

Transitioning Leadership Donors to Major Donors



LEARNING OUTCOME

After participating...

...you will be better positioned to successfully transition leadership gift donors to major gift prospects.

AGENDA

- Evaluating and Managing Your Leadership Donor Portfolio
- Managing Productive Donor Visits
- Stewardship Techniques to Effectively Manage and Transition Leadership Donors

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EVALUATING AND MANAGING YOUR LEADERSHIP DONOR PORTFOLIO

EVALUATING YOUR LEADERSHIP GIVING PROGRAM

- Is it effectively moving donors toward major gifts?
- How are you strategically guiding donors toward larger gifts - can you demonstrate this?
- How are you tracking your progress?



ASSESSING YOUR LEADERSHIP GIVING PROGRAM

LEADERSHIP GIVING PROGRAM

- Young alumni leadership program
- Upgrades/downgrades
- Moves management
- Events/recognition
- Stewardship
- Staffing



PROVIDING CONTEXT - UPGRADES AREN'T AUTOMATIC

- More leadership donors downgrade their support annually than increase it
- Not all leadership donors are major gift prospects
 - Focus efforts on the best prospects (but don't forget planned giving)
- Without a structured and systematic approach you will not effectively move donors through the pipeline

UPGRADE/DOWNGRADE: PUBLIC SCHOOLS

University / Giving Level CY

Median

Giving Level PY	\$1-24	\$25-49	\$50-99	\$100-249	\$250-499	\$500-999	\$1000-1499	\$1500-2499	\$2500-4999	\$5000-9999	\$10000-24999	\$25000-49999	\$50000+
\$1-24	53%	26%	12%	5%	1%	1%	0%	0%	0%	0%	0%	0%	0%
\$25-49	8%	51%	26%	8%	1%	0%	0%	0%	0%	0%	0%	0%	0%
\$50-99	2%	14%	53%	25%	2%	1%	0%	0%	0%	0%	0%	0%	0%
\$100-249	1%	3%	14%	66%	11%	2%	1%	0%	0%	0%	0%	0%	0%
\$250-499	0%	1%	4%	27%	48%	14%	2%	1%	0%	0%	0%	0%	0%
\$500-999	0%	1%	2%	9%	15%	55%	12%	4%	1%	1%	0%	0%	0%
\$1000-1499	0%	0%	2%	5%	5%	15%	52%	12%	5%	1%	1%	0%	0%
\$1500-2499	0%	1%	1%	3%	3%	8%	18%	46%	15%	4%	2%	0%	0%
\$2500-4999	0%	1%	1%	2%	2%	4%	8%	11%	55%	12%	4%	0%	0%
\$5000-9999	1%	1%	1%	3%	2%	4%	5%	4%	14%	54%	11%	1%	1%
\$10000-24999	1%	1%	2%	3%	2%	2%	3%	3%	4%	17%	53%	5%	1%
\$25000-49999	18%	7%		6%	12%	10%	7%	7%	9%	17%	35%	25%	6%
\$50000+			33%	22%				33%	50%	67%	33%	33%	60%

