the self-defined “needs” of the organization.¹

The most effective case will be based on *strengths, capabilities, and potential*, rather than deficiencies or problems. It will evoke a vision of the future which the donor and volunteer can readily “buy into,” and which the organization and the campaign can help to realize. Such a case will appeal to the *emotions*, as well as the intellect; it will generate enthusiasm, as well as presenting the necessary facts. In this way, it will encourage people to act.

Finally, a strong case for support must be *memorable*. The volunteer should be able to articulate its basic thrust eloquently and persuasively in a few short sentences.

Because a compelling case must be informed by the “marketplace perspective”—i.e., the viewpoint of the donor—the process of developing the case provides an excellent opportunity to *involve prospective donors* in a stimulating and productive dialogue about the organization and the development program, and how they can be most effectively presented.¹

RESPONSIBILITY: While most organizations still view the development of the case as a task for the development staff, the result usually reflects an internal, sales-oriented perspective. The emphasis is often on rhetorical eloquence, rather than substance. The outside consultant is in a far better position to see the organization objectively, to work from the perspective of the donor, and to present the organization and the campaign in a fresh light.

In many instances, we also find that the campaign objectives have emerged from informal discussions, at best—and not from a strategic planning or visioning process. In the course of developing the case, the consultant must, in effect, make up for the steps that have been skipped. Where exactly is the organization trying to go, and why? How will this campaign advance that agenda? As a rule, a consultant can ask these questions, get the answers, and integrate them into a compelling case more efficiently and effectively than development staff can.

Element #3 at work

While the input of prospective major donors and volunteer leaders is essential, it is sometimes important (and worthwhile) to involve other constituencies in developing the case. One private university in the Appalachian region, for example, actually incorporates a publicly supported community college. Many faculty members and employees, already somewhat underpaid, were feeling angry and discouraged by recent funding cuts.

¹ See “The Marketplace Perspective” and “The Case for Support” (Vols. 3 and 4 in the Goettler Series).

As the university prepared to conduct a planning study for a major capital campaign, the President wanted to bring the campus community “into the loop” and do something to raise morale. Faculty, staff, and administrators, after all, are part of the “institutional family” — and in any capital campaign, even major donors are influenced by the extent of the family’s support.

As an adjunct to the planning study interviews, a series of focus groups were professionally facilitated on campus. After reviewing the preliminary case, groups of faculty, students, staff, administrators, and alumni leaders were brought together for a structured conversation about the case, the campaign, and the proposed development objectives. The purpose was not only to gain valuable input into these topics, but also to promote awareness of the campaign; open lines of communication on campus; and provide important constituencies with a meaningful role in the planning of the campaign.

Some 120 individuals participated in this process. Collectively, they offered a distinctive critique of the case and campaign objectives, and many useful suggestions on what the university could do to ensure the success of the campaign. Equally important, the participants felt included and listened to. We expect that many will play an active role in the family phase of the upcoming campaign.

4. Availability of sufficient financial resources

For a campaign to have a reasonable expectation of success, there must be *sufficient financial resources* available to fund the development program. By “available,” we mean that these funds must be in the hands of *likely donor constituencies*—i.e., groups of prospective donors who have at least a philosophical rationale for supporting the organization and the development program, if not an active interest in and relationship with the organization.

In a capital campaign, prospects are generally identified and classified (assigned to soliciting divisions), according to what their financial capabilities are believed to be—often determined by an *anonymous* committee. Unlike the other volunteer committees recruited for the campaign, the membership of this committee is anonymous due to the highly confidential nature of their discussions. Prospect research conducted by the development staff, based largely on publicly available information, can be an invaluable resource for this committee.

Later, prospects will be individually “evaluated” and assigned to volunteers by the committees responsible for soliciting them. In each case, a specific “asking figure” will be suggested—for the guidance of both the volunteer and the prospect. Although inexperienced volunteers sometimes find it difficult to ask for a specific amount, most prospective donors *want* to know how much others would like to see them give (and already have a general idea).

