

A Winning Gift For Your Donor

I've given millions of dollars away to many causes. I chaired our university's board and chaired its capital campaign. I created endowed scholarships. My best gift? The tennis courts at the university. Every time I drive by them and see the students and faculty playing it brings a great big smile to my face. What a fun gift.

—DONOR INTERVIEWEE

In listening to donors it's great to hear a winning-gifts story like this. Hearing stories like the one above is inspiring.

The true joy of philanthropic fundraising is creating your own stories as you work with your donors on behalf of your organization. Try to draw out these stories from your best donors. Their stories will help to illustrate the values they hold dear and will help to demonstrate where their passions lie and what excites them about making a philanthropic gift.

Too often in our field of philanthropic fundraising, the bottom line—the fundraising goal—becomes the only line. The need to fund institutional priorities to meet the plans of a president or a board of trustees becomes more important than presenting a winning gift concept to a donor. Ideally the philanthropic fundraising professional will be able to balance the urgent, immediate needs of the institution with the lifelong, personal values of the donor. If done correctly, fundraising is the job of presenting attractive opportunities to donors.

While most donors are individuals, foundations are governed by trustees who are people, too. At a university that needed a new computer science building, a major foundation was approached for support. One of their trustees indicated a grant would be highly likely. The foundation could do something in the neighborhood of \$100,000 to \$250,000 to meet this institutional need. However, if the university had a project that was library related this would be more exciting to the foundation's trustees, and the foundation should be approached for a \$500,000 to \$1,000,000 grant. It was up to us to decide.

Don't we wish all people were this clear in their thinking? Foundation grants are easier to discuss because it's not the individual's money. Yes, the foundation's trustees have to watch out for the best interests of the founder. But, foundation trustees become practiced in negotiating gift deals with nonprofits. In most cases, discussions with program officers and foundation trustees can be direct and open. Large foundations will review hundreds of proposals in a year and have staff members that analyze proposals and conduct site visits. While foundations can go through changes in their grant-making priorities, they tend not to be as shy as individuals about discussing gifts. After all, foundations by law must give money away each year—that is their business and only reason for existence.

Our job as philanthropic fundraisers and as volunteer fundraisers is to empower people to be as open in their giving intentions as corporations and foundations are in their philanthropic agendas.

As you think about donors as people first, remember that in almost all cases we need to define potential donor people as couples—not individuals—who make gift decisions. When you only see one name of a couple recognized for giving, don't assume the nonprofit organization got the listing correctly. Always assume gifts are a joint decision. This is especially true when you are talking to board members about giving. Yes, the board should give first and generously. But, don't assume their spouses are as knowledgeable. When it comes time for a major gift, sit down with both your board member and that individual's spouse or partner to see how both people respond to your case and your request for a significant gift.

WINNING VERSUS LOSING

Having served as a consultant for more than half of my career, I frequently interview key prospective donors for our clients. One of a consultant's key

questions is: “Will you work on the campaign in some way?” If the person answers yes, then the follow-up question is: “Are you comfortable asking for gifts?” We always find a few people who enjoy making the ask. They are naturals, or that is a primary role in their professional life, or they have been through a fundraising campaign already and have learned how to ask for philanthropic gifts.

Interviewee responses to the “Will you work?” question can be revealing—from “I love to ask, no problem” to “I would rather you pull out my toenails with a pair of pliers than ask someone for money.”

Why do so many people hate fundraising while others of us enjoy it? Many people are amazed that professional fundraisers love to ask for money. For people who dislike fundraising their impression of the process is “win/lose.” Stephen Covey’s enduring and popular book, *The Seven Habits of Highly Effective People* focuses one whole section on the key concept of everyone winning—Habit #4: Think Win/Win.¹ Reading Covey’s book is a revelation. This concept of everyone winning or no deal is why some people are open to fundraising (see Exhibit I.1). The fundraiser enjoys watching donors experience the joy of philanthropy knowing the impact of gifts on the institution is profound. This is a winning gift—both sides win—the donor and the nonprofit organization.