Source: Target Analytics

UPGRADE/DOWNGRADE: PRIVATE SCHOOLS

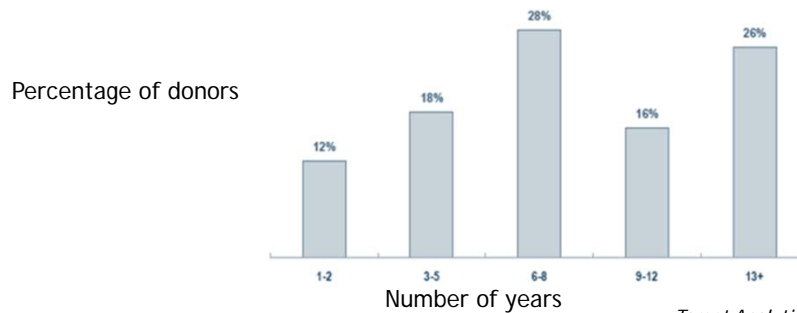
University / Giving Level CY

Median

Giving Level PY	\$1-24	\$25-49	\$50-99	\$100-249	\$250-499	\$500-999	\$1000-1499	\$1500-2499	\$2500-4999	\$5000-9999	\$10000-24999	\$25000-49999	\$50000+
\$1-24	58%	23%	9%	6%	1%	0%	0%	0%	0%	0%	0%	0%	0%
\$25-49	8%	57%	24%	8%	1%	0%	0%	0%	0%	0%	0%	0%	0%
\$50-99	2%	12%	54%	25%	2%	1%	0%	0%	0%	0%	0%	0%	0%
\$100-249	1%	2%	9%	72%	11%	2%	1%	0%	0%	0%	0%	0%	0%
\$250-499	0%	1%	3%	20%	57%	13%	3%	1%	0%	0%	0%	0%	0%
\$500-999	1%	1%	1%	6%	13%	60%	11%	3%	1%	1%	0%	0%	0%
\$1000-1499	0%	1%	1%	4%	4%	13%	59%	12%	4%	1%	1%	0%	0%
\$1500-2499	1%	1%	1%	2%	2%	6%	16%	51%	13%	3%	2%	1%	1%
\$2500-4999	0%	1%	0%	2%	1%	4%	6%	10%	59%	12%	2%	1%	1%
\$5000-9999	1%	1%	1%	2%	2%	2%	4%	3%	13%	59%	10%	3%	1%
\$10000-24999	1%	1%	2%	3%	1%	2%	5%	3%	4%	14%	61%	7%	4%
\$25000-49999		2%	7%	4%	2%	3%	4%	9%	4%	7%	18%	55%	10%
\$50000+		3%	4%	3%	3%	4%	4%	5%	7%	9%	11%	14%	54%

UNDERSTAND THE TIMELINE

Years between a first gift and a first \$10K gift among donors giving \$10K+ for the first time



-Target Analytics

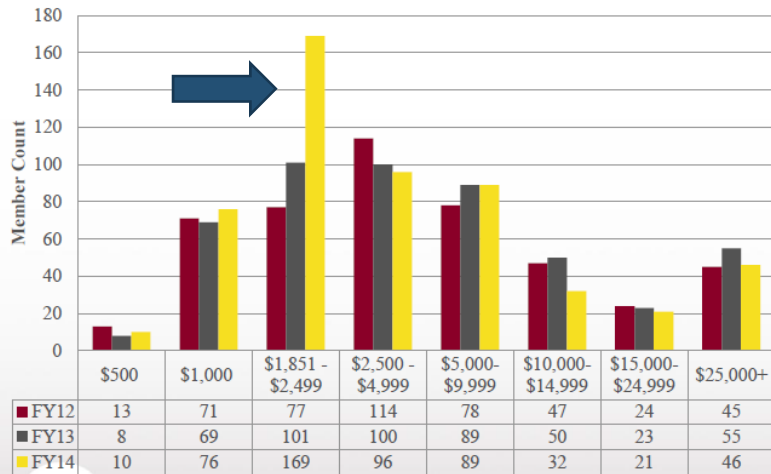
A FEW STATS

- Background:
 - Data from 12 large public schools
 - Gifts of \$1K-\$50K in a given year
- On average, it took 13.2 years for a donor to make his/her first \$1K+ gift
- Those who gave \$1K+ for the first time gave about 73% of the years that they were on file

