

Successful Fund-Raising: What Board Members and CEOs Should Know



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Charitable Trust



Board Member Trends: Last Five Years

1. Board work must align with institutional priorities.
2. Explicit board expectations are key to effective recruitment and ongoing performance.
3. Both individual and collective efforts contribute to effective governance and successful fundraising.

Board Member Trends: in Advancement

1. Board leadership in philanthropy is critical.
2. Board ownership of and engagement with fundraising and campaigns are expected.
3. Giving expectations of Board members should be explicit and communicated at point of recruitment.

Advancement Trends

1. Constant Major Gifts Focus
2. Work Harder to Stay Even
3. Higher % of E&G Budget from Philanthropy
4. Use of “Analytics,” Modeling and “Real” Metrics to Get the “Best ROI” for Staff and Programs

More Trends

5. Triple Ask – Annual, Major and Planned
6. Greater Focus on Stewardship
7. Greater Focus on Integrated – Branding, Marketing, PR, Admission and Fundraising

Campaign Trends

1. Arms Race in Goals Continues
2. Projects Grounded in Strategic Plan and Connected to Specific Objectives
3. Endowment Opportunities Grounded in Measurable Outcomes
4. Donor Pyramid is Losing Its Middle
5. Planned Giving as “X” % of Total Goal

Fundraising Requires Action

- Money is not raised; Individuals give it.
- Money is not offered; One must ask for it.
- Money does not come in; Someone must go get it.

