

From Data to Conversation: *Major Gift Qualification and Discovery Visit Strategies*

**Adam Wilhelm, Senior Consultant
Campbell & Company**

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Campbell & Company

**Consultants in Advancement Planning, Fundraising, Marketing Communications and
Executive Search**

Objectives

- **Identifying your best prospects**
- **Best practices and immediate implementable steps**
- **Going from “just a name” to a well qualified prospect**
- **Strategies and techniques for both**
- **How to make sure your pipeline is filled with the prospects you need**

Definitions

- **Identification:**
 - Process of moving a prospect from “just a name” to a potential larger investor, potential philanthropic interest in your institution

- **Characteristics of an identified prospect**
 - May have a past giving history
 - Has a relationship with your institution
 - Data or information surface through electronic screening or initial research
 - Name suggested by volunteer or staff
 - Known interest

Definitions

■ **Qualification:**

- Stage at which a prospect is moved from a 'suspect to likely a donor

■ **Steps in the Qualification Process**

- Research
 - *Bio*
 - *capacity*
 - *Interest and giving to like and other organizations*
- Institutional Knowledge
 - *Peer screening*
 - *Information from other staff*
- Discovery Visit
 - *One on one meeting with identified prospect to ascertain further interest*

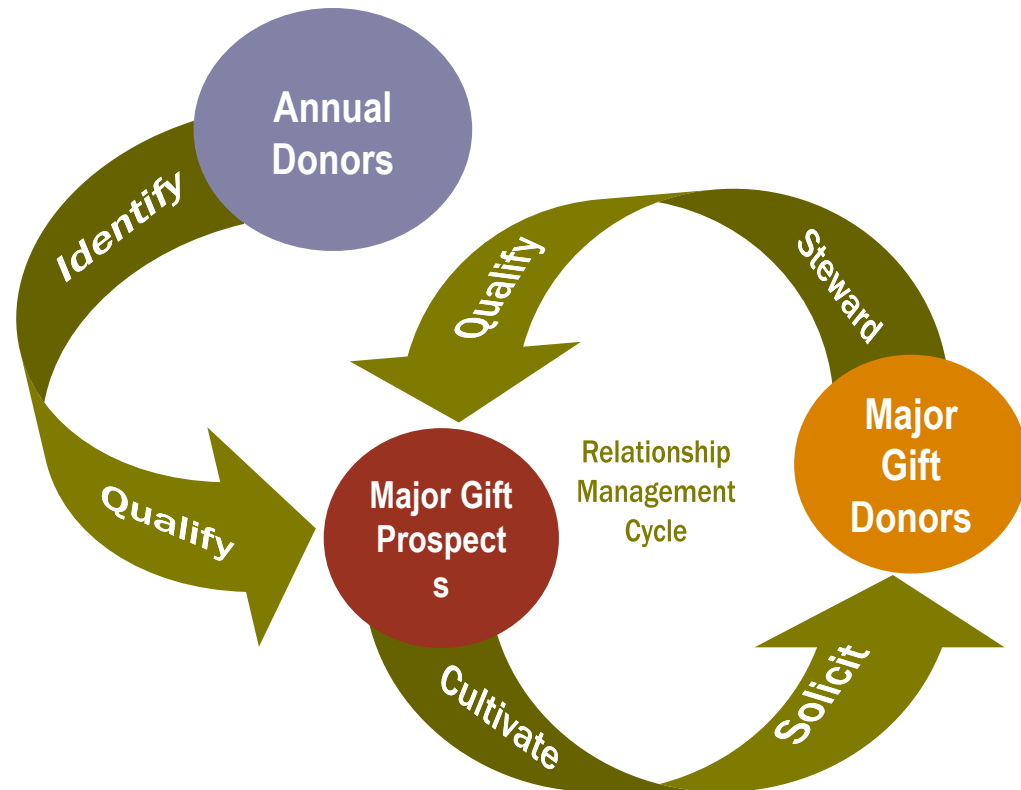
Maintaining Your Pipeline

■ Questions to Consider:

- How are we moving:
 - *Lower-level to mid-level and major*
 - *Non-Donors to Donors*

■ Are you moving all your donors through a relationship management cycle

- No donor or prospect should be “dormant”



Data Capture & Integrity

- **How are you capturing and tracking data on prospects?**
 - Formalize and streamline processes
- **How does information flow between staff and departments?**
 - Within development and rest of organization
- **Are you regularly updating demographic information?**

How Will You Find These Prospects?