A FEW STATS

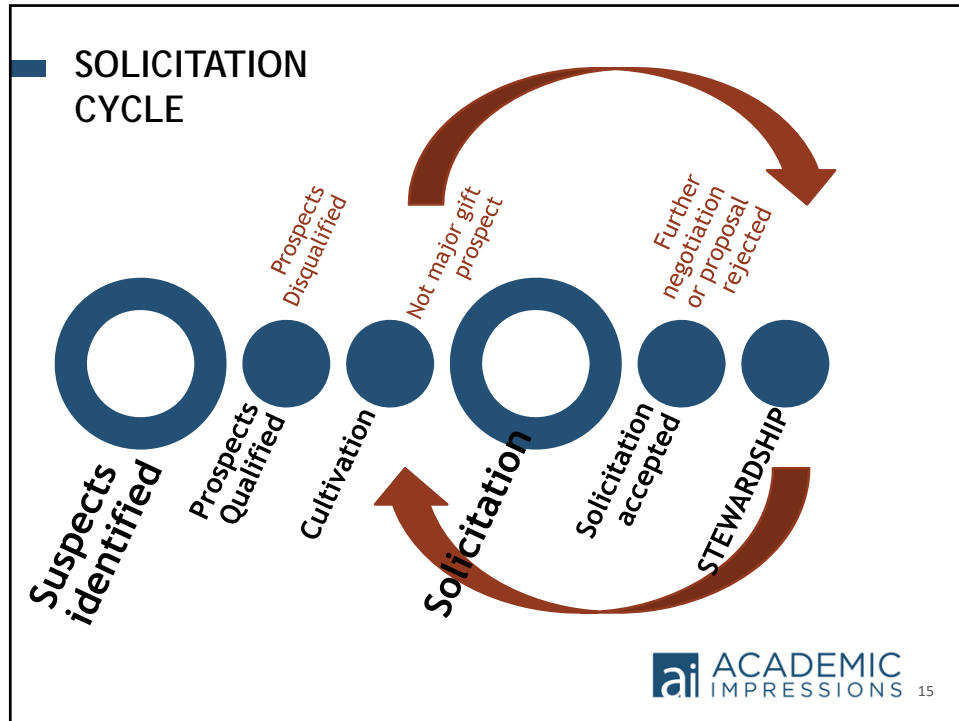
- 57% of these donors made a first gift of less than \$100
- The higher the first gift, the quicker they became one of these donors
- Of those that eventually gave \$1K+, a \$100 first time donor did so at about a 30% faster rate than a \$1-24 dollars donor

A SUCCESS STORY



EVALUATING YOUR LEADERSHIP GIVING PORTFOLIO

- Prospects for leadership giving
- Alumni
 - Young Alumni
- Community
 - Introductory events
- Parents
 - Prospect screening
 - Parents council
- Faculty/staff




LEADERSHIP PROSPECTS FOR MAJOR GIFTS


YEARLY REVIEW OF LEADERSHIP GIVING DONORS TO ASSESS:


- Major gift prospects ready for a solicitation in the next 12 months
 - Develop individual solicitation plan
 - Dual ask - define role of the annual fund in the solicitation
- Current leadership donors prepared for personal upgraded asks
- Donors to renew at current level

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 **LEADERSHIP
PROSPECTS FOR
MAJOR GIFTS**

- How often are you evaluating your leadership gift donors?
- Track quarterly progress to date and ensure action items are being accomplished



 **LEADERSHIP
PROSPECTS FOR
MAJOR GIFTS**

- Focus on renewing most leadership donors before immediately upgrading
- Emphasis must be on face-to-face solicitations for new members and upgrades
- Develop your case for support to upgrade leadership donors



Transitioning Leadership Donors to Major Donors

RATING GRID

WEALTH/ CAPACITY	10	Suspects			"B" Prospects			Major Gift Prospects			
	9										
	8										
	7										
	6								Planned Giving Prospects		
	5										
	4										
	3										
	2										
	1										
	0	1	2	3	4	5	6	7	8	9	10
		ENGAGEMENT/AFFINITY									