Advancement Pyramid

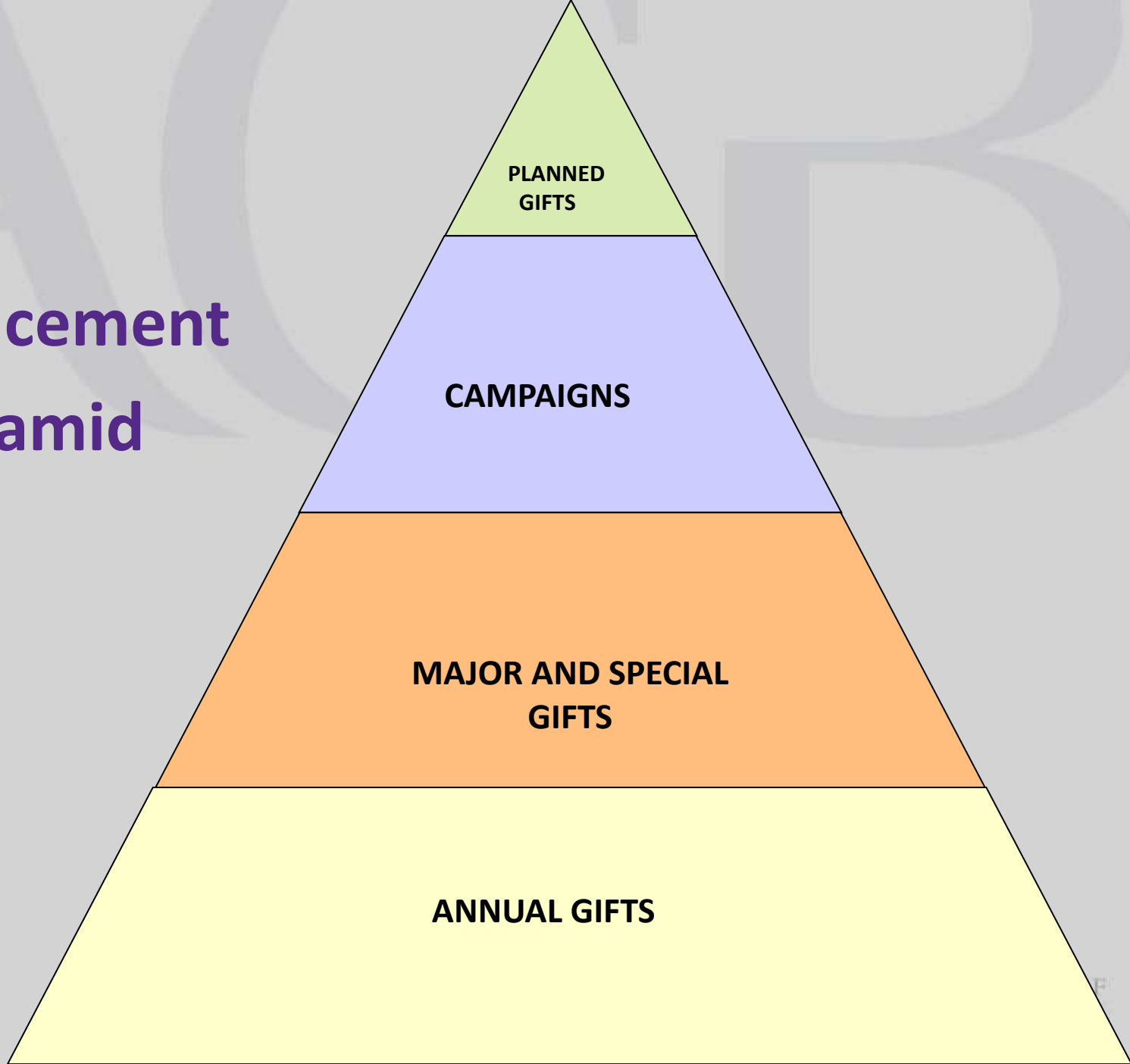
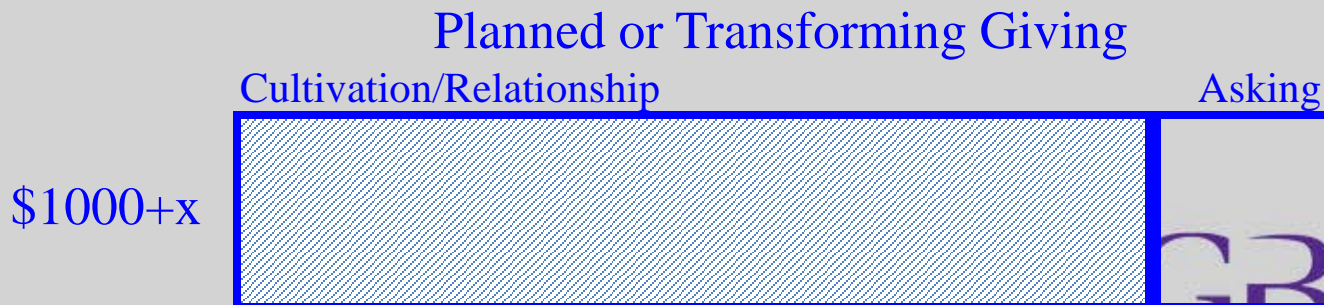
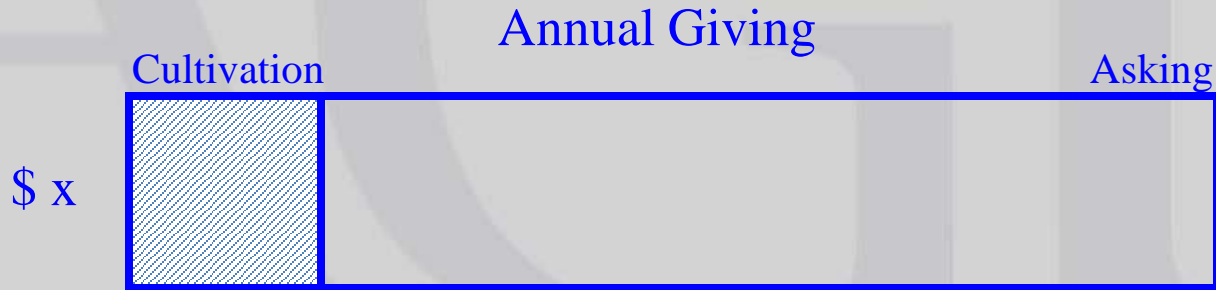


