

The Sheridan Group – Education Series

Reaching Campaign Readiness - the Increased Importance of Campaign Planning

A continual concern of nonprofits is whether successful campaigns can be conducted during difficult economic times.

While the economy has certainly made donors more cautious, it is only one of many factors affecting success. The truth of the matter is that today nonprofits are presented a very different and more complicated environment for conducting capital campaigns.

- The competition for donors and dollars among nonprofits has escalated and will continue to do so. First, there are many new, deserving causes. Second, withdrawal of local, state and federal support has caused a number of nonprofits to turn to private support for survival. Third, many nonprofits are using increasingly sophisticated means to identify and attract top prospects.
- Regulatory and business challenges to nonprofit boards and executive management have created a substantial need for education and training, especially in development.
- Today's top prospect is likely to be well educated about business, philanthropy and your mission. Consequently, top prospects are demanding more accountability, involvement, and specific uses for their charitable contribution.
- Roughly 90 percent of annual philanthropy in the United States is from individuals. The majority of the country's wealth is controlled by an increasingly smaller percentage of the population. The overwhelming majority of these individuals are over 65 years of age, and many are widows. As a result, it is estimated that in the next 20 years \$33 trillion will be transferred from this older generation to family, friends and nonprofit organizations. Tax laws continue to treat the distribution of wealth to nonprofits favorably.

Given the above, today's campaign must be an appealing and logical extension of the organization's vision for the future. Further, the achievement of this vision must be presented with urgency and must be planned realistically if today's prospect is to be interested. It is better still if top prospects and leadership are an integral part of the planning process. This mandates educating, cultivating and involving the board, prospective campaign leadership and prospects early to wed them fully to the cause.

All of this places an emphasis on pre-campaign planning as the key to campaign success. Accordingly, we devote this Education Series to an ordered explanation of how such planning is best timed and conducted.

A Guide to Pre-Campaign Planning

24 Months before the Campaign: Strategic Planning

The most important step to a successful capital campaign requires the formation of a clear vision of what the organization wants to accomplish in the future. The strategic plan, through management, governance, and constituent input, establishes direction and determines the steps

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necessary to achieve desired results. This causes the organization to develop programs which are need-driven, practical, and easily adaptable, based on market demand and program effectiveness.

Market Survey and Analysis: To help validate and inform the strategic planning process, it is important to obtain market and constituent feedback early in the planning process through direct mail and/or telemarketing surveys, supplemented by interviews with key constituent leaders.

Through these an organization can gather realistic input about how it is viewed and which of its programs are valued and would be supported by constituents.

The Preliminary Strategic Plan: Using market surveys, information obtained through interviews and input from programs, administration and governance, a preliminary strategic plan is prepared.

Board Retreat: A board retreat provides the setting for leadership to come together and meld philosophy, mission, program, budget and future needs into a working set of goals that can be established for the board and the institution as a whole, and which define the specific goals for each board committee.

Strategic Plan: Here an organization summarizes the strategic conclusions generated by the retreat and draws up the necessary organizational steps for the duration of the plan. These practical steps include a description of the planning program, its rationale and timing, and the various roles and responsibilities of the board of directors, the executive director, administration, staff, and key constituents; a step-by-step, monthly task summary/timetable; and a strategic plan operating budget, timetable, planning and fund raising flow chart.

Credentialing and Endorsements: Prospective supporters want to know the "worth" of the organization in the eyes of accrediting agencies or individuals of high profile and repute. Accordingly, an organization must gather evidence and acclamation and then communicate that it is competent, trustworthy in its handling of programs and funds, and held with high regard.

These steps having been achieved, the nonprofit is ready to move to the next stage of planning which evolves over the 12 months prior to launching a capital campaign.

12 Months: The Development Audit or Situation Analysis

The Development Audit is a low-cost method of analyzing the specific, sensitive and appropriate institutional requirements for successful fund raising planning.