RATING GRID

		KCI Capacity Level										Totals
		L01: \$25-\$74	L02: \$75-\$149	L03: \$150-\$299	L04: \$300-\$499	L05: \$500-\$749	L06: \$750-\$1,499	L07: \$1,500-\$2,999	L08: \$3,000-\$4,999	L09: \$5,000-\$9,999	L10: \$10,000+	
Giving / Affinity Score	91-100%	91	297	480	255	156	344	184	190	13	6	2,016
	81-90%	133	343	400	184	115	225	86	66	2	1	1,555
	71-80%	181	419	507	171	143	256	92	23	0	0	1,792
	61-70%	247	641	668	231	199	346	99	63	2	1	2,497
	51-60%	381	983	973	277	303	511	107	76	1	0	3,511
	41-50%	670	1,760	1,665	448	453	511	88	0	0	0	5,595
	31-40%	1,399	3,221	3,015	675	716	724	115	1	0	0	9,866
	21-30%	3,387	7,873	6,550	1,250	1,054	945	97	1	0	0	21,157
	11-20%	12,310	24,573	15,575	2,105	1,856	1,350	133	0	0	0	57,902
	0-10%	76,367	124,209	65,543	8,264	6,915	4,608	450	2	0	0	286,358
Totals		95,166	164,319	95,376	13,850	11,915	9,726	1,449	422	18	8	392,249

PROSPECT MANAGEMENT PLANNING GRID

Prospect Management Planning Grid

	Prospect	Affinity	Stage	Product	Capacity	Gift Sought	Dual Ask	Lead Staff	primary volunteer	Interest	Action #1 - Quarter 1	Action #2, Quarter 2	Action #3, Quarter 3	Action #4, Q
1														
2														

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BEST PRACTICES

FOR PORTFOLIO

MANAGEMENT

- Set a next step before and after every interaction
- Contact reports within one week
- Monthly review of activity

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BEST PRACTICES FOR PORTFOLIO MANAGEMENT

- Quarterly review of assignments (what else could we do)
- Start and end each day with two contacts
 - Cultivation
 - Stewardship
- Review prospects that you have not had contact with in 120 days
- Daily question - What have I done today to move at least one prospect closer to making a major gift?



BEST PRACTICES FOR PORTFOLIO MANAGEMENT

- What percentage of the donors in your portfolio did you meet with last year?
- How many unique visits were conducted?
- What % of your portfolio is:
 - Discovery/suspect (10-20%)?
 - Cultivation (40-60%)?
 - Solicitation (15-30%)?
 - Stewardship (10-30%)?
- How many proposals/solicitations were made, what was their success rate (what was the yield)?



BEST PRACTICES FOR PORTFOLIO MANAGEMENT

- Performance Metrics
 - Face to face meetings
 - Cultivation visits
 - Solicitation visits
 - Stewardship visits
 - Identification/first visit
 - Contacts
 - E-mails
 - Phone calls
 - Moves



BEST PRACTICES FOR PORTFOLIO MANAGEMENT

PERFORMANCE METRICS - SOLICITATIONS:

- \$ total of solicitations
- # of solicitations
- # of closed solicitations
- Yield rate on solicitations
- Dual asks conducted
- New/upgraded leadership annual giving solicitations



BEST PRACTICES FOR PORTFOLIO MANAGEMENT

PROSPECT MANAGEMENT METRICS:


- # of prospects removed from portfolio
- # moved to new stage
- # of prospects identified/added to portfolio
- # of prospects in portfolio
 - # in solicitation
 - # in cultivation
 - # in stewardship



TRACKING LEADERSHIP GIFT OFFICERS


Leadership Gift Officer Metrics:	Goal	Points	Results	Points
Size of portfolio:				
% in cultivation				
% in solicitation				
% in stewardship				
Moves tracking:				
Prospects moved into portfolio				
Prospects moved out of portfolio				
Prospects moved to new stage				
Goals:				
Contacts	180	30		
Leadership gift solicitations:	100	30		
Retained	60			
New/reactivated	40			
Upgraded	10			
Major gift solicitations above \$XX	10	20		
Yield rate				
Major gift prospects identified	20	10		
100% of prospect pool solicited for leadership gift		5		
Donor profiles	20	5		