Table of Gifts – Goal: \$250,000,000

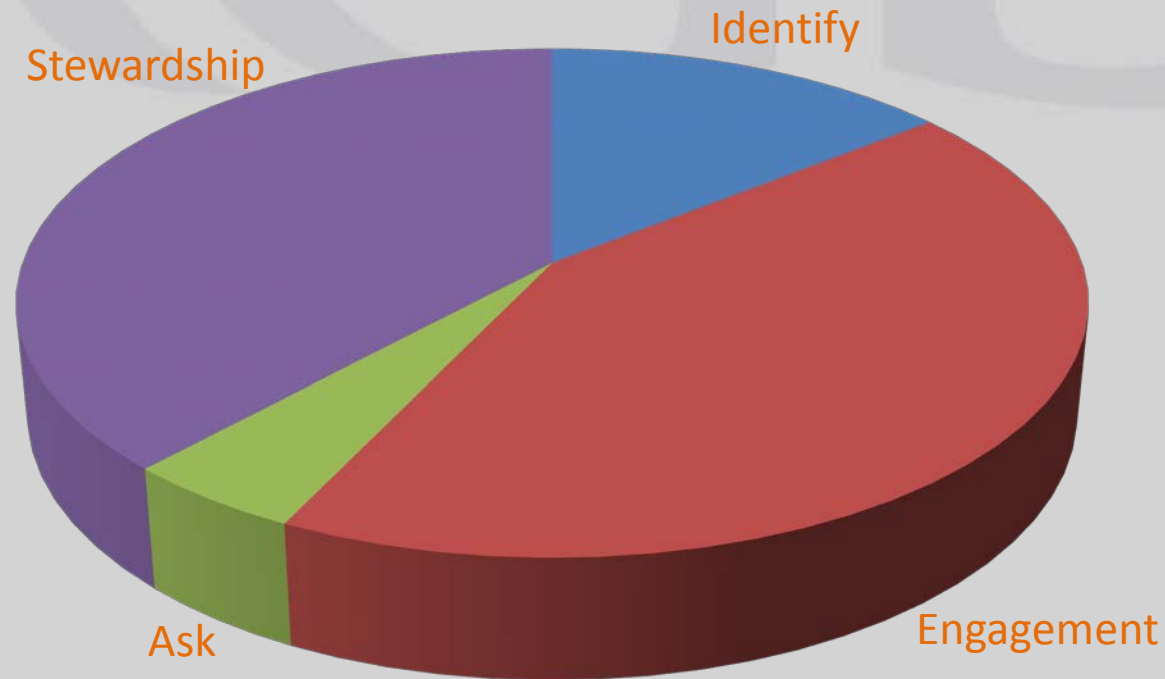
Gifts	Size	Total	Prospects
1	\$25,000,000	\$25,000,000	1 - 4
2	\$15,000,000	\$30,000,000	8
5	\$10,000,000	\$50,000,000	20
10	\$ 5,000,000	\$50,000,000	30
12	\$ 2,500,000	\$30,000,000	36
20	\$ 1,000,000	\$20,000,000	60
40	\$ 500,000	\$20,000,000	120
80	\$ 250,000	\$20,000,000	240
Many	Under \$200,000	\$5,000,000	Thousands

TOTAL \$250,000,000

The Stages of Giving



The Fund-Raising Cycle



Why Major Gift Efforts and Campaigns Fail?

Number 1 Reason –

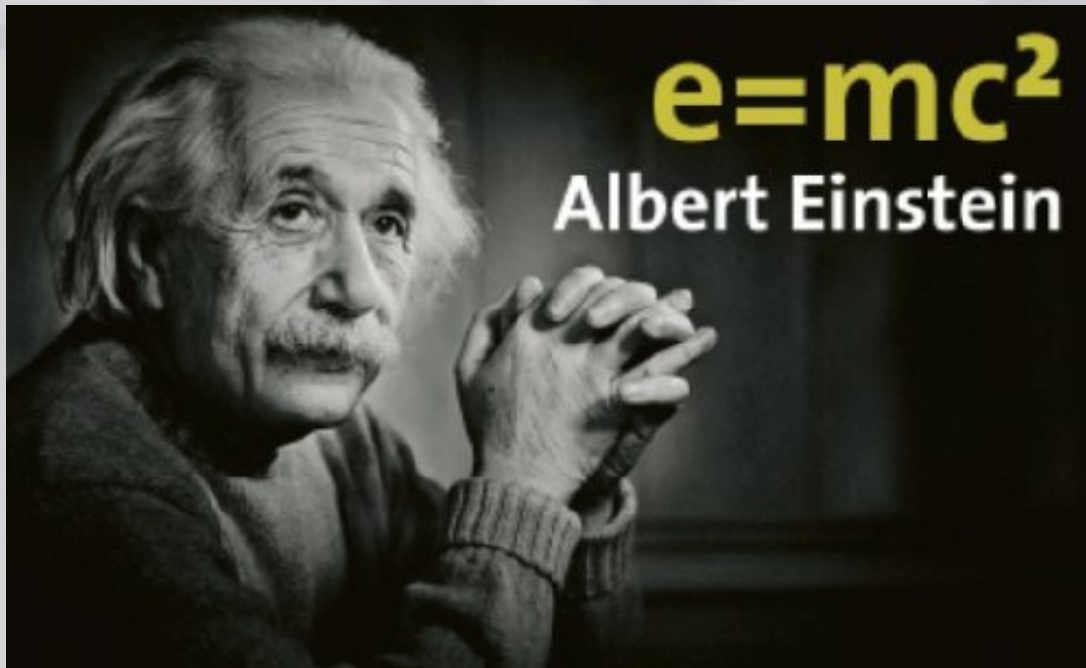
Lack of Adequate Number of Qualified
and Cultivated Prospects!