Prior to solicitation, prospects are often invited to participate in an *awareness* or “*cultivation*” process — designed to familiarize them with the case and campaign objectives, and provide them with an opportunity for input. Meetings are organized for small groups (usually six to ten individuals, carefully matched on the basis of peer-group affinity). Volunteers are trained to make a brief presentation, followed by questions and discussion. *No solicitation is conducted.*

Such a “leadership awareness program” has proven to be a very effective means of building closer relationships with prospective donors; inviting them into the organization’s “inner circle”; and preparing them to play an active role in the campaign. Through their participation in these meetings, prospects are in effect offered a share of “ownership” in the campaign, so that they begin to have a stake in its success. A significant financial commitment can then follow quite naturally.

Leadership awareness meetings generally begin with the organizational “family” (trustees, professional staff, physicians, faculty, alumni leaders, etc.). The program then expands, utilizing peer networks already in place, to involve many community leaders who have had no direct relationship to the organization in the past.

RESPONSIBILITY: Ideally, every step we take in the process of working with donors — identification and classification, evaluation and assignment, cultivation and solicitation — should be the responsibility of *campaign volunteers*, with the guidance and support of the development staff and the campaign director (who may

be a designated staff member or an outside consultant). In many cases, it will be helpful for the CEO to accompany the volunteer when calling on a key prospect — but with few exceptions, it is the volunteer who should “ask for the order.”

5. Qualified, committed volunteer leaders

In the field of major-gift fund raising, one often hears it said that “The money’s out there.” The mere presence of wealth, however, is of negligible value without a *corps of volunteers* who are qualified, willing, and able to personally approach the top prospects on behalf of the organization and the campaign.

By “qualified,” we mean first of all that to be effective, a volunteer must *make an exemplary financial commitment of his or her own*. Secondly, as a rule, the volunteer should also be a *social and financial peer* of the prospect. While a successful campaign may require expert professional guidance, it is these qualifications which continue to make a well-prepared volunteer, in most cases, far more effective than the vast majority of professionals.

- ✓ A volunteer, unlike a paid employee of the organization, has *no financial interest* in the philanthropic transaction.
- ✓ The volunteer’s *personal financial commitment* both establishes credibility and sets an example for the prospect.

- ✓ Finally, a social and financial peer of the prospect is asking him or her *to do no more than the volunteer has already done*.

Like any successful enterprise, an effective volunteer organization depends on outstanding *leadership*—people who are exceptionally responsible, qualified, and capable, and who are known and respected by their peers. Such leaders give the campaign credibility and keep it moving forward through their mere association with the campaign, their charisma, and their exemplary effort. They are needed at all levels of the campaign to make pacesetting financial commitments of their own, then to orchestrate and lead the solicitation of their peers.

This process begins with the “family” as trustees solicit other trustees, employees solicit other employees, physicians solicit other physicians, and so on. The process continues in the community phase of the campaign—which requires a strong organization of civic, business, and community leaders who are keenly interested and authentically involved in the campaign, and willing and able to both provide and secure financial support at the highest levels.²

RESPONSIBILITY: The selection and enlistment of campaign leadership, especially the general chair, is one of the most decisive steps in organizing any capital campaign. It is a frequent and sometimes fatal error for an organization to rush this process—either by settling for whoever happens to be readily available, or by going after the most qualified candidates without taking the time to build a relationship.

A more strategic, and far more effective, approach is to organize an *ad hoc selection and enlistment committee*, whose primary responsibility is to recruit the campaign general chair. If several of the best candidates can be enlisted to serve on this committee, then the organization is sure to end up with an outstanding general chair. In many cases, the general chair will then personally select and enlist the rest of the campaign steering committee or “cabinet.”

Development professionals often complain that campaign leadership is becoming more and more difficult to enlist. If today’s community leaders are more cautious about making such commitments, it is often because organizations have used their time and talents less than effectively. True leaders are few in number, and the demands on their time are legion—so if you want to recruit them, your approach must be designed accordingly.

Element #5 at work

A public broadcasting affiliate in a Midwestern city, for example, hoped to enlist as its campaign general chair the CEO of the community’s largest corporation—a Fortune 500 firm. Another of the company’s top executives, who served on the board of the PBS affiliate, was willing to make the approach. The CEO had been involved in public radio and television elsewhere—but because of his heavy travel schedule, the time he could devote to volunteer activities was extremely limited.

