



A GUIDE TO APPROACHING MAJOR DONORS

Major Gift Fundraising

- Major gifts DO NOT have to be over six figures to be considered major, and they are not only for capital campaigns.
- There's no better way to augment your annual giving program than to infuse it with some major gift power plus it's a signal from the donor that their commitment to the organization is solid.
- A Major Gift program is the logical sequence that follows as a result of thoughtful and strategic relationship -building with the donor from the moment they make their first gift.

What is a Major Gift Anyway

- The first decision to make is to determine what a Major Gift means to you and this thought process is usually enabled by available donor data.
- It is important to note that the term 'major gift' means something different for every organization.

How to Determine What a Major Gift is

- How many donors do you have within various ranges of giving?
- Don't forget that a healthy dose of forward-thinking optimism should be included in this analysis as well.
- This data analysis excludes government and foundation/corporate grants.

Here's a couple of examples of how you can determine the value of a Major Gift:

Option #1:

- Check your database to identify your top five individual donors. If you have donors who give from their family foundations, but you don't need to submit grant applications, it's fine to include them on this list (they are really individuals who are giving through a foundation).
- What is the range of your top five donors' gifts? Is one of the gifts significantly more than the other four?
- If you ran a list of 25 donors, would they all be at a similar top level? Or, do the top few gifts really stand out (is there a significant difference between the top givers and the rest of your donors)?

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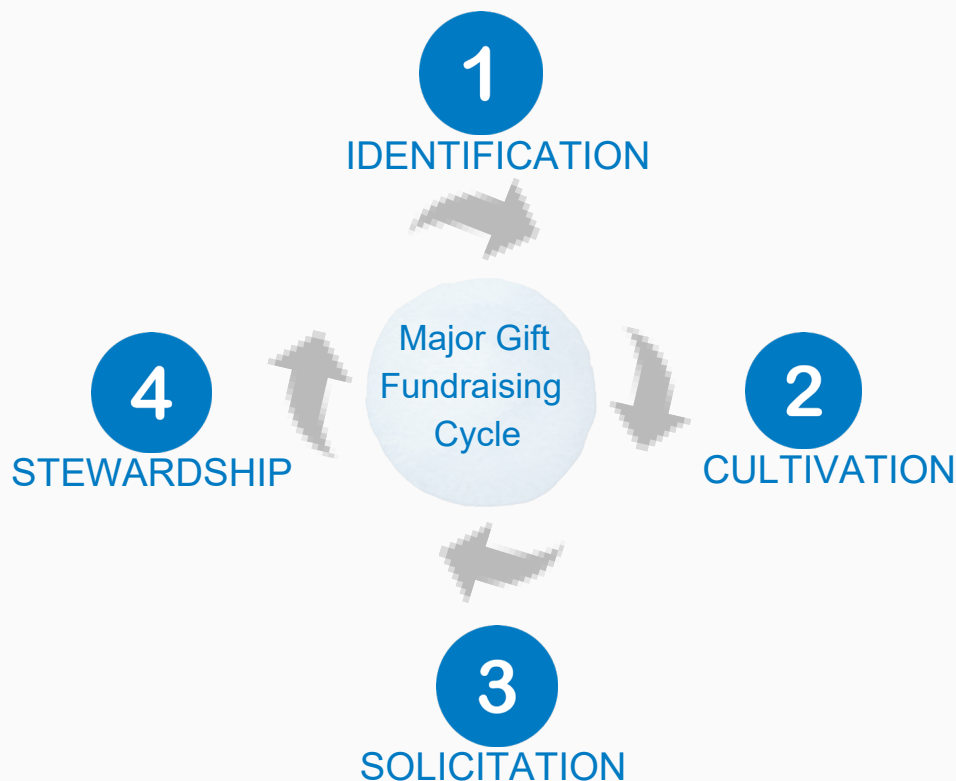
Option #2:

- Pick an amount that you think would be a good major gift level --let's say \$1,000. Then, run a report to determine how many people have given at that level or above (cumulatively) in the last twelve months.
- Depending on the number of donors you have, if there are a lot of people who have given over that amount, then it's too low. If you don't have any donors at that amount, then it could be too high.
- An appropriate amount for a major gift is one that you have received a few gifts of that size or just above the top level (whether that is \$2,500 or \$10,000).

Now have a team discussion about how the findings feel to you -- are they realistic? Are you being optimistic enough -- meaning, are you including a bit of a stretch goal when you set what a Major Gift means to you?

The 4 Steps of Major Gift Fundraising

There are four critical steps in the major gift fundraising cycle:



Step #1: IDENTIFICATION

If you want to be successful with any fundraising (and particularly major gifts fundraising), one of the first steps is identifying who you will ask. Your goal should be to develop a list of your top 20 prospective donors with whom you will work this year. This number may vary depending on your starting point and the health of your data.