Analysis Paralysis

“You will be hurt more by those who would have said ‘yes’ – but were not asked... than by those who say ‘no’!!!”

Dr. Jerry Panas,
Fund-Raising Consultant
and Researcher

High Performing Boards Focus On Results!



Philanthropic Board Leadership

- It Can Be Learned
- Trustee's Relationships and Passions Are More Important than the "Ask"
- Board Members are Ambassadors and Advocates --- Not Sales People

Mission Centered Philanthropy

It Is **NOT** about the Money;

It **IS** about

Mission, Purpose and

Trusting Relationships

Mission-Centered Philanthropy

...is Not about the “Asking” for Cash

...is about a Team --- Extending an “Offer”
or an “Invitation” to Participate in a
Significant Venture

CEOs and Board Members Focus on Major Gifts

- Invite Investors to Participate in a Significant Venture
- As a Team - Personally Solicit Gifts (Strategy)
- Campaign Outcomes Usually Determined by Top 100 to 400 Prospects
- Concept – 5% of donors will give 95%
- Requires “Strategic Initiatives” (Moves)
- Trustees Are Primary Door Openers and Seed Planters

How Can Board Members Tip the Scales?

- Demonstrate by example that the institution is among your top philanthropic priorities.
- Develop your elevator pitch and give it often!
- Make your gift early.
- Identify and connect prospective donors and advocates to the institution.

Why do Donors Give ?

- Belief in Institutional Mission and the Particular Project
- Financial Stability
- Relationship with Principal
- Someone Asks Them

Engage Donors Before You Ask

Donors feel more like investors if:

- They Help Shape the Project
- They See Draft Documents
- They Can Provide Feedback on the Outcomes and Impact
- They Create Partnerships and Relationships

Donors Give to the “Magic of an Idea”

- Modern Donors Run “from” ***Needs***
- Modern Donors Run “toward”
Passions, Interests and Excellence

The Magic Words

- “Will You Consider Investing” \$1 Million to Endow a Lectureship in Health Policy ?
- “We Invite You to Consider a Gift” of \$500,000 to Endow an Annual Seminar in Southern Literature Honoring Your Mom?
- I Hope “You Will Join Me/Us and Consider Underwriting the \$250,000 Cost” to Equip 1 of our 5 new Biology Labs?

The Ask or “Invitation”

Every Solicitation is a Campaign of One:

It Requires:

- * The Right Person (Team)
- * Asking for the Right Person (Couple)
- * For the Right Amount
- * At the Right Time
- * In the Right Way

Thanks and Stewardship

- Stewardship Must Be Thoughtful, Systematic and On-going
- People Repeat Pleasurable Experiences
- Abundant gratitude!

Why a Campaign ?

- Vehicle to Involve and Build Ownership Among Volunteers
- Strengthen Institutional Brand
- Success is a Springboard for Future Success
- It Creates Urgency
- It is a Closing Mechanism
- It is a Dream with a Deadline

Who Is Responsible for the Success of a Campaign ?

- Chief Executive Officer
- Board Members
- Chief Development Officer
- Campaign Steering Committee

Board's Role in Fundraising

- Link fundraising priorities to strategic plan
- Assure the fundraising program's legitimacy
- Ensure adequate resources
- Evaluate the CEO's fundraising effectiveness.
- Make leadership gifts
- Identify prospects.
- Cultivate prospects.
- Solicit gifts as comfortable
- Encourage and steward donors

Responsibilities of Development Committee

1. Create and cultivate a culture of philanthropy on the Board
2. Set goals for Board giving and engage in solicitation of Board members
3. Work with the CEO and development staff to set fundraising goals and assess progress
4. Examine trends and analyze implications for the future
5. Approve fundraising policies and procedures