Methods for Identifying Prospects

- **In-house work:**
 - Data Mining
 - Prospect Research

- **Database screenings**
 - Wealth
 - Modeling
 - Other

- **Volunteers, Staff and other natural partners**
 - Who do they know?

Internal Data Mining

- **Can be simple or complicated**
 - Simple point systems
 - Software for regression analysis and other more complicated modeling
- **Who are your best donors? What characteristics do they share?**
- **Create a system that favors those characteristics**
- **Can be tailored to your institution**
 - Creating a set of tools to prioritize and segment

Simple System

- **Example:
Higher Education**



| Prospect Characteristic | Points Awarded |
|-------------------------|----------------|
| Alumni | 1 |
| Attended Event | 1 |
| Affiliation codes | each, 1 |
| Visited face-to-face | 1 |
| Donor | 1 |
| Amount given | per \$1,000, 1 |
| Number of gifts | each, 1 |
| Gift in last year | 1 |

Weighted Point System

- **Example:
Higher
Education**



| Category | Prospect Characteristic | Points Awarded |
|------------------------------------|-------------------------|----------------|
| Constituent Type | Alumni Donor | + 20 |
| | Alumni Non-Donor | + 10 |
| Giving History | 1-5 gifts | + 5 |
| | 6-10 gifts | + 10 |
| | 10+ gifts | + 20 |
| Gift date | Within last 2 years | + 20 |
| | Last 3-5 years | + 10 |
| | Last 5-10 years | + 5 |
| | Over 10 years | + 1 |
| Reunions or Events attended | Per event | + 1 |
| Other Affiliation | Per affiliation code | + 5 |

Identifying Using Screening

- **Wealth identification**

- Wealth
- Liquid

- **Predictive Modeling**

- Annual, Planned, Major and Other

- **Segmentation of your Database**

- Who “shows up”
- Help to prioritize
- Usually more there

Database Screenings

- **Typically look at recency, frequency, and level of giving to your institution as key rating drivers**
- **Uses demographic data or publicly available information about assets**
- **Return either a dollar estimate (capacity), rank score (propensity), or combination of the two**

Annual Fund Donors

- **Past giving behaviors are best predictors of future gifting**
- **Prioritize long-time donors and consistent donors**
- **Aggressively seek upgrades**
- **Donors who upgrade regularly will become major donors faster**



Identifying Annual Fund Prospects

- **Indicators for annual gift capability**
 - Federal election commission political gifts
 - Reported gifts to other institutions
- **Examine engagement**
 - Attended events, self-disclosed information, long-term relationships, past or current involvement
- **Use data such as job titles, zip codes**
- **Look for potential affinities**

Next Best Indicators

- **Lapsed donors are second best prospects**
- **Typically best if lapsed less than 5 years**
- **Do not be afraid to ask these prospects for upgraded gift levels—they deliver**

Portrait of Major Gift Donors

- **Bank of America Study of High Net-Worth Philanthropy: Portrait of Donors**
- **Key Findings**
 - 12 Archetypes
 - Giving grows exponentially with wealth
 - Entrepreneurs give more than other groups



The 12 Donor Archetypes

- **The Very Wealthy**
- **The Bequeather**
- **The Devout Donor**
- **The Secular Donor**
- **The Entrepreneur**
- **The Dynast**
- **The Metropolitan**
- **The High Frequency Volunteer**
- **The Strategic Donor**
- **The Transactional Donor**
- **The Altruistic Donor**
- **The Financially Pragmatic Donor**

Identifying Major Gift Prospects

- **Characteristics of Major Gift Prospects**
 - No singular profile
 - *Most regularly:*
 - Show high capacity
 - Large gifts to other organizations
 - Already invested through gifts and time
 - Natural connections – the more, the better
 - Middle aged and up

Planned Giving Prospects

- **Start the process with a focus on donors or prospects over the age of 50 (though younger generations do estate planning)**
- **Look for lifetime single individuals as prime planned giving prospects**
- **Many family relationship connections to the institution**
- **Sometimes non-donors intend to only do a bequest gift**



Diamonds in the Rough

- **Segment out high capacity non-donors (or severely lapsed donors) from the database**
- **Great project for volunteers**
- **Annual Giving: highest rated, non-donors**
- **Next Best:**
 - Lapsed donors are second best prospects
 - Typically best if lapsed less than 5 years
 - Do not be afraid to ask these prospects for upgraded gift levels—they deliver



Least Likely To...