 MISSING METRICS

TRADITIONAL METRICS DON'T ADDRESS KEY COMPONENTS OF THE DONOR PIPELINE:


- What % of first-time donors are still giving in 5 years, 10 years, or 20 years?
- What % of first-time donors move to a \$1K+ gift in 5 years, 10 years, or 20 years?
- What % of first-time leadership annual donors move to make major gifts?

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 DON'T BE A HOARDER

YEARLY REVIEW OF PROSPECTS YOU EXPECT TO SOLICIT FOR A MAJOR GIFT THAT YEAR AND WHAT STEPS ARE NECESSARY PRIOR TO THAT SOLICITATION

- Sharing of these spreadsheets at PM meetings increases accountability
- Develop written plans for all prospects with a solicitation planned in the next 12 months

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■ ENSURE PROSPECTS ARE BEING ASKED

	# Prospects in Portfolio	% of Portfolio w/Gift This Year
Major Gift Officer 1	150	58%
Major Gift Officer 2	125	59%
Major Gift Officer 3	205	30%
Major Gift Officer 4	87	69%
Major Gift Officer 5	149	45%
Overall Average	-	52%

■ AVOIDING DONOR PLATEAUS

DO YOU HAVE FORMAL STRUCTURES TO
PROMOTE INCREASED GIVING WITHIN
LEADERSHIP GIVING LEVELS?

- Annual named scholarship
- Term professorship/chair
- Annual research opportunities

■ BEYOND QUALIFICATION: IDENTIFYING WHO MANAGES THE RELATIONSHIP

- No automatic hand-offs
- Individual review of donor and their prospect manager
- Primary/secondary assignments



QUESTIONS

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MANAGING PRODUCTIVE DONOR VISITS



■ SETTING CLEAR GOALS

- What information do we want to impart on the donor?
- What information do we want to get from the donor?
- Who should participate in the meeting?
- Build to yes
 - Increase their intellectual investment
- Establish a clear next step



■ ESTABLISHING CLEAR GOALS

- It is OK to tell the donor/prospect that you have goals for the meeting
 - Want to ensure they know the impact their philanthropy makes on your institution
 - What impact do you think your support makes on XXXX?
 - Are you aware that your support last year helped us...
- Indication of their continued interest in supporting your institution/project



■ MEETING OUTCOMES

- Gift
- Referral
- Identifying key interests
- Identifying why support has lapsed/obstacles to future support
- Identifying volunteer interests/capacity
- Establishing a strong connection that allows follow up
- Clearly defined next steps



■ ASKING THE RIGHT QUESTIONS

- Understand that process is largely about information gathering
- Know your goals for every visit
- Have a meeting outline and talking points
- Have more questions than you think you will need

■ MANAGING THE MEETING

- Be mindful of the time
- Set the right tone
- Define your purpose
- Control the conversation/redirecting
- Closing/next steps



RESOURCE

Intro

SET CLEAR PARAMETERS FOR THE MEETING

- *Thanks for meeting with me/us.*
- *As you know, we want to update you on our effort to increase student scholarships and how your increased support can make an impact on our law school and its students.*
- *We know your time is valuable and we want to be sure you leave today's meeting with a better understanding of the impact that scholarship support has, how your past support has directly made a difference and how increased support of our efforts can allow us to serve more students and strengthen our law school.*



RESOURCE

Rapport

GET CONTROL OF THE MEETING FROM THE OUTSET

Thanks for taking time to meet with me to discuss <Institution>. You've been a generous supporter of our efforts and we truly appreciate the impact you make through your philanthropy. As you know, I wanted to discuss what our school is doing to continue providing a world-class education for our students and how we can involve you in our efforts, but before we get to that, I wanted to ask you a few questions about your experience as a student and alumnus.





