

# Major Donor Engagement



*Showcasing impact and sharing stories with major donors*



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## Why Major Donors Give

**Aristotle** *“To give away money is an easy matter and in any man’s power. But to decide to whom to give it and how large and when, and for what purpose and how, is neither in every man’s power nor an easy matter.”*



*Patrons of the Arts, Martin & Carmel Naughton*

Major donors have range of reasons for identifying with and giving to an organisation:

- Philanthropy – they believe in giving. They may be driven by a passion for the arts, be purely altruistic, and have a social conscience.
- Affinity – they personally identify with the cause (they might be motivated to give to an arts organisation if they or someone they know has previously experienced the benefits of the organisation’s ethos and actions).
- Social recognition – they may enjoy seeing their name on a buildings wall, an award, or an annual dinner with invitees of similar social standing.
- Mutual benefit – it might be good for business or enhance their social circle. They might be giving for reasons that are not obvious to you.

# How to attract Philanthropists to your organisation



The challenge for an organisations is to develop an engagement strategy that allows donors to experience the joy of giving. Develop a strategy that makes them a partner in your organisation's work and tells them how their donation will be used to make a real impactful difference.

## Major Donor Key Points

- Securing Major Gifts take Planning, Preparation, Hard Work and Patience.
- Major Gifts are of a different Magnitude from your organisation's usual range of gifts
- They have the potential to have a significant impact on the organisation's programmes
- Stretches and commits the donor
- A Gift that results from a strategic Personal Relationship and involves contact between people
- The amount can vary from €1,000 to €multi-million donations depending on the organisation's size, scale and goals!

# How do you know if you are worthy of a major gift?

## When your organisation:

- Has a **VISION** which says where you will be in 5 to 10 years' time.
- Has a **PLAN** – a strategy – for getting there.
- Has sound **FINANCIALS** budget.
- Has the Staff, Board and Supporters that will take you there.



*National Gallery of Ireland – a recipient of significant major donations*

# Who are your Key Prospects?

## **NB: You know most of them already!**

- Profile your contacts/database 'golden nuggets'
- Board member or a friend acting as door openers
- Cultivation through events
- Existing donors
- Committee & Board Members
- People with a Personal or Business link to your cause

**These are your natural constituents so easier to nurture!**

## **Research your Key Prospects**

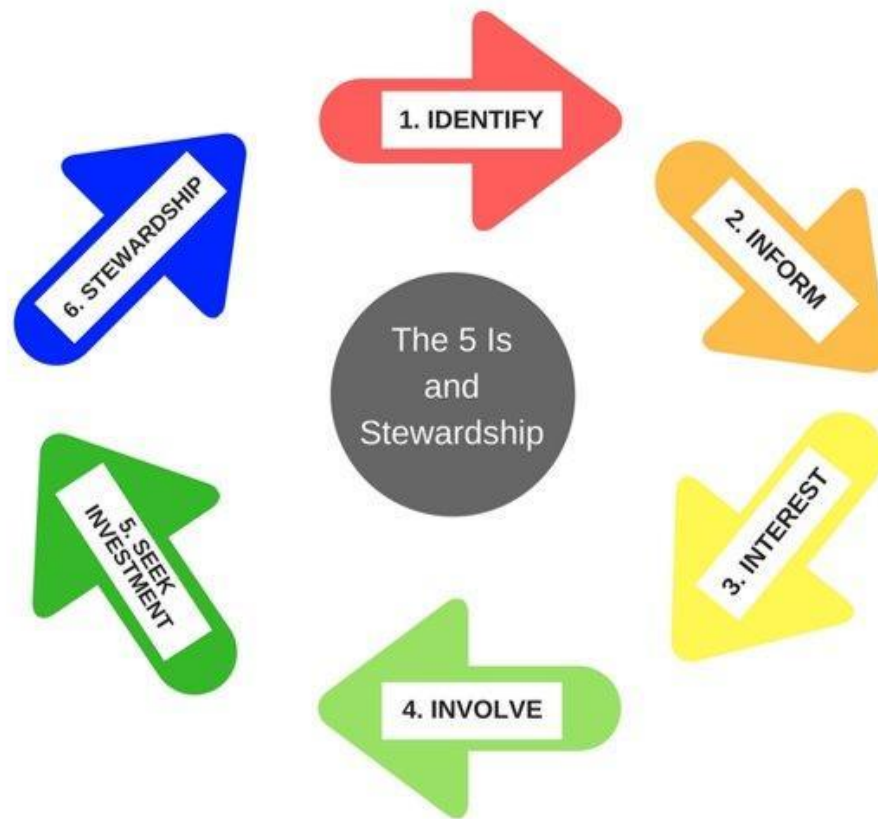
- Institutional Files & Donor Lists
- Who's Who-type Directories
- Foundation Directories
- Rich Lists – Sunday Times/Independent
- On-line services (Wikipedia etc.)
- Newspaper Articles
- Public Records