² See “The Role of Volunteers: Developing Effective Fund-Raising Leaders” (Vol. 10 in this series).

The organization, therefore, presented a detailed job description and a twelve-month calendar of activities. After thinking it over, the CEO agreed to chair the campaign—but his time commitment would be limited to 40 hours over the next twelve months. If he chaired every meeting of the campaign steering committee, in other words, there would be no time to do anything else! So the organization asked the CEO to:

- ✓ *Take responsibility for his company's gift to the campaign.*
- ✓ *Present the organization's proposal to its top prospect for a lead gift (a large foundation which was one of the company's major stockholders).*
- ✓ *Recruit the campaign cabinet.*
- ✓ *Preside at the public kickoff.*

That was agreeable and the CEO, of course, was so effective in doing exactly what he promised that the campaign was a rousing success. He had forced the organization's campaign planners to rethink their notion of what a campaign chairperson ought to do and as a result, his time and talents could not have been better used!

6. Pacesetting leadership gifts

As we've already indicated, there must be sufficient financial resources available to fund the development program. Most importantly, there must be *a sufficient number of major gift prospects* to initiate campaign activities at a substantial and meaningful level.

While a major capital campaign presents an unusual opportunity to attract large numbers of donors and generate numerous gifts, experience has proven over and over again that \$5 million, for example, can never be raised by asking 1,000 people to give \$5,000 each.³ Instead, we must focus our attention and our efforts on the relatively small number of donors who are capable of making the largest investments.

These investments, in most cases, will account for one-third to one-half of the campaign goal, or even more. The *news* of these commitments, once they are secured, will serve to inspire and raise the sights of all other donors and volunteers; to build the momentum of the campaign; and to create confidence within the campaign organization that the goal is in fact attainable, and success is within reach.

We've talked about the capacity to "initiate campaign activities at a substantial and meaningful level." What that level is will depend on the campaign goal. Once we know that, it's not difficult, based on past experience, to construct a table of standards (see Fig. 1 on next page).

If the goal were \$6 million, for example, it might well be necessary to secure 12 commitments of \$100,000 to \$1 million, payable over a multi-year pledge period. To have a reasonable expectation of success, then, it might be necessary to identify 30 or 35 likely prospects (potential donors) known to be capable of making investments at those levels.

For this reason, a great deal of time and energy must be devoted to the cultivation and solicitation of prospects for advance and major gifts.

³ As most of us know, that's because no one will give more than \$5,000; many will give less; and others will give nothing at all!

Table of Standards
for a \$6,000,000 Campaign

Size of gift	Number of gifts	Number of prospects	Line total	Cumulative total
\$1,000,000	1	2	\$1,000,000	\$1,000,000
500,000	2	4	1,000,000	2,000,000
250,000	4	10	1,000,000	3,000,000
100,000	6	15	600,000	3,600,000 (60%)
50,000	12	36	600,000	4,200,000
25,000	20	60	500,000	4,700,000
10,000	50	175	500,000	5,200,000
5,000	80	280	400,000	5,600,000
Under 5,000	Numerous		400,000	6,000,000

Fig. 1

Some of these prospects may be members of the organization’s governing board; others may be past donors to the organization or other affluent individuals and families. Most community-based organizations will find that their top prospects are generally based in their service area.

For each of these prospects, a unique strategy must be conceived, planned and carried out. Several visits, over a period of weeks or even months, may be required. As it’s often said, “Every leadership gift is a campaign unto itself.”

RESPONSIBILITY: The cultivation and solicitation of prospects for the top ten gifts is usually the responsibility of the campaign general chair and a hand-picked group of half a dozen volunteers — working closely with the CEO and campaign director. Ideally, these volunteers will have the capacity to make — and ultimately

will make — leadership gifts of their own. That will give them the credibility and leverage they will need to influence other prospects at the same level.

In working with prospects for deferred gifts, it may be necessary to involve staff members or consultants with special expertise, as well as the prospect’s own legal and/or financial advisors.⁴

Element #6 at work

How can one leadership gift be used to “leverage” another? One outstanding example was provided by a recent capital campaign conducted by a local affiliate of an international human service organization. One local board member, now deceased, had made annual contributions at a substantial level for many

⁴ See “Planned Giving” and “Major Gifts” (Vols. 8 and 9 in this series).