RESOURCE

Controlling Tangents

DONOR IS PONTIFICATING ON POLITICS, SPORTS, ETC...

I could talk to you about the poor state of the basketball program all day, but I know we have limited time today and I want to be sure we have time to discuss our Center on Intellectual Property Law & Markets. As you know they have an upcoming symposium on copyright infringement. Have you had a chance to see the program?



RESOURCE

Conversation Guide

Ensuring productive donor conversations.

SOFT ASK VS. HARD ASK

- Who do you involve, and when?
- Why is a soft ask smart?



RESOURCE

SOFT ASK VS. HARD ASK

SAMPLE LANGUAGE

The president has been so inspired by your commitment to XXX. He would like to invite you and Peter to lunch. In that meeting, he will ask you to join him in strengthening XXX by making a gift of XXX. Would you and Peter be willing to meet with the president to discuss this gift?



RESOURCE

SOFT ASK - UPGRADING LEADERSHIP GIFT

SAMPLE LANGUAGE

You've been a generous supporter of our <Giving Society> for years. As you know, your gifts have made a profound impact on our school. In our prior discussions we have had a chance to explore some of the challenges facing education and the importance of increasing private support to increase scholarship funding for our students. Would you be open to reviewing a proposal to increase your support and fund an annual named scholarship?



RESOURCE

SOFT ASK EXAMPLES

Our dean and faculty chair would like to discuss the <new project> and how your increased support can help our students. Would you be open to meeting with them to discuss this opportunity?

I know how much you care about the university. The dean and I would welcome the opportunity to get together with you and discuss how you could be even more involved. Can we schedule a lunch to talk more about your involvement with the university?





RESOURCE

CLOSING SAMPLE QUESTIONS

- *Are you in a position to decide at this time?*
- *Would you like to bring your spouse/partner to see the program?*
- *What further information do you need?*
- *Can I introduce you to the <stakeholder> involved?*
- *Would you like to think about the opportunities for having your name on <building>?*

GETTING TO YES

STARTS WITH STRATEGY

- Strategy is useless without execution
- Management of the meeting (the ask) is essential
- Make a strong ask

OVERCOMING OBJECTIONS

- The people at the institution
- My experience at the institution
- The institution's status vis-a-vis others
- The mission or campaign objective
- The gift purpose
- I don't like naming
- I'm not really interested in buildings...
- Timing and gift competition
- Everyone has their hand out...
- Our assets have depleted significantly...



FOLLOW-UP

SET SPECIFIC TIMELINE TO FOLLOW UP

- Always try to establish a clear next step.
- Are there others to move the next step?
- What are the long term relationship goals?