As mentioned earlier, there are a couple of ways to identify prospects (prospective donors) but here's a few other factors to consider in your calculations:

#1: Who are your major cumulative donors?

Think about who has given the most, cumulatively, over the last two-three years. It is important to use cumulative giving as criteria, because if you simply look for anyone who has given over \$1,000 (as a one-time gift), you may miss donors who come to every event and donated smaller amounts throughout the year.

#2: Who are you Most Loyal Donors?

Start noting anyone who has given at least seven times during the last ten years. This group is significantly different from your largest donors group, because there's no minimum gift amount required to make it onto this list. In other words, this list can include individuals who give \$10 per year, but do so consistently, year-after-year.

The reason your loyal donors are important is that they are your best planned giving prospects. Furthermore, loyalty is uncommon these days in fundraising. It's more important to have a low-level committed donor, than one who gives once and never gives again.

PRO TIP: These donors (those who have given the most and are your most loyal) are going to be your BEST individual giving prospects. They already have an affinity for the Society and are showing it by donating money - they will also be the people with whom you're going to want to foster strong and sustaining relationships.

Step #2: CULTIVATION

Fundraising is largely about building relationships and by affirming that “people give to people.” Donors want to trust and like the individuals at the organizations they support, and cultivation is how that happens and is an important step before asking for money. After all, you want your relationship with the donor to be so much more than transactional in nature.

It’s likely that you already know many of the people on your list — they may be board members or other volunteers. Regardless of whether you know them or not, you need to start thinking strategically about how to inspire them to consider supporting the Society in a bigger way... in a major gift way.

You want to create a plan for each of the individuals on your list. All of the plans can be similar, but you’ll need to tweak them depending on your existing relationship with each person and your knowledge of their individual giving interests.

5 Steps to building strong major gifts relationships:

(in any order that makes sense to you and the Society)

#1: Have a private face -to -face meeting:

This is a must. You cannot discuss a major gift in a group setting. This can be done at the beginning of your cultivation or toward the end, but you cannot get around it.

More than one person can go on a face-to-face meeting — usually a board member and the executive director or fund development individual. The meeting can take place at the prospect’s home or office and can last anywhere from 15 minutes to an hour.

#2: Invite them to see your program in action:

Persuade each of your prospects to take a tour, visit a program, or attend an event. Choose something you think will have the greatest impact on that individual.

#3: Engage your prospects to volunteer:

Invite your prospects to volunteer on a committee, in direct service, one-time or ongoing. Volunteering brings people closer to the Society and makes them more inclined to give.

#4: Provide regular updates:

Updates about your programs and services can be delivered by phone, email, in-person, or a hand written note. Updates should be shared at least twice annually to all prospects on your list.

Step #2: CULTIVATION cont'd

#5. Get to know your major gifts prospects better.

One goal of cultivation is to get to know your prospects better. To do this, you should ask them a variety of open ended questions, including:

- How did you originally get involved with the Society?
- Why did you decide to start giving? Why do you continue to give?
- Why do you feel our mission is important to support?
- What do you love about our Society? What would you like to see improved?
- If you could fix or improve one thing about our Society, community, or the world, what would it be?

These questions encourage them to think about the Society on a deeper level and consider how they can get involved in making the world a better place.

Step #3: SOLICITATION (a.k.a. The Ask)

When you're ready to begin asking your prospects for major gifts, begin with your top three prospective donors. Call them up and schedule "ask meetings" with each of them. After you conduct your meetings, you'll set up meetings with your next three top prospects (and so on).

Scheduling your "ask meetings"

When you call each prospective donor, explain that you would like to follow-up on your previous discussions, and/or talk specifically about how they might be able to help the Society, a project, initiative, event or program. Out of respect for the prospective donor, it should be no secret why you're coming.

PRO TIP: If they ask you if you're coming to ask them for money, say YES! This is a relationship, and relationships are built on trust and honesty. The donor should not be surprised when you ask them for money and you should feel confident about your role.

Here's an example of what you can say on the phone call, and what to say if they ask you if you are coming to ask for money.

"Yes, I'd like to meet to discuss how you might invest in our Society in a more significant and meaningful way."

Step #3: SOLICITATION cont'd

Once you have secured a meeting date, time, and place, you are halfway there.

Who should attend the ask meeting?

It's ideal to go to the ask meeting with two people from the Society. However, it is very important that the prospective donor has already met one of the people who comes to this meeting (preferably more than once).