Certain tools are often instrumental in securing the largest financial commitments to a capital campaign:

- ✓ A multi-year pledge period, usually five years, enables the donor to fulfill his or her financial commitment over an extended period of time — and therefore, to make a much larger commitment. As experienced people frequently point out, a donor who can write a check for \$200,000 can probably pledge \$1 million.
- ✓ A program of commemorative opportunities gives the donor a way to leave a permanent and visible legacy — recognizing a family, an individual or an organization through the naming of a physical facility, a dedicated endowment fund, a programmatic initiative, etc.

The values assigned to these opportunities, although highly subjective and somewhat negotiable, can be very effective in “raising

the sights” of specific donors — based on their personal interests, desires and aspirations.

- ✓ The various instruments of deferred giving (trusts, bequests, etc.) offer the donor a number of imaginative, yet practical ways to make a very substantial financial commitment — perhaps the most significant philanthropic statement he or she will ever make.

The organization, of course, may not realize the full benefit of the gift until the donor’s demise — so deferred gifts (often called “planned gifts”) obviously cannot be used to finance a capital project or initiate a new program. Nor can they be counted toward that portion of the campaign goal. Deferred gifts, however, are probably the most effective method of building a substantial endowment fund over the long term. And they can often be combined with a current gift or pledge.

years. Rather than using those funds to support its operations, the organization had wisely set them aside, with the donor’s approval, to create a building fund for future use.

Now that the organization was ready for a new facility, the building fund—which had grown to more than \$1 million—could not only become one of the top gifts to the campaign; it could be used to secure the lead gift!

The same donor had also established a local foundation to continue supporting his favorite causes in perpetuity. So the organization asked the trustees of the foundation to consider a commemorative gift of \$2 million to name the new facility for the donor.

That commitment, the largest the foundation had ever made, virtually ensured that the campaign would surpass its goal—a goal which many others, until these events transpired, had thought overly ambitious.

7. A realistic and well-executed plan of campaign

If it is to have any hope of success, a serious fund-raising program which is designed to generate support at various levels, from several distinct constituencies, must be planned and implemented with a high degree of *centralized coordination*. For this reason, all campaign leaders and volunteers must be encouraged to support the plan of campaign, and do their best to follow it closely.

The campaign plan will call for a great deal to be accomplished in a short period of time. It is, in fact, the rapid pace of events, and the volunteers' adherence to the plan and timetable, which help to establish and maintain the momentum of a successful campaign. And it is precisely the dynamic nature of the program which requires that it be based on a realistic plan and organization, and executed within a specific time frame.

In this way, as experience has proven time and again, the campaign will achieve its ends as productively and efficiently as possible and everyone involved will find the experience a satisfying and rewarding one (a vital, but somewhat underrated, criterion for success).

The campaign plan must orchestrate all of the elements we've already discussed—the case and campaign objectives, prospect base, volunteers and professional staff—into a detailed, step-by-step *plan of action*, based on a well-conceived *strategy* and implemented by a *campaign organization* built for the purpose, according to a definite *schedule*.

Assuming that professional counsel is involved, the campaign plan will also draw upon counsel's base of experience with other organizations, communities and campaigns. Most important of all, an effective plan of campaign must rely on the specific facts, opinions and advice gathered through a professionally conducted planning study, and any other activities designed to help set the stage for the campaign (see below).⁵

The campaign plan should include job descriptions, an organizational chart, and a week-by-week timetable. As a rule, the schedule will specify that no public announcement and/or kickoff event should take place *until at least half of the campaign goal has been spoken for*. The schedule will also provide for a victory celebration at the conclusion of the campaign, so that all volunteers and donors can be properly thanked and recognized.

RESPONSIBILITY: The campaign plan is best developed (and ideally, implemented) by an outside consultant, who can bring to bear his or her experience with many different programs of this kind. If a consultant is not involved, then a full-time campaign director should be designated or added to the development staff.

In the course of implementing the campaign plan at "ground level," the campaign director is responsible for monitoring the progress of the campaign and reporting back to the campaign organization on a regular basis. The key indicators include:

- ✓ Number and amounts of gifts and pledges secured to date.

