

The Sheridan Group – Education Series

Building Major Gifts into Your Annual Campaign

All too often annual fund or development directors spend the great majority of their time on direct mail, telephone and special event programs. Unfortunately, the 80% of constituents involved in these programs account for only 20% of potential donations. Following this path, therefore, guarantees a stagnant or losing annual fund.

Conversely, if you want to increase your goal, it will almost always be through new or increased large gifts.

The tragedy of not making major gifts a part of your annual fund is that the organization not only denies itself substantial annual revenue, but it also denies itself a future by not forming good peer relationships with top donors who can later make planned gifts for endowment.

To put it simply, major gifts are your ticket to success and should be the focus of your fund raising programs.

Most recently success requires getting out of the office, getting connected, and getting personal C and cutting some of your programs that involve you, as they say, in "stepping over dollars to pick up dimes."

The Right Plan

There are three basic forms of solicitation, each covering a wider prospect base and each of diminishing effectiveness and greater expense:

- **Peer solicitation**, limited to the number of volunteers who can make personal solicitation visits, is the most effective form of solicitation. Hence it should be used on your best major prospects (\$1,000 or more donors).
- **Telephone solicitation**, limited by the number of volunteers or by the cost of professional callers. Classically, phonathons are most effectively used to upgrade past donors.
- **Direct mail**, limited again by the cost of mailings, is the third most effective form of fund raising. Direct mail is used to upgrade or renew past donors and to acquire new donors. Direct mail is an increasingly costly enterprise.

The best way to use these three forms of solicitation in your annual fund is:

- 1) Solicit major annual fund gifts first through peer solicitation.
 - This lead activity assures your goal.
 - Early success raises your board's sights and those of other volunteers.
 - Early major gifts can be pooled and used as a challenge, such as a dollar-for-dollar match.
 - Early success provides the confidence and budget to try new programs throughout the year.

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- 2) Then use the challenge and early success as the basis of your phonathon appeal, so that a maximum upgrading of mid-level gifts is achieved.
- 3) Having succeeded with your phonathon, use your momentum to power a very convincing annual direct mail appeal.
- 4) Finally, the success created can help make positive use of special events for long-term cultivation.

This all adds up to a few basics:

- Nothing is more important than forming your list of major prospects and working it.
- Each donor, solicitor and prospect must be educated about his/her role in working and giving, so a compelling set of rationales, gift clubs and gift opportunities must be created.
- The composition of your annual fund committee is essential. You want enthusiastic, high energy, motivated solicitors who will make their own commitment first and follow through on assignments.
- Personalization is the key. Without it, your major gift program (and even your phonathon and direct mail program) will stagnate or die.

Why the Annual Fund May Not Run Correctly

Typical reasons annual funds fail are:

- The board and administration mandate the annual fund director spend the great majority of his or her time with constituents who will contribute 20% of annual funds. (After all, the auction has to be run by someone, doesn't it?)
- The annual fund director and key volunteers find the concept of peer solicitation of major prospects threatening - either because they feel out of their league, unschooled in technique, or question the socially acceptable virtue of such an endeavor.
- Organizations get addicted to a specific solicitation form - a "We've always done it this way" philosophy. Also, an organization, having had some success in one giving category - whether direct mail, corporations or foundations - will so fixate on that source of income that they keep pursuing it well past its cost-effectiveness rather than balancing it with other fund raising activities.

Trends in Raising Major Gifts through Personal Solicitation

- There are more charitable interests competing today.
- The trend toward continual capital campaigns provides less breathing room for the annual fund.
- Volunteers are tougher to get and more overextended, personally and financially, particularly in wealthy suburban areas.
- This means there must be more selective use of volunteers. Don't use the standard of two volunteers for one prospect, since conflicting volunteer schedules delay progress and appointment setting.
- More solicitation by staff is required. Not just you but other staff representatives of your organization and the board will need to assist calls.

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The Best Solicitation Audiences and Workers for Major Gifts

Audiences:

- **The Board**
 - Should comprise a major part of your annual fund or development committee.
- **Leadership Gifts Club**
 - Because of interest and potential, the best place to organize a personal call effort.
- **Targeted Constituents**
 - At a private school, college or university: reunion classes.
 - At a community hospital: hospital physicians, local business leaders.
 - At a cultural institution: local and national philanthropists and their foundations.
 - At a national cause non-profit: direct mail contributors of \$100 or more.

Workers -- There are exceptions to every rule, but generally:

- **The Best**
 - Corporate officers, local or national: goal-oriented, persuasive, have contacts.
 - Salesmen: insurance, real estate, stock.
 - Dedicated, long-term friends: any sex, age, profession, race.
 - You and your staff. Other institutional staff.

Your Role as a Director and As a Solicitor

As Director:

You and your office are the catalysts to success:

- Set expectations.
- Mediate and organize activity.
- Convey enthusiasm and professionalism.
- Motivate leaders to motivate others.
- Establish friendships and working relationships with leaders and key volunteers.

As Solicitor:

- As you develop relationships, you should take on your share of calls with other volunteers.
 - You may very well be the best person to make a call.
 - A reticent or unskilled volunteer may need your assistance.
 - There may be no one else ready, willing and able to make an important call.

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Training Others as Solicitors

The most productive training sessions:

- Last no longer than one hour.
- Provide an initial presentation or slide show about the cause and the organization.
- Appeal to community spirit and offer competitive motivation.
- Provide a complete set of instructions, rating and assignment sheets.
- Rehearse and review the selection and solicitation process in detail.
- Are at a time convenient to volunteers in a pleasant, prestigious setting with adequate food and office supplies.
- Set a deadline for the volunteer's own contribution (if not already made) and a deadline for calls.