

CAPITAL CAMPAIGNS:

Knowing When You're Ready!

Jerry W. Henry, Partner

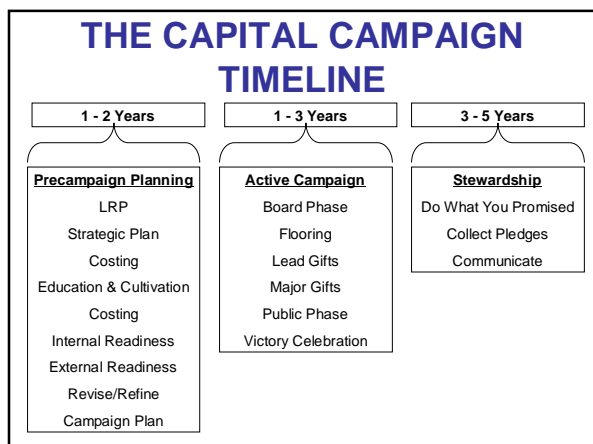
Alexander-Haas

Definition:

A capital campaign is a volunteer-led,
staff-driven,
fundraising effort to secure philanthropic gifts for
specific building or other projects
that has a defined time period and secures
cash pledges generally payable over
3-5 years.

Different From Annual Support

- Lasts longer
- Larger gifts, fewer donors
- Multi-year commitments
- Focus on size of gifts, not participation %
- More use of face-to-face solicitation
- Case of "urgency"
- Usually more volunteer involvement
- Often involves fund raising counsel.



Internal Readiness

Staff Readiness

- Enough people?
- Necessary skill sets?
- Systems in place to support campaign?
- CEO willing/able to commit time?
- Fundraising counsel selected?
- Prepared campaign budget?
- History of major gifts?

Internal Readiness

Project/Organizational Readiness

- Board Complete/approve/engaged long-range plan?
- Develops plans, drawings, location?
- Secured reliable cost estimates?
- How will you measure impact on community and constituency?
- Positive Image?

Internal Readiness

Board Readiness

- Experienced in face-to-face solicitations?
- Feel ownership of the L-R-P?
- History of sacrificial giving?
- Experience in raising money for you/others?
- Understand importance of leadership?
- Unanimous & enthusiastic approval of campaign?
- A few STRONG fund raisers?
- Active development committee?

Questions?



CASE

- What is it? Purpose and goal?
- How does it further mission?
- More people served?
- Better served?
- More efficient?
- Urgency? Why now?
- *Benefit to donor?*

HOW MUCH?

Cost(s)

- Each component
- Operating cost impact
- How much in hand?
- Challenge gift?



What Donors Want to Know?

Results

Outcomes

Impact

--Robbe Healy, AFP Chair
Speaking at Association of Fundraising
Professional's Conference --Baltimore
April, 2010

STRATEGY

How do we get started and how do we guarantee success?

Rules of Organization

- Strongest solicitors make the “biggest” calls
- 5 calls maximum
- Sequential organization
- Sequential fund raising.

Sequential Fund Raising

Secure the largest gifts first before proceeding to the smaller gifts.

LEADERSHIP

Your Most Precious Commodity

- Access to donors
- Willing to visit
- Willing to ask
- Give personally
- Executive Director's involvement
- Board commitment
- Everyone understands the plan.

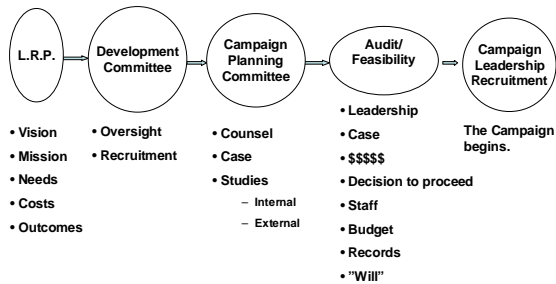
WHY IS LEADERSHIP SO IMPORTANT?

Remember:

People give to people!

Questions?

THE PROCESS OF PREPARING FOR A CAMPAIGN



A SOLID BASE

- Vision and Mission
 - Strategic plan
 - Business plan
- Fundraising History
 - Donors and prospects with capacity and propensity
 - Prospect identification/research
- Staffing & Resources
 - The right staff, trained
 - Database and information
- Leadership
 - Board and staff commitment and understanding
 - Financial health and track record of institution.

ARE YOU READY?

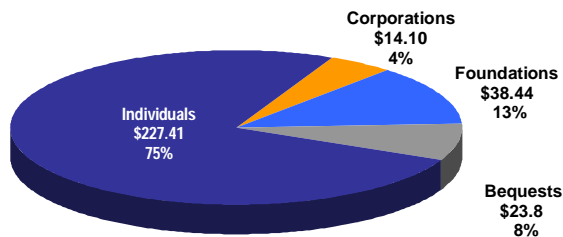
- Do you know what you need?
 - Do you know the cost?
 - Does the board agree/understand?
- Do you know how it will impact your organization?
 - Budget?
 - People served?
 - Staff & resources?
- Is your donor community willing to support it?
 - If not, why not?
 - If so, at what level and when?
- What next?