⁵ See "The Role of Fund-Raising Counsel," Volume 6 in this series.

Time-tested Principles

Your campaign plan must, of course, be based on the time-tested principles and methodologies of successful fund raising. For example:

- ✓ *Personal solicitation.* As the saying goes, “people give to people” as much as they give to campaigns or organizations. When a person is asked for a contribution, both the answer (negative or affirmative) and the amount often depend to a great extent on who’s asking.

As in most human affairs, the most effective connection is invariably made face to face, and not by telephone or e-mail! The personal presence of the volunteer makes a strong statement about how important the conversation is. It’s no wonder that personal visits produce superior results.

Just as people give to other people, they also give in relation to what others give. That’s why the most effective volunteer solicitor is the one who’s already given as much or more than the amount he or she is asking for. The force of example is far more powerful than any words of persuasion. This also explains why the results of the leadership gift solicitations invariably have a decisive effect on the outcome of the entire campaign.

- ✓ *Selective and sequential solicitation.* Even if it were possible, it would clearly be impractical and wasteful to attempt to approach every conceivable prospect at the same time. Therefore, we give priority to those who have:

- An existing relationship with the organization, as a donor or otherwise. These individuals will have the strongest predisposition to support the campaign.
- No prior relationship with the organization, but a philosophical rationale for supporting the campaign, based on their known interests and their involvement with other organizations and causes.

As we’ve indicated, others will always expect a strong show of support from the “institutional family,” particularly the trustees — and the level of

that support will have a decisive effect on the financial commitments of others. If those closest to the institution, those who know it best, will not validate the campaign through a concrete expression of their support, then “outsiders” can hardly be expected to do so. For this reason, the “family campaign” is usually the first item on the agenda.

Once the “family phase” has been completed, the next prospects to be approached should be those known to be capable of the largest gifts. It is these “nucleus gifts” which will anchor the “community phase” of the campaign; demonstrate to all concerned that the campaign goal is, in fact, achievable; and strongly influence the decisions of all donors at the next level.

- ✓ *Distribution of work; definite and limited responsibility.* A capital campaign is a collaborative project of significant scope. To complete it successfully and on time, we need to make sure that every volunteer:

- Knows what he or she is expected to do
- Understands how to go about doing it
- Has enough, but not too much, to do

Organizing the work by committees is the key to making the volunteer’s task manageable. Each member of a soliciting committee, including the committee chair, should be assigned no more than four or five prospects to call upon (at least until those solicitations have all been successfully completed, and the volunteer asks for more assignments!).

Every volunteer, including the general chair, should be thoroughly oriented and/or “trained,” and each should be given a job description that clearly spells out what is expected. The less open-ended the responsibilities are, the better. Volunteers, especially those who accept leadership positions, need to know when their jobs will be completed. We simply can’t afford to “burn out” our most precious and limited resource.

- ✓ Volunteers enlisted and oriented.
- ✓ Prospects identified, assigned, cultivated and solicited.
- ✓ Attendance at meetings of the campaign’s service and soliciting committees.

In any capital campaign, the decisions of *all* prospects are strongly influenced by the total financial commitment made by members of the “institutional family.” Other donors rightfully expect those who are closest to the organization — especially the trustees — to *validate* the development program through their financial commitments. In this way, the family must set the tone and lay the foundation, both strategic and financial, for a successful campaign.

For these reasons, as a general rule, the organization’s family constituencies are cultivated and solicited before any others are approached (with the possible exception of a few advance gift prospects). In a community hospital campaign, for example, this family will include all members of the governing board, foundation board, and medical staff, as well as all employees.

To personally involve every member of the family is a very substantial project—one that the organization’s leaders are sometimes reluctant to undertake. But even beyond the funds that are raised and the leverage that is created, the family campaign can produce unexpected benefits. That’s because of the atmosphere that can be created when you enable *everyone* to become an advocate.

Element #7 at work

During one recent hospital campaign, for example, the case for support and the campaign plans were shared with all employees, and many became involved as volunteers.

Badges were awarded to all donors, and a display in the cafeteria showed the progress of the campaign on a daily basis.