Remember, this is about relationships, so the person who asks should have the strongest relationship with the prospect.

In the best case scenario, a board member/volunteer will ask. This is called peer-to-peer fundraising. That's because the board member or volunteer has no financial stake in the Society, except what they have donated. They have already invested their time and money and are simply asking the donor to do the same.

Where should the ask meeting take place?

The meeting should be held someplace that is quiet. This is not a good time to have a meeting at a restaurant. Hold the meeting at the donor's home or office, or wherever is most convenient for them.

Some prospects will come to your meeting place. Make sure the meeting is conducted someplace where you can have a quiet, confidential conversation.

Preparing for your ask meeting

Since major gifts fundraising (i.e. face-to-face fundraising) may be new to you and/or the asker, it is extremely important to prepare, practice, and role play. Do not assume that the asker knows what they are doing.

Make sure you know in advance:

- Who will open the meeting?
- Who will ask?
- Who will close the meeting?

The asker should take some time to practice and do some role playing with a partner.

Lastly, never leave your meeting without a follow-up plan.

Step #3: SOLICITATION cont'd

What exactly should you say when you ask?

So here's some "ask" language for you to try. Practice in the mirror until it feels more comfortable. And adjust it for you and your donor.

"Mary, you have been such a great supporter of our Society, and we want to thank you again for that. As you know, the Society needs more funding to accomplish X-Y-Z goals that we have been discussing or that we have spoken about today."

If a board member/volunteer is asking, they should state at this point that they have given what they can, and then continue..."I'm here today to ask you to consider a gift in the range of \$5,000 (or amount determined prior to the meeting) to support the North of 60 Program." (insert your specific program)

Notice the language in the above example:

- Consider a gift
- Range of \$5,000 — a specific amount
- North of 60 Program — a specific program or service

PRO TIP: Be sure to include a specific amount to support a specific program or service (even if that specific thing is unrestricted operating – say "general support of the Society").

Lastly, make sure you know how to respond to "no" or "maybe". It's a very important step in the process to further engage the donor. Here are some examples of each scenario:

When a Donor Says "Yes"

Let's say you ask someone for a major gift, and they say "yes." What do you do?

First, thank them, of course. Then find out how they would like to make their gift. Will they be writing a cheque or making the gift online? Do they wish to pay by credit card over the phone, or will they be giving a gift of stock? Do not leave the meeting until the "when" and "how" are determined, or you could be in the awkward position of having to ask again or needing to remind them.

After you leave, be sure to follow-up, as promised. In addition, send a thank you letter with a personal note to go out the same (or the next) day. A thank you call is also in order for a major gift and should come from the Board Chair and/or Executive Director.

Finally, note if you asked for too little. After all, the donor was able to say "yes" right away and didn't need to think about it for long. Ask for more next year.

Step #3: SOLICITATION cont'd

When a Donor Says “Maybe”

“Maybe” is actually a favorite answer. It means you asked for so much that the person needs to think about it, and not so much that they immediately said no.

If this happens for you...great job! You hit the sweet spot.

When a person says they need to think about it, or “maybe,” you must have a response ready. For example, ask a few good questions, such as:

- Can I get you more information to help you make your decision?
- Do you have any questions that I have left unanswered?

Once again, do not leave the meeting without a follow-up plan. Ask when you can follow up to find out if they have made a decision.

Once you agree on a date and time in the near future (shoot for 1-2 weeks), it's your job to actually follow-up. If you don't, it's as though you never asked in the first place. They will not follow up with you.

When a Donor Says “No”

Some of the best fundraisers are the ones who can turn a ‘no’ into a ‘yes’.

Let's talk about “no” in two different ways — the “hard no” and the “soft no”.

A “hard no” is a “not now, not ever” kind of “no”, and you should not be getting this type of response if you handle your cultivation properly.

So, let's assume you get a “soft no” which could mean a variety of things, including:

- Bad timing (“Not now. I just got laid off from my job,” for example.)
- Wrong amount (Too much or too little.)
- Wrong project (They love the Society. They are really interested in a different program than the one you recommended for a gift.)

Or a variety of other reasons. With a soft no, your job is to get to the bottom of the “no” and turn it into a “yes”.

Step #3: SOLICITATION cont'd

Be prepared with open-ended questions and turn it back around to the person being asked. Say something like.....

“I’m sorry to hear that. My sense was that you would be interested in supporting the program (project) in a more significant way. Can you tell me a bit more about how you want to help or what you were considering?”

Your job is to keep the conversation going and the dialogue open. Ask if they need more information, time, or something else. Tell them you hope to continue the conversation.

Be gracious and truly grateful. Thank them for their time and all they have done for the Society to date.