Identifying Prospects

Who Are Your Prospects?
(Not SUSPECTS!)

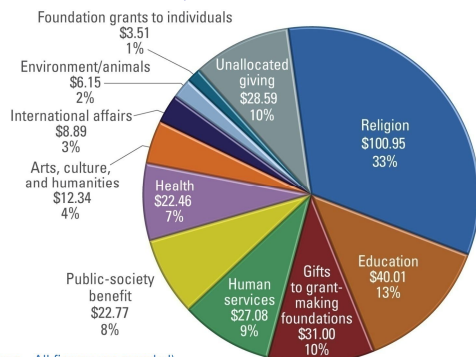
**Individual Gifts are Critical to the Success
of Your Campaign.**

2009 CHARITABLE GIVING TOTAL = \$303.75 BILLION (\$ IN BILLIONS)



Source: Giving USA Foundation™ / Giving USA 2010

Types of Recipients of Contributions, 2009 Total = \$303.75 Billion

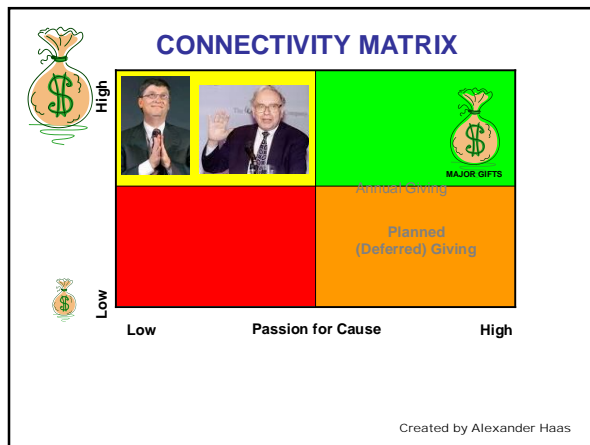


(\$ in billions – All figures are rounded)

Source: Giving USA Foundation™ / Giving USA 2010

Identifying Prospects

**Your Current Donors and Volunteers
are Your Best Prospects.**



External Readiness

Donor Readiness

- Are past donors future donors prospects
- Good stewardship of previous gifts?
- Strong annual campaign?
- “Engaged” new prospects for campaign?
- How do donor perceptions compare with reality?
- Ongoing prospect research activities?
- Prospect screening?

External Readiness

Strategy Study ("feasibility")

- Objectives (institutional/donors)
 - Test case for support with donors
 - Identify campaign leadership
 - Identify potential large ("flooring") gifts
 - Determine initial campaign goal
 - Balance expectations with reality
 - Move donors to next level
 - Donor solicitation/engagement strategy

External Readiness

Strategy Study

- Process
 - Secure fund raising counsel
 - Form a campaign planning committee
 - Develop an executive summary of the case
 - Develop a range of gifts table for tested goal
 - Identify best REAL prospects for big gifts/leadership
 - Counsel conducts interviews/engages donors
 - Information analyzed to provide findings and recommendations in written report

External Readiness

Strategy Study

- **Organizational Outcomes** – *Campaign Recommended*
 - How to make case more appealing to donors
 - Identification of strong top campaign leaders
 - Recommended goal based on projected top 10 gifts
 - Range of gifts table for recommended goal
 - Campaign schedule, phasing plan, overall strategy and next steps to move forward.

External Readiness

Strategy Study

- **Donor Outcomes** – *Campaign Recommended*
 - Further engagement as an “insider”
 - Another step in the process of giving
 - Helps focus philanthropic priority
 - Provides solicitation strategy.

External Readiness

Strategy Study

- **Outcomes** – *Campaign NOT Recommended*
 - Early end to study
 - Specific factors that led to “no go” recommendation
 - Strategies to overcome these factors
 - Timeline for overcoming factors and conducting leadership interviews
 - Ongoing counsel.

5 Reasons Campaigns Fail

5 Reason Campaign Fail...

1

Weak Case

5 Reasons Campaigns Fail...

2

Fuzzy Goal

5 Reasons Campaigns Fail...

3

Leadership
Vacuum

5 Reasons Campaigns Fail...

4

Going
“Public”
Too Soon

5 Reasons Campaigns Fail...

5

Impatience

SO, ARE YOU READY?

Three Keys to Take Away

•This is not the time for a fishing expedition. Know your individual prospects.

•Do your homework first. Don't make your donors do it for you! PLANNING IS CRITICAL.

•Be prepared !!!!!

Thank you.