One day during lunch hour, a visitor took note of this and asked a nearby employee what was going on. Without hesitation, and totally “off the cuff,” the employee proceeded to give an articulate and enthusiastic presentation of the case for support. Having just met the visitor, however, she asked for nothing.

The visitor, as it turned out, had driven many miles to visit her daughter, who was hospitalized following an auto accident. A few weeks later, the hospital received an unsolicited gift of \$10,000.

Why you should conduct a planning study (or not)

Before embarking on a major capital campaign, an organization needs to obtain an objective, up-to-date “reading” on its philanthropic marketplace—including those leaders, both within the “family” and in the community, whose in-

volvement and support are considered essential to success. In essence, the organization needs to determine not only *if* the campaign can be won, but *how* it can be won.

A realistic plan of campaign must be based on more than mere assumptions and guesswork. Specifically, the organization needs to know to what degree each of the elements discussed above are present, or can readily be developed. Do the key people — the prospective donors and volunteer leaders — feel good about the organization? Do they believe that a strong case can be made for the campaign and its objectives? Are they confident that the family and the community will support the project? Are they *personally* interested in participating — and if so, to what extent? Do they see any “red flags” out there? It is these kinds of questions that a thorough planning study can answer.

Sound professional guidance is essential — and more often than not, the planning study is the best place to begin.

An organization may have a high profile in the community, a strong board of trustees, and an enviable track record in fund raising. That is, it may have every reason to expect success in a capital campaign. Still, so much useful information can be gleaned from a professionally planned and conducted study that it’s foolish to miss the opportunity.

Some institutions with a loyal and affluent donor base, a mature development program, and a strong track record of fund-raising success can, without conducting such a study, undertake a capital campaign of moderate scope with a reasonable expectation of success. Such institutions, however, sometimes value more than others the *strategic edge* that a well-done study can provide.

In contemplating a major capital campaign, we find that most organizations are hopeful of success, but well aware that it can’t be taken for granted. They suspect that a great deal of effort will be required — but they’re not entirely sure of their own capabilities, or how best to proceed. For these organizations, sound professional guidance is essential — and more often than not, the planning study is the best place to begin.

That’s not to say, however, that it’s always the best place to begin. Just as an organization must be ready to launch a major capital campaign, it must also be ready to embark on a planning study. If one or more of the seven essential elements we’ve just described seem to be lacking, you shouldn’t need a study to bring you that news. A study, contrary to popular belief, will not in itself prepare your organization for a successful campaign. It won’t correct your organizational deficiencies or compensate for important work that you haven’t done.⁶

There are, after all, other good ways to prepare for a capital campaign. The important thing is to *authentically engage your donor constituency*, existing and potential, in some kind of meaningful process. That can be done not only

⁶ See “The Planning Study: The Foundation for a Successful Campaign” (Vol. 2 in this series).

by interviewing prospective donors through a study, but also by asking them to help you develop a strategic plan, define your campaign objectives, or build your case. As long as you're "inviting them in," listening to them, and involving them in an important project, you're headed in the right direction!

To produce valid and credible results, as we all know, a campaign planning study has to be conducted by outside counsel. For only a qualified and experienced consultant, who's independent of the social and political network that surrounds every organization, can ask the tough questions and expect straightforward answers. We can also be objective in analyzing the responses, drawing the appropriate conclusions, and formulating an effective plan of action.

Board and staff leadership, of course, play an absolutely vital role in putting the study into motion — identifying the right people to interview; providing counsel with the necessary background information (on the organization, the proposed development program, the community, and the prospective interviewees); and finally, securing the appointments!

Planning and conducting a thorough planning study is anything but a "cookie-cutter" process. Recall, for example, the medical treatment and research center we introduced at the beginning of this article. As we talked with the center's new director, one of the first things we realized was that the institution's governance structure was almost incomprehensible. The research center was enmeshed in an intricate web of relationships involving the university, its foundation, and its medical center.

The research center, as we've indicated, was known to most community leaders only for its chronic management problems — which were aggravated, if not caused, by the unduly complex arrangements we've just described. So the preliminary case — in addition to describing what the center actually *did*, and its plans for a dramatic expansion — would have to explain, to the satisfaction of the numerous parties involved, its governance and financial operations.