- **Non-donors are the toughest challenge**
- **Examine engagement**
 - Attended events, self-disclosed information, long-term relationships, past or current involvement
- **Use data such as job titles, zip codes**
- **Look for potential affinities**

Next Step: Qualification

- **Often a major challenge**
 - We know they're out there, do they like us?
- **Data from wealth or peer screening will eventually have to be vetted by staff**
- **At least a percentage of major gift staff portfolios should include newly identified prospects to qualify or disqualify**
- **Priority, of course, should be on highest rated prospects**

Qualifying Methods

- **Review meetings**

- Regular staff-driven meetings to review prospects moving up through the pipeline

- **Peer Screening**

- Involving volunteers and board members

- **Discovery Visit**

- What did you learn from your conversation

- **Surveys-Feasibility Studies**

- What are your constituents saying about you

Prospect Review Meeting Outline

■ **General Update**

- Progress toward development goals, including campaigns and initiatives

■ **Opportunities for Qualification and Cultivation**

- Upcoming events, communications

■ **Development Update**

- New prospects Identified, other notes

■ **Moves & Actions Check-In**

- Update on open discovery calls
- Qualification visits made

Peer Screening Exercises



- **Ask current major donors to assist in identifying and/or qualifying other prospective donors**
- **One-on-one meetings with donors to inquire about people they might know**
- **Who they are vs. How much \$ they have?**

Making Peer Screening Work

- **Have the whole packet ready**
 - Capturing the information efficiently
- **Knowing your group**
 - Will they be sensitive to capacity information
 - What will they need to know in terms of demographics
- **Have the ability to record feedback**
 - Be able to secure post-meeting as well
- **Dive in! Have a little to say about each name on the list to break the ice.**

The Discovery Visit

- **Opportunity for the organization to begin building a significant philanthropic relationship.**
 - How does the donor think/feel about the you?
 - What are the donor's interests, needs, priorities?

Outcomes:

- Ascertain the prospects interest, needs, concerns, hopes thoughts and feelings about your organization and its work
- Opportunity to say thank you, demonstrate impact of gifts to date

The Discovery Visit

Topics for discussion:

- How did you become familiar with our organization? Or emphasize affiliation.
- Who at our organization is most important to you?
- If you haven't been to campus recently—could I help set a time for you to visit?
- What do you perceive to be our strengths and weaknesses?
- Are you currently involved with other organizations in your community?

The Discovery Visit

- Remember to be Donor Centered:
 - Respond to the donors' priorities and interest
 - Communicate the importance of their involvement
 - Demonstrate the impact of their past giving
- Centers on the unique and special relationship between an organization and each donor
- Is the foundation of a solid approach to building philanthropic relationships

Keep In Mind...

- **There is no one profile for a good donor**
- **Ratings are a “guide” and rarely 100% accurate**
- **Often underestimate wealth**
- **Not having a rating does not mean they are a bad prospect**
- **Remember that a high capacity rating does not mean there is *propensity* to give it to you**

In Summary

- Screenings and data mining techniques are essential tools for identifying and prioritizing annual, major and planned gift prospects
- Interviews, surveys, and peer screenings can augment screenings and also assist in prioritizing prospects, through qualification
- Without face-to-face qualification, a donor will remain a 'suspect'

And Do Not Forget

- **Better knowledge is just a beginning**
- **Effective cultivation and stewardship is essential to upgrade donors or cultivate major gifts**
- **This means active engagement of donors and access to people and information within your organization**



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QUESTIONS?

Adam Wilhelm

Adam.wilhelm@campbellcompany.com