The distinction between the strategic planning process and the audit is that the former focuses on institutional readiness, while the latter is aimed toward development program readiness. Thus, the audit enables the organization to translate its plans into practical fund raising program goals and objectives which will achieve public support.

Such an analysis results in detailed, institution-specific planning that provides board, staff and volunteer confidence that program goals will be reached. The planning components addressed by the development audit are listed below:

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The Pre-Campaign Plan: The plan, formed from the audit findings, allows the organization to educate, cultivate and engage campaign leadership and top prospects; fully develop the case for support; and raise sights among constituents about the important role and nature of large, multi-year gifts and about planned giving techniques

Annual Fund Raising: A healthy and strong annual fund program is the foundation for a successful capital campaign. Any organization that is struggling with its operating budget will have an even more difficult time in a capital campaign. Thus, it is imperative to shore up any weak areas in the annual support and use the progress gained there to build toward the capital campaign.

Major Prospect Cultivation: The major challenge here is to establish your organization as a top priority with prospective donors. This cultivation process may require several personal contacts and opportunities for the prospect to experience firsthand the importance of your organization in order to see what role they can play in support.

Planned Giving: Time spent in learning about planned giving opportunities, vehicles and techniques can reap long-term benefits for nonprofits through educating, cultivating and motivating individuals about ways they can give to the greatest benefit of themselves, their families and your charitable organization.

Public Relations, Marketing, Communications: A well-targeted, properly designed public relations/marketing plan opens doors to larger pools of influence and support. It generates publicity and much-needed cultivation among groups and individuals who may have little or no involvement with your organization.

Research: Organizations must become fully informed about the individuals, corporations and foundations they plan to enlist and solicit for support. We have seen solicitations that were "dead on arrival" simply because insufficient time was spent on research to wed programmatic or capital needs to the interests and desires of a particular donor.

Systems (tracking): Choosing the right donor software system for your organizational needs will save thousands of dollars, employee time and undue stress. Questions to be raised here include: "Is it user friendly?" "Is it compatible with the current word processing system we use?" "Can it be adapted to meet our specific needs and goals?" "Is it expandable, or will it be obsolete by the time it is installed?"

6 Months: Planning Study, Campaign Leadership, Training and Organization

The planning (or feasibility) study provides an external analysis of an organization's potential for capital support and presents the basis for a campaign operating plan that builds success for the entire development program over time. The study provides the following:

Leadership Identification: "Who is going to lead the campaign?" Through careful research and with help of counsel, an organization will attract a chair or co-chairs who can reach out across different spectrums and established networks.

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The Initial Campaign Case: This is a dynamic document, created first as an in-house document to educate and generate enthusiasm. It later becomes the working or foundation piece that explains to prospective donors and supporters the needs that exist, how this particular project will address those needs in a productive and cost-efficient manner, who will be responsible for the project, and how the organization plans to sustain it.

The Campaign Plan: A campaign plan gives focus and direction to the campaign. It emphasizes priorities, budgeting, a list of projects and programs (gift opportunities), timetables and task summaries and campaign structure.

Preparing Campaign Promotion and Training Materials: Prepared materials, such as strategic and campaign plan summaries and the initial case, must be joined by compelling gift opportunities, descriptive and illustrative materials about campaign goals, projects or programs, and pledge forms to form a package to specifically and convincingly recruit, educate and train campaign leadership.

Recruiting the Chairman and Campaign Leadership: Chairs of capital campaigns and their fellow volunteers must believe that their leadership is essential to the success of the campaign. They must also see that the design and execution of the campaign will result in a successful completion, that their time and efforts will not be wasted. They must know that all of the support and resources they will require during the campaign will be provided. They must be assured they will have sufficient volunteers to work with them, that they are not in this campaign alone. Organizations that have made sure these "musts" are in place through proper planning inevitably recruit the right leadership for their campaign.

In Conclusion

Having recruited, trained and motivated superior leadership, having created an ordered, compelling organization plan, having put in place a sufficient, well organized, properly equipped staff, and having educated and cultivated its constituents, the organization can now move forward with confidence and success to reach its vision for the future.