At length, however, the preliminary case was duly researched, written, approved, and forwarded to the prospective interviewees. The next step, obviously, was to schedule the interviews. Because of the center's historically low profile, however, this also proved to be a challenge — even with the sponsorship of the university and its foundation. Many prominent people declined to participate in the study; others used the interview as an opportunity to attack the research center for its history of management problems, its failure to involve community leaders, and other shortcomings.

In the end, however, all obstacles and setbacks were overcome. Through the study, as we've explained, the center was able to attract a financial commitment large enough to provide a lead gift for a \$50 million campaign, and then some. That commitment not only made the institution's ambitious development plans "doable" — but also (and most significantly, in the long run) captured the interest and imagination of the community's philanthropic leadership!

The community, as a result, is on its way to having a medical treatment and research center that promises to become one of the finest of its kind anywhere in the country.

The long-term benefits of a capital campaign

In addition to raising a great deal of money and accomplishing its short-term development objectives, there are many more good reasons for an organization to undertake a major capital campaign every five to ten years. An intensive capital and/or endowment campaign, for example, presents an excellent opportunity to:

- ✓ Develop and present a more compelling case for support; improve the marketing of the organization's ongoing development programs.
- ✓ Increase positive awareness of the organization among all of its donor constituencies, both existing and potential.
- ✓ Provide an opportunity for all of the organization's constituencies, including "family" constituencies, to play an active role in the development program.
- ✓ Link the development program more closely to the strategic planning process; improve relationships between the development office, the rest of the administration, and the board of trustees.
- ✓ Attract and involve new volunteer leadership; strengthen the board of trustees.
- ✓ Expand and diversify the organization's donor base, and strengthen the annual fund (see below).

- ✓ Initiate or strengthen a major gifts program, including a structured program of deferred giving; secure deferred gifts to be realized in future years.
- ✓ Build the capacity — staff, budget and productivity — of the development office.

Strengthening the annual fund

Some organizations experience a decline in annual giving while pledges to a capital campaign are being paid — and others often ask how such a scenario can be avoided. In fact, substantial benefits can be produced by *coordinating* the annual fund campaign with a capital campaign.

The donor base of the annual fund, for example, can provide a "floor" for the capital campaign. At the same time, the capital campaign can attract many new donors to the organization — and many can be expected to become regular donors to the annual fund. Finally, many donors "stretch" to make a significant multi-year pledge to the capital program. Even after that pledge has been fulfilled, their annual contributions are likely to continue at a higher level (assuming they're *asked* to do so).

During the capital campaign period, the organization may choose to align the objectives of the annual fund with those of the capital campaign, and to ask donors to make multi-year commitments to both programs at the same time.

In these ways, a successful capital campaign, far from draining the annual fund, can actually help it to *grow*.

Expanding the development staff

To take advantage of all the possibilities presented by an intensive capital campaign, the development office must have sufficient human and financial resources to do the job. While “outside” counsel can provide expert guidance (an “insistent voice”) and sometimes an extra pair of hands, the presence of counsel cannot compensate for a lack of full-time staff.

Institutional decisions to expand the development staff are often influenced by the ratio of total dollars being sought to the number of full-time development staff. However, even if a development program happens to be “under-producing” in relation to its operating budget and its potential, a major capital campaign is often a good time to invest in a larger development staff and budget since such an investment is likely to “produce dividends” more quickly than usual.

In addition to the chief development officer, many moderate-sized institutions first seek to recruit competent managers for the following programs:

- Annual fund
- Special events
- Prospect research and records
- Major gifts and/or deferred giving

During a capital campaign, if counsel is not engaged (on a part-time or full-time basis), the institution may choose to contract for the services of a campaign director. More mature programs at larger institutions may also seek to recruit managers of:

- Corporate and foundation support
- Grant writing
- Communications, public relations and/or publications

In any event, there should always be sufficient administrative and support staff to ensure that all managers can focus on their key responsibilities, and that all the important details (gift processing, database maintenance, etc.) are attended to reliably and accurately.