## **Build a profile for each individual from your research**

- Personal/Family Background
- Business Links
- Interests
- Affiliations/Directorships
- Previous Giving History
- Wealth & Assets



# The 5 'I's and Stewardship



## 1. Identify

The identification of potential major donors is an on-going process in order to establish who your organisation should approach and where to find them. Effective channels of identification include:

- Good record/database keeping
- Tapping into broader institutional memory
- Engagement with current friends, members, patrons
- Networking at events

In assessing a potential donor, OKC recommends using the D.I.A.L rating system – **D**onor, **I**nterest in the cause, **A**bility to give and **L**inks. Each prospect should be rated from 1-5 in each area.

- **Donor:** who are the prospects?
- **Links:** are the links the individual has to your organisation, the location, the Board, a particular staff member etc.
- **Ability to give:** is their financial capacity to donate to your organisation
- **Interest:** their giving history, personal interests in the organisation and its work

In this way, you ensure that you are not just targeting individuals with financial capacity, but those who have a real interest in your organisation and what you do. In major donor fundraising, these connections to your mission are all the more essential.

| DONOR (NAME) | INTEREST | ABILITY TO GIVE | LINKS | DIAL TOTAL |
|--------------|----------|-----------------|-------|------------|
|              |          |                 |       |            |
|              |          |                 |       |            |
|              |          |                 |       |            |

Your organisation’s prospect database will then need to be separated into 2 distinct groups:

- High-Net Worth Individuals
- Individuals who are committed to giving but at a lower level

To facilitate profiling of existing contacts, your organisation must maintain and ensure records are as clean and current as possible.

By consistently building and refining the database of potential donors your organisation may continue to assess at what level they may be able to



support your development plans, financially. Subsequently, once you have identified a potential key donor, further research may be undertaken to establish an indication of their wealth and areas of interest. In the case of well-known individuals, newspapers, magazines, rich lists, organisational files and public records will be good sources of reference. It is also important to ascertain information regarding their philanthropic giving to date. All information collected during this research must be recorded on the donor's profile on the database.

## 2. Inform

In order to actively engage a major donor, your organisation must tailor a S.M.A.R.T (specific, measurable, achievable, realistic and time-based) menus of opportunities for the donor to consider supporting. For example a donor may have particular interest in a particular annual exhibition, genre of dance etc.

When attempting to set up a meeting with a potential donor, making them feel valued is important. Ideally start with a **call**, followed by an email or **letter** that will lead to a **discussion** about the cause when followed up by a **further conversation** and **visit**.

The formation and maintenance of the Case for Support (or Case Statement) is key in terms of presenting the initial information.

## 3. Interest

During the initial meeting which most often occurs at a location which suits the prospect but ideally at your organisation's venue/project base, we suggest what the most effective approach would be for a well-briefed team of two to three key stakeholders to meet with the prospective donor. At least one team member should be well versed in the detailed key projects, progress and funding needs of the specific areas. The potential donor needs to know, at the very least, the following about your organisation:

1. The Vision, which articulates where you will be in the next 5+ years
2. The Plan – a strategy – for getting there
3. That the organisation has a sound financial plan
4. And that the organisation has the structure that will take it there

The Case for Support is the ideal mechanism for establishing this information, and starting to share it with potential donors.

In addition, the organisation should look for ways to include the prospect's spouse/partner and family at every level of cultivation, for example by inviting them to a launch of a new show, festival event or exhibition or an evening drinks reception. It is paramount that all team members are not just familiar but also comfortable discussing all areas of the organisation's fundraising campaign and the priority projects – both past achievements and future development plans as presented in the Case for Support. The team must find out what interests the supporter about the organisation in particular and then begin to involve them. Truly engaging donors in the process of defining and achieving the organisation's vision can lead to gifts that can transform a project and make a big difference to a fundraising appeal.

This is particularly important when understanding why supporters may choose to support you in the first place. E.g. it may be related to their family, their own history, their social network, their work or their own principles and priorities.

