

# **Mo Davies & Associates**

*Specializing in with working small- to medium-sized organizations and those new to fundraising*

*The following article on Capital Campaigns, by Mo Davies, appeared in the Canadian Fundraiser, January 31<sup>st</sup>, 2003 edition.*

In the standard “textbook” capital campaign the process is basically to do a planning study, recruit a Chair with affluence and influence, recruit a Cabinet with connections, train everyone, cultivate prospective donors, solicit them, close the deal and party!

However, in small shops this is not always the case.

Imagine having to raise a million dollars for a new building and you have: a small annual campaign, no major gift prospects, a Board with no connections, no leadership volunteer prospects, no experience in capital campaigns, no feasibility study, no fundraising staff and need all donations in cash.

This is a real situation. They broke all the “rules”, had no Cabinet, no Chair, used only two staff members, and yet they succeeded in raising one million dollars in just over a year!

The key success factors for them were an extremely compelling case for support and two staff members with passion, commitment and enormous dedication, who gave all the time needed and would not take no for an answer.

Would I recommend this approach? No – and neither would they!

Larger organizations generally have the benefit of a mature, diversified fundraising programme, a recognizable brand, many experienced staff, a Board that has both affluence and influence, experienced canvassers, lots of donor/volunteer prospects, large budgets, and work on a gift chart on the 90:10 rule - 90% of the money coming from 10% of the people.

Small shops on the other hand generally have 0-3 staff, annual revenues from the private sector of less than a million dollars and capital campaign goals of anywhere from \$100,000 to \$5 million, maybe more. Many have issue-oriented Boards with few, if any, connections to affluence and influence.

From an initial, small, non-statistically-valid survey I did of organizations conducting capital campaigns, the following is some of the information was gathered.

<b>Factor</b>	<b>Large Shop</b>	<b>Small Shop</b>
Chair	Much more likely to be a Board member or someone already linked.	Often is someone who had no previous linkage to the organization.
Lead/Leadership Gifts	Chair likely to make one of these gifts and if not, they come from people already linked.	Chair less likely to make one of these gifts. They often come from people with no previous linkage.
Key success factor	Leadership	Leadership
Other success factors	Case	Strong defensible case
	Cultivation	Cultivation
	Following best practices – good cultivation, stewardship etc.	Commitment to campaign process. Maintaining strong relationship with Chair and major donors
	Knowledgeable, professional staff.	Cohesive volunteer/staff team-clear definition of roles. Use a knowledgeable consultant.

None of this is very surprising and I intend to expand the research and investigate more thoroughly the differences between small and larger shop campaigns and the challenges faced specifically by small shops.

**Some of the challenges I have come across in small shop campaigns and some suggestions on how to deal with them.**

## **Leadership – a Matter of Proper Recruitment**

**Issue:** No Chair within organization.

**Suggestion:** Look outside using connections to connections. Make a list of potential Chairs and include some that would be ideal even if you have no connection. It is not unheard of for an organization to approach a person cold and recruit them with the proper approach. It is often better to have a Chair from outside who can bring in new volunteers and new donors.

**Issue:** Chair with little or no influence.

**Suggestion:** This is not ideal but sometimes it is the best smaller organizations can do. It will mean you will have someone who has made a modest donation soliciting major gift prospects. This may work if the Chair has connections to “money”, made a real stretch gift, has passion for the case and will spend all the time necessary to get the job done.

**Issue:** Cabinet reluctant to give significantly.

**Suggestion:** When recruiting make it clear that they are expected to make a gift that is significant to them. You must be able to say 100% of the Cabinet donates.

**Issue:** Cabinet wants to do special events.

**Suggestion:** The action plan should have been clarified in the recruiting process. You must emphasize the need to do face-to-face asks. Fundraising special events can be done towards the end of the campaign as part of the public phase.

**Issue:** Canvassers not asking for specific amounts.

**Suggestion:** When recruiting ensure they understand the need to ask for a specific amount. If they will not do it send them out with an experienced canvasser. If this fails, give them some other job to do and if all else fails “fire” them but be cautious about potential “political fallout”.

**Issue:** Potential Chair hard to recruit.

**Suggestion:** Consider using sequential Chairs. Recruit one for the lead/leadership phase and one for the other phases. This will increase the chance of recruiting a Chair since it is a shorter time commitment.

You can combine this with recruiting only the Chair and a few peers to get the lead/leadership gifts phase completed then recruiting the Cabinet. This avoids the situation of Cabinet members who are not soliciting the lead/leadership gifts from getting bored.

**Issue:** Cabinet members want to talk about the building (feature) and not the benefits (to people, animals, the environment and so on).

**Suggestion:** This is a matter of good training. They need to understand that in general the architectural plans are supplementary information and the key is to “sell” the benefits not the features. However, there maybe something unusual, innovative or controversial about the architectural plans and some donors may want, in this case, to talk about these plans.

## **Unreasonable Financial Goals and Lack of Prospects**

**Issue:** The traditional gift chart is not achievable.

**Suggestion:** Adjust it for your situation. Weight the gift chart towards the bottom. The 90:10 or 80:20 “rule” may not work for your organization. It may need to be as low as 60:40.

**Issue:** Prospects are interested but reluctant to commit to a large gift and will not consider make pledges.

**Suggestion:** Consider suggesting they give in installments as stages of the construction are completed.

**Issue:** Goal not reached.

**Suggestion:** Try a donor challenge. Ask one or two donors to commit to matching funds to \$X. Consider re-soliciting donors and/or recruit new volunteers with different contacts.

**Issue:** Lack of donor prospects.

**Suggestion:** A planning study will help. But you may also need to do a pre-campaign in which you work hard to identify more major gift prospects, and then cultivate and educate them.

## **Lack of internal readiness**

**Issue:** Small or no annual campaign.

**Suggestion:** This can make a capital campaign very difficult but not necessarily impossible. It is not recommended to do a capital campaign until the annual campaign is in good shape. So it is easier if time is spent increasing the annual income. However, this is not always possible due to timing issues around the capital project. If the organization has some good connections a Planning Study should be able to discover more prospects and a pre-campaign may be needed.

**Issue:** Board with no affluence/influence.

**Suggestion:** The Chair and Cabinet will, therefore, be made up almost exclusively from people not on the Board and maybe even totally new to the organization. This does have the advantage of bringing in new contacts.

**Issue:** Board will not make donations - they give their time.

**Suggestion:** The campaign is an opportunity to change that culture. It is imperative that you can say 100% of the Board made a gift.

**Issue:** Lack of skills internally.

**Suggestion:** You could hire a full-time staff person with capital campaign experience. You could use a consultant periodically: not full-time as this is generally too expensive for small shops. S/he can help with the planning, training of staff and Cabinet, and be on hand on an as-needed basis. The choice depends on your staffing resources, your budget, the need to build capacity within your organization and your future fundraising plans.

## **Low profile**

**Issue:** Low profile among prospects.

**Suggestion:** During the pre-campaign period and the early stages of the campaign (the quiet phase) get as much free publicity as possible about the organization - not the campaign. This may involve using case studies. Remember the major target is the pool of potential donors.

**Issue:** Small marketing budget.

**Suggestion:** You must first identify the target markets for the campaign and focus on them. In most cases they will not include the general public. Decide what materials are needed for each market, look for donated time from a marketing consultant or firm, look for a discount from your printer or do it on the computer, and try for donated space/time.

**Issue:** Highlighting the need.

**Suggestion:** Use case studies about people who have been helped. Take them on calls, use their stories in the case for support, have them at media announcements, have them and at the official launch and so on. **Put a face to the case.**

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