For many volunteers, asking for a gift feels like taking money away from their friends. Unfortunately, some of these discomfiting thoughts and bad feelings come from unpleasant ask experiences the volunteer has personally gone through. Her arm was twisted; he was forced to make a gift; she made a

EXHIBIT I.1 STEPHEN COVEY HABIT #4—THINK WIN/WIN

Win/Win is a frame of mind and heart that constantly seeks mutual benefit in all human interactions. Win/Win means that agreements or solutions are . . . mutually satisfying . . . all parties feel good about the decision and feel committed to the action plan. . . . an even higher expression of Win/Win—Win/Win or No Deal When you have No Deal as an option in your mind, you feel liberated because you have no need to manipulate people, to push your own agenda, to drive for what you want. You can be open. You can really try to understand the deeper issues underlying the positions. With No Deal as an option, you can honestly say, “I only want to go for Win/Win. I want to win, and I want you to win. I wouldn’t want to get my way and have you not feel good about it, because downstream it would eventually surface and create a withdrawal.”

gift because she was on the board and was required to. There was no joy in this philanthropy—only guilt, reciprocation, or obligation.

The role of volunteers and staff in the fundraising process is not to twist arms, but rather to help the donor understand the case for support (the organization's story of why funds are urgently needed), and the benefit to the community. If we can match the donor's philanthropic values with the organization's needs, then asking for a philanthropic investment isn't taking money away from the donor but rather doing the donor a favor. How can everyone feel like a winner?

Here's a true story from a consultant who ran into a philanthropist friend in town. Sam had been asked to make leadership gifts for two arts organizations at the same time: one for an art museum's big capital campaign, the other for a small contemporary art society's endowment effort.

Sam: Our family foundation is supportive of many things in the community. What should I do? We're just too visible in town not to give to both. I really like the contemporary art society, while the major art museum in town is okay and I know it is good for the community.

It's each organization's job to tell its story to him; then it's up to Sam to decide where he wants to donate his money. What questions did he have for each organization? Where was his real interest? Where was his heart?

Sam: I really love the contemporary art, the society's vision for its programming, its fiscal responsibility, and its stability of management. I think I'll give \$25,000 to the art museum as a token of our appreciation for its role in our community and \$100,000 to the contemporary art society because it does such a great job and I love its work.

Both organizations won. The contemporary art society had obviously built a good rapport and relationship with Sam so that he was moved to contribute more to them. This story provides hope for new, younger nonprofit organizations; sometimes you have the creativity to attract the attention of donors who might be taken for granted at more established institutions.

HOW DO YOU KNOW IF IT'S A WINNING GIFT?

The first section of this book focuses on the donors—their values and motivations as found in literature and research about donors and written by donors.

Of course the best way to determine if a gift request is a winner—ask the donor. As the donor makes the gift, does he feel good about it? How about

six months later? Three years later? To build long-term relationships between people and nonprofit organizations, seek winning gifts over time. Many of the \$10 million and \$100 million gifts we read about in the trade literature sound miraculous. And while they are, usually they are the result of years, sometimes decades, of relationship building and a series of gift investments by the donor.

You can also look in your own heart—does the gift request inspire you the volunteer or professional fundraiser? Do you feel passionately about the organization and its mission? The project for which you are seeking funding? The impact the donor's gift will make in the community and in your institution? Even as a consultant who works with many clients I want to be inspired by the case and by the impact of the nonprofit organization on the community. For a new staff member, they need inspiration, too (for the long-term staff fundraiser this sense of mission and purpose is even more important to constantly renew their passion for the organization).

If you get yeses to all of these questions, you will have a lot of fun raising money.

WHY PHILANTHROPIC FUNDRAISING?

A lot of people and organizations raise money: politicians, venture capital funds, hedge funds, and small companies seeking investors. Fundraising has broadened to mean many things. Those of us raising funds for nonprofit organizations should start describing ourselves as philanthropic fundraisers. We are seeking funds to benefit the community, to help nonprofits make a difference in society—transformational fundraising. Keeping a people-centered focus suggests a different perspective to fundraising. Just meeting the yearly annual fund goal is not enough; that's institutionally centered fundraising. Ideally, you want donors to delight in making their winning gifts, gifts that make a difference. This people centered, winning-gifts philosophy keeps everyone focused first on the customer, the donor, rather than the institution receiving money as the primary objective.

INSPIRE GIVING

If you aspire to be a people centered fundraiser, then winning gifts come through inspiring donors to the aspirations and vision of our organization. Through inspiration donors feel like they have made a winning investment to help their communities.