Then, make a follow up plan when you can revisit the issue (unless they need to get more engaged first, in which case, invite them to an event and/or to volunteer again).

Step #4: STEWARDSHIP

Do not think of your donors as ATM machines. Instead, really focus on them as people and what they do for the Society. How they can be on this rewarding journey with you.

Your major gifts prospects do not simply give money — they save lives; they feed the hungry and house the homeless; they educate children — they make the important work of our Society possible.

Donors are so much more than simply “donors.” Until you start treating them that way, they have no real incentive to give more.

Why is stewardship important?

Stewardship is often talked about as the last step in fundraising. It’s the “thank you” after a gift is made. However, you should think about stewardship long before you ask for a gift.

How will you thank your donors so that they understand the impact they have made on our Society? How can you thank your donors so they want to give again and again and again?

Step #4: STEWARDSHIP cont'd

Sadly, there are organizations where donors are not thanked at all. Staff and board members feel it's not necessary, and then wonder why they struggle with fundraising! Do you think you would give again to an organization that did not appreciate you?

How to create a simple stewardship plan:

A simple stewardship plan that complements your major gift fundraising can be created by answering a few questions:

- Who will follow up with your donors?
- When will they follow up?
- How (specifically) will they follow up?
- What recognition opportunities are available to acknowledge major gifts?

Consider... will all donors be treated equally or will you have a different plan for different major gift amounts?

PRO TIP: A good rule of thumb is that a donor should be thanked in multiple ways by multiple people. In addition, they should always be told how their donation was used (follow up) before they are asked for another gift.

Who will follow up?

- Who will thank your donors? Board Members/Volunteers? Staff?

When will they follow up?

- How soon after the major gift is made will they receive their first thank you? Their second? When will they receive an update on how the gift was used and the impact it made?

How will they follow up?

- You should have an in-person follow-up meeting for all major donors. In addition, will they get a handwritten card or note? Will they be listed in your next newsletter or annual report? What about on your website?

What about recognition opportunities?

- Some organizations have designated areas to publicly recognize major contributions? What form would that take, if possible? i.e. a plaque or digital acknowledgement or an artistic visual of some sort?

Step #4: STEWARDSHIP cont'd

The final follow-up meeting:

Ultimately, you will want to have at least three meetings per year with your major gift prospects.

- The initial cultivation meeting.
- The ask meeting.
- The follow-up meeting.

The follow-up meeting comes last, after the donation has been made.

Remember, you are not simply thanking them for a wad of cash, but for helping to fulfill your mission. Will more children be fed thanks to them? What difference did their donation really make?

If you are having board members/volunteers make thank you calls, draft talking points for them. Should they leave messages? (Yes!) Should they leave a return number? What number? Theirs or the number of the Society? Do what works best for the Society.

If you expect the board member/volunteer or Executive Director to write personal notes, write a sample draft note. Provide the stationery with details about the donor.

Once you are ready to steward, you're ready to start asking for major gifts!

MAINTAINING YOUR MAJOR GIFT PROGRAM

Once you have established a major gift fundraising program, you need to maintain it! You should invest time and resources toward raising major gifts.

The following highlights two top tips to keep you on track with major gift fundraising.

MAINTAINING YOUR PROGRAM cont'd

#1. Have regular major gifts meetings:

Successful charitable and nonprofit organizations have one thing in common — they hold a regular development team meetings to maintain momentum, positive energy and progress.

Include anyone on your major gifts team — the executive director, fund development person, administrative assistant (if they help with scheduling meetings or sending thank you notes or any related tasks) and key board members/volunteers.

#2. Plan time to discuss:

- Who among your 20 major gifts prospects are ready to be asked? Who will schedule the ask meeting? How much will you ask for?
- Who (on your list) needs more cultivation? Review the cultivation plans for each prospect at the meeting. Who (on your team) will be responsible for cultivation activities?
- Who was asked within the last month (since your last meeting)? What did they say? What follow-up needs to take place? Who is responsible for that follow up?

Make assignments to be completed during the next month.

Finally, do not give in to fear or frustration as you work your way through this exciting process. Stand firm in your motivations and your belief that what you are doing and the people you are engaging with are all part of the solution to help those who need our support.

If you approach a major gift program with uncertainty, then that will surely come through when you meet with prospective donors and please do not underestimate the value of your own financial commitment to the Society especially if you hold the role of a board member. Having skin in the game automatically makes you authentic in your 'ask' and trustworthy in the eyes of the donor.

A major gifts program is all about the patient and methodical engagement of those who were - until now - unaware of the meaningful impact they can have on a stranger's life. It's your job to take them on this journey in a way that transcends the value of their actual gift to the organization.