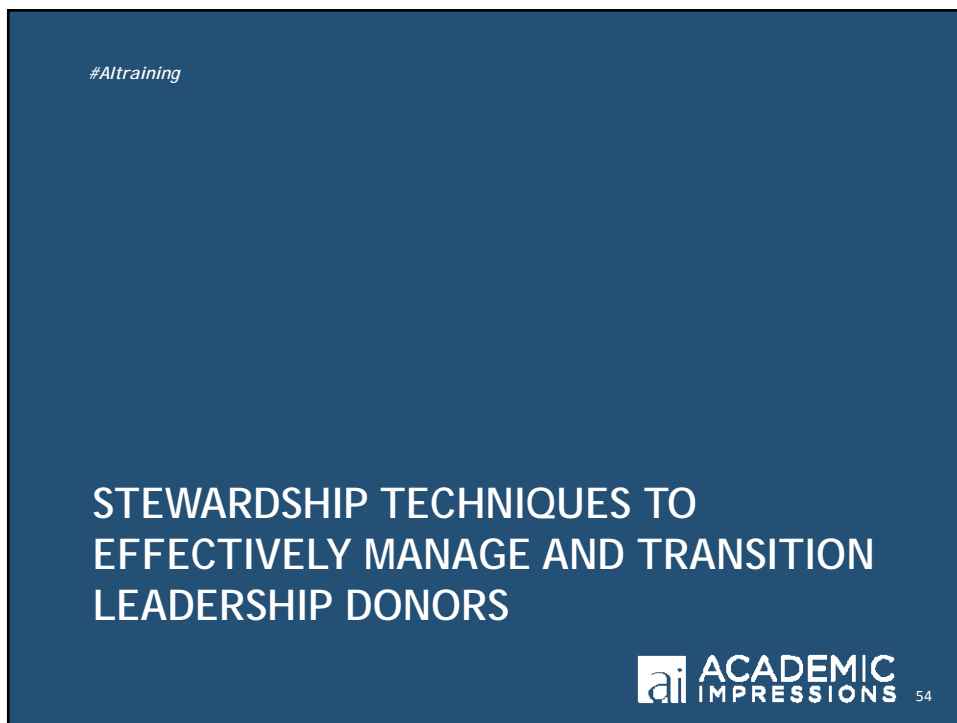




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QUESTIONS

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STEWARDSHIP TECHNIQUES TO
EFFECTIVELY MANAGE AND TRANSITION
LEADERSHIP DONORS

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 **CHAT**

Is stewardship a priority or an afterthought in your shop?

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 **CHAT**

Are stewardship metrics in place for major gift/annual giving staff and evaluated annually?

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■ STEWARDSHIP IS:


ABOUT COMMUNICATING IMPACTS AND STRENGTHENING YOUR (AND YOUR INSTITUTIONS) RELATIONSHIP WITH THE DONOR:


- Can you demonstrate the impacts of leadership giving?
- Are your acknowledgments positioning you well for future gifts?
- Are you appropriately thanking before re-soliciting?
- Is stewardship an afterthought?

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■ STEWARDSHIP EVALUATED


- How would you rate your stewardship program?
- Is it effective in moving prospects through the donor pipeline?
- Do you have a formal stewardship plan for major gift donors, for leadership giving donors that provides for personalized, on-going stewardship?
- Are stewardship plans developed for every new major gift?

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 **STEWARDSHIP**

- Perpetual stewardship versus stewardship for upgraded gifts
- Develop and execute a stewardship plan focused on prospects you will be asking for increased support
 - Annual
 - Major

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 **YOUR
STEWARDSHIP
PLAN**

- Define who will manage donor stewardship
 - Possible staffing issue?
- Establish protocols for a quarterly review of the stewardship plan with relevant parties

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DONOR IMPACT REPORT

COMPONENTS OF A DONOR IMPACT REPORT (SEE HANDOUT)

- Personalized thank you from recipient (for leadership donors this can be from one student)
- Message from faculty member in the area of giving (for leadership donors this can be from the president/dean)
- Provide personal and aggregate impact statements
- Highlight programs/areas they support



RESOURCE

Sample Donor Impact Reports



PIPELINE STEWARDSHIP SHOULD...

- Articulate the importance of their giving and the impact it has made on your institution
- Be personalized and targeted to build on the identified interest of the donor
- Demonstrate how their gift helps:
 - Impact students
 - Your programs
 - Your institution as a whole
- Be creative, consistent and compelling!



SURVEYS FOR STEWARDSHIP

LEADERSHIP ANNUAL GIVING SURVEYS

- Essential to gather information to strengthen your relationship
- Provide excellent “touch” points for staff to personally follow up
- Help eliminate assumptions in relation to giving priorities





RESOURCE

Sample Stewardship Survey

- Why did you make your gift to support XXXX?
- Please rank the top three areas of the university that you would like to hear about in numerical order.