This sounds easy. But, as fundraisers we know the challenge is to take the mundane operating budgetary needs of our organization and repackage and repurpose those needs to inspire great philanthropic gifts. This needs to be authentic and honest repackaging.

For example, one ballet company did a wonderful job of creating an annual giving Pointe Society (people who donate \$1,000 or more every year), emphasizing how much of the operating budget went to purchasing ballet shoes each year. Donors were amazed at the cost of one pair of ballet shoes and the number of pairs of shoes each ballet dancer went through each year. Before this initiative the cost of buying ballet shoes was buried in the operating budget. Through good fundraising work, a marketing campaign for the Pointe Society resonated with donors and raised a lot of money.

THE SIX I'S OF PHILANTHROPIC FUNDRAISING

The philanthropic fundraising process seems mysterious to many people. Or, worse yet, the process is clear . . . and unpleasant. Joe has money; let's go get it from him.

In the late 1980s, Buck Smith, a college fundraiser who became the president of Chapman College, began thinking about the process of fundraising and came up with the concept of *moves management*. He watched his own behavior in closing major gifts and decided the process could be written down and tracked and a management system followed to help teach others the process.

In capturing Smith's ideas and sharing them with major donors and fundraising volunteers, I found that more clarity was needed and some type of graphic required for displaying the process. Tom Holce, a high-tech serial entrepreneur, suggested adding a step to Smith's five-step process, using a number-6 graphic, and starting each step with the same letter of the alphabet so the process would be easier to visualize and remember. He challenged my thinking. After a few iterations, I created The "Six I's of Philanthropic Fundraising" (see Exhibit I.2) in the early 1990s and began teaching it at conferences and to my clients. It has been fun to see the field adopt some of the I's in other versions of this fundraising management model.

While the Six I's process may seem like a gift-solicitation tool, and it is, we introduce it now as an organizer for this book.

The Six I's of Philanthropic Fundraising

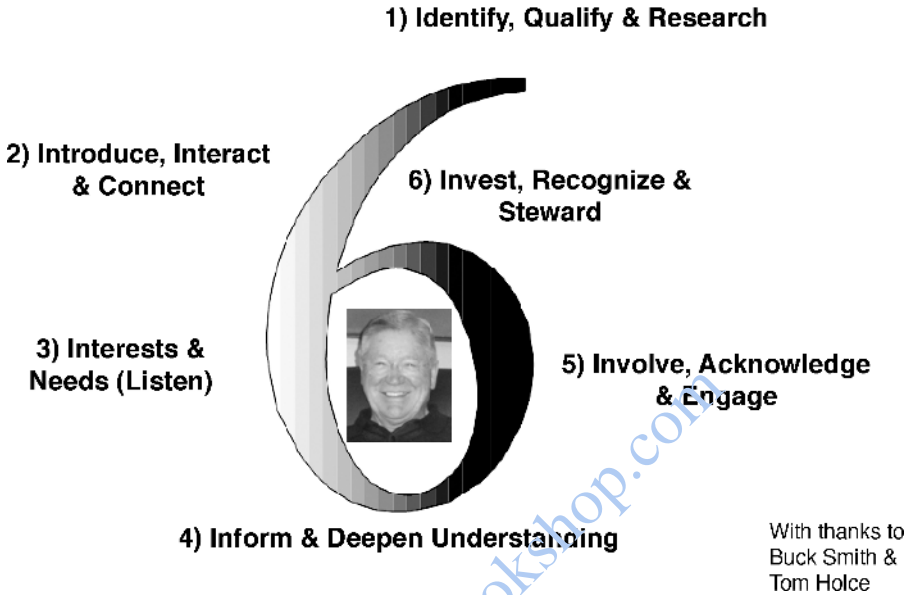


EXHIBIT 1.2 THE SIX I'S OF PHILANTHROPIC FUNDRAISING

Think of the first three steps of The Six I's as donor oriented—Step #1, Identify, Qualify, and Research to find out who has the capacity to make a gift; Step #2, Introduce, Interact, and Connect to invite those qualified donors to learn about your organization and its impact on the community; and Step #3, Interests and Needs (Listen) to find out the values and motivations of these qualified donors who have started to become connected to your organization. All of these people-focused