While it is always important to monitor the productivity ratio of the development function (often expressed as dollars raised per staff member), undercapitalization of the development effort may prevent the organization from realizing all of the longer-term benefits that a capital campaign can bring.

The Winning Campaign: Resources for Success

Looking back over our firm’s collective experience, it’s plain to see that recent changes in the development field (for example, the growing number of professionals employed by organizations) have affected, in some important ways, how the philanthropic marketplace functions — and how capital campaigns are conducted. The essential elements of successful campaigns, however, seem to us not very different from those which applied twenty years ago — or even fifty!

Because of unprecedented competition for the attention and allegiance of donors and volunteers, it’s actually more important than ever that these essential elements be present — for they still separate the winners from the rest of the pack:

1. A solid organization
2. A worthwhile project
3. A compelling case for support
4. Availability of sufficient financial resources
5. Qualified and committed volunteer leadership
6. Pacesetting leadership gifts
7. A realistic and well-executed plan of campaign

To successfully orchestrate all of these elements, however, an organization must have access to a unique set of human resources. Foremost among these resources are:

- *Knowledge* of the “independent sector” (nonprofit organizations), the philanthropic community, and the basic principles and techniques of successful fund raising.
- The *skills* involved in planning, organizing and implementing a complex, large-scale project — and in managing people whose primary motivation is the good of the community, rather than financial gain.
- The *insight, judgment and wisdom* to comprehend a unique set of circumstances, think through the possibilities, and “make the right call.”
- *Experience* with the management of successful capital campaigns — the best way, if not the only way, to acquire all of the above assets.

As our field continues to expand and mature, it’s gratifying to meet more and more professionals who have at least some, if not most, of these qualifications. We may be biased — but we still believe that the best way to gain access to all of these resources in one package is to enlist the services of a reputable consulting firm. When you combine that kind of collective experience with a worthy cause and a committed corps of volunteers, you’re well on your way to a winning campaign.

About the Firm

Goettler Associates was founded by Ralph H. Goettler in 1965 to serve the nation's nonprofit organizations. The firm brought together a group of highly qualified professionals to serve the total funding and marketing requirements of clients' major fund-raising initiatives. Since 1965, we have helped more than 1,500 nonprofit entities raise over \$1 billion to fund capital projects, build endowment, or facilitate special projects.

Services

Goettler Associates is a full-service, client-oriented firm. We tailor a program to the special circumstances of each client. This often requires a combination of several essential elements, including capital, annual, and deferred giving; and marketing and public relations. We take pride in the quality of counsel that we can provide in all of these areas.

We have helped our clients conduct successful capital campaigns, increase annual operating support, establish planned giving programs, and strengthen their endowments through our services:

Studies and Assessments

- › Campaign Planning Studies
- › Development Assessments
- › Strategic Planning

Donor Cultivation and Campaign Positioning

- › Leadership Awareness Programs
- › Case for Support Development
- › Campaign Identity and Marketing
- › Writing, Print Design, and Video Production

Development Support

- › Prospect Research
- › Executive Search

Campaign Management

- › Resident Campaign Direction
- › Periodic Campaign Consulting
- › Consultation on Annual and Deferred Giving Programs

The Team

The Goettler Associates team of fund-raising professionals draws upon a wealth of experience and is supported by extensive human and information resources. Our consultants average more than fifteen years of experience in institutional advancement.

Building on Trust

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.

Let's Talk About Your Situation

Fund-raising campaigns have been won without implementing all the principles and strategies discussed in this article. Often, in the course of planning and executing a particular campaign, we find that the best way to achieve success is to “invent” new tools and approaches to replace the standard ones. We at Goettler Associates strive to apply the principles of fund raising in a flexible way that is appropriate to the needs and circumstances of each individual client.

There are certain constants, however. Our experience shows that the campaign which is properly conceived, planned, and executed—with the assistance of professional counsel—is the campaign which invariably enjoys success.

We'd enjoy talking with you informally about these ideas. Or, better yet, we'd like to learn about *your* situation and discuss with you how we can apply our experience and talents to further your success. We would welcome the opportunity—without cost or obligation—to learn more about the current status of your advancement program. This includes your development objectives, the challenges you face, and the resources you have for achieving your goals.

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