■ STEWARDSHIP PLAN

BOB JONES GAVE HIS FIRST \$50K GIFT FOR SCHOLARSHIPS LAST YEAR

- Personalized letter from Dean and President
- Personalized letter from scholarship recipient and photo of donor and recipient sent post event
- Invitation to attend annual scholarship luncheon



STEWARDSHIP PLAN (CONTINUED)

BOB JONES GAVE HIS FIRST \$50K GIFT FOR SCHOLARSHIPS LAST YEAR

- Highlight gift in alumni e-newsletter/magazine
- Six month communication highlighting impact of scholarships
- Dean/DOD semi-annual communications of interest - general information or scholarship specific



RESOURCE

Stewardship Plan/Calendar

Donor/Prospect	Identified Interests	Q1			Q2			Q3			Q4		
		July	August	September	October	November	December	January	February	March	April	May	June
Johnson, Bob	Scholarships, Intellectual Property Law, Mock Trial		Donor Impact Report, Boarding Fellow		Letter from scholarship recipient	Personal invitation to attend basketball game with the dean	Calendar year end thank you from the dean	Luncheon with director of Center for Intellectual Property Law and Markets	Invitation to scholarship luncheon		Scholarship luncheon		Reception, follow-up and photo of name on donor wall

■ STEWARDSHIP SUPPORT TO UPGRADES & SOLICITATIONS


- Annual update letter
- Special occasion cards (do they make a difference?)
- Initiative impact reports
- Photo cards (donor celebrations/student success/research wins)
- Fun facts
- Coffee table books
- Remind them why THEIR philanthropy makes a difference




■ ONE SIZE DOES NOT FIT ALL


- Stories
- Statistics
- Personal outreach
- Gifts




 **RESOURCES,
RESOURCES,
RESOURCES**


- Events
- Stewardship staff position
- Giveaways
- Recognition



 **THE FIVE
ESSENTIAL
ELEMENTS**


1. Personal welcome and thanks to new donors at this level with a new member survey (done by phone, email, or snail mail)
2. Two to four stewardship communications outlining impacts of giving prior to next solicitation




 **THE FIVE
ESSENTIAL
ELEMENTS**

3. Some value added communication that allows them to feel like an insider/more connected to the university


4. Annual update from president, dean, or volunteer chair on impacts of giving and successes over the prior year



 **THE FIVE
ESSENTIAL
ELEMENTS**

5. Meaningful donor recognition

- Plaque and picture
- Recognition in newsletters/other communication pieces
- Event recognition - in remarks and donor stickers



FIRST-TIME LEADERSHIP DONOR STEWARDSHIP PLAN

- New donor welcome packet with survey
- Personalized letter from the president/dean
- Inclusion in all other stewardship communications

FIRST-TIME LEADERSHIP DONOR STEWARDSHIP PLAN

TIMELINE	RECOMMENDED INTERACTION
6-month anniversary	Personalized communication based on survey, if possible
9-month anniversary	Letter of thanks and demonstrating recent accomplishments
12-month anniversary	Personalized renewal solicitation

■ OTHER IDEAS

- Donor appreciation events
- Monthly event listing
- Leadership giving newsletter
- Connecting stories (life lived, life changed, lives connected forever)
- Handwritten note from a student
- Pictures from events
- Yearly scrapbook - real or virtual
- Thank-you videos



■ SNEAKY STEWARDSHIP

- Dean's roundtables
- Award selection committee



FACULTY/STAFF STEWARDSHIP

- Event stickers and event scripting
- Personalized letter from the president/chancellor



TAKEAWAYS

- Plan, plan, PLAN - if you don't plan for it, it likely won't happen
 - Review your portfolio
 - Define clear goals for solicitations and stewardship
 - Develop/refine your plans
- Gather information (and USE IT)
- Stewardship is imperative
 - Assess/refine/develop your stewardship for leadership donors
- Practice proactive patience



QUESTIONS



EVALUATION

Thank you!

Please remember to complete the event evaluation.
Your comments will help us continually improve the
quality of our programs.