#### **4. Involve**

High-Value Donors will expect to feel personally involved with your artistry, creativity or art-form so they should be invited to events; for example season or programme launches.

This part of the strategy is all about getting to know the prospective donor, creating a “culture of engagement” whereby relationship management skills are used to deliver a long-term prospect management strategy. The growing of a relationship can take anywhere between 12 to 24 months, however this time will be much less if the organisation already knows the prospect well.

Creating natural and “non-pressured” opportunities to provide them with more information and answers to their questions is the best approach. Then, depending on the extent to which they want to become involved, the team can seek opportunities for greater involvement or contact which could

range from attending an event through to joining the organisation's Board or a particular committee.

## 5. Seek Investment

Knowing the right time to ask is very important - at this stage, following the proper engagement process, donors should expect to be asked for their support and therefore your team must take the initiative. A meeting plan should be in place but we would advise that the team place but never presume that the donation is owed to the organisation – instead be clear with the donor as to what will be achieved by their investment and over what time period.

For example, if a donor has been approached to support a capital project, then provide as much detail as possible on the difference their support will make to the development and eventual construction of the building and the measurable long-term benefits that will accrue. Depending on the circumstances, it may be sensible to address the donor's voiced concerns by suggesting that the donor's financial advisors are involved in the discussions or by presenting gift vehicles and recognition options.

OKC suggests the following top tips whilst seeking investment to avoid disappointment:

- Always remember that a major donor ask is a process, not a single event
- Don't expect immediate decisions in any major ask, large investments take time
- Be mindful of individual donor timing and circumstances
- Present gift vehicles or structures that are individually tailored to that donor
- Always build a next step into each meeting

For many donors a lead gift is an opportunity to reach a major lifetime decision by making a philanthropic contribution of a substantial scale. These gifts will come about as a result of a convergence of interests between your organisation and the donors interested in specific projects or programmes.

## 6. Stewardship

Not every major gift request will lead to a pledge but even where it does; it can take significant time to reach the final stage - Thanking and Acknowledging the Donor - and in many ways is the most important step. The most successful Major Donor Programmes are those where the executive staff members and Board are engaged and involved with the programme – they must be available to meet with key potential donors, as if they are considering making a substantial philanthropic investment in the organisation they will expect to meet the lead figures involved in that organisation.

Once a donation has been received, the person with the primary link to the donor should ensure at the very minimum the donor is thanked, updated on developments, sent newsletters and invited to selected events. Inviting a major donor for a lunch with a small group of board members, senior management and staff members is an option to consider, and is a practice commonly used by many organisations in major-donor stewardship.

The principle of Stewardship is essential in terms of taking care of the people who are effectively taking care of you, so appreciating the support over time will require involving donors meaningfully and appropriately in the life of your organisation and specifically the programme or project they have funded.

Examples of 'Donor Recognition' for your organisation to consider include naming rights on a building, listing on your programmes, name placement on a plaque.

## Influencing Major Donors

Influence is crucial in all that a fundraiser does – the Five P's are a useful way to think about this.

- Passion – emotional engagement – donors need you to be passionate about the cause you are representing; tell them how you help enhance lives
- Proposal – define the challenge and suggest a solution (this is your case for support)
- Preparation – what do you want the outcomes to be? Consider a range of outcomes in order of priority. Eliminate negatives
- Persuasion - rapport (tone), language, donor point of view – understand what motivates them
- Persistence – Intelligent flexibility. Open to change, go for your goal!

## Making Your Ask Meaningful

Often, you only get one opportunity to make the ask to high-level donors. This means that you need to be prepared, confident, and in the know about what exactly you are asking. The foundation of "the ask" starts long before the ask itself.

Building this relationship to the point where donors are interested to hear more about your goals, ambitions, and motivations, means that 'the ask' is natural. Your high-level donors will understand your expectations.

Articulating your good cause is important, but so is your output. And this has to be crystal clear for high-level or major donors. What are your goals and strategic direction? How do you plan on achieving this? What will this cost? What are the results you expect? Your major donors are keen to hear how their input is essential in order to execute this campaign.

## Conclusion

Attracting high-level donor investment is time-intensive, but it can play a central role in ensuring the long-term health of your organisation and reaching your big ambitious goals!

- Develop a compelling story about what your organisation is achieving.
- Identify potential new philanthropic donors and nurture existing donors.
- And always make contact personal and tailored for each potential donor.

The effort you expend in pursuit of these donors can be extensive. But the results will be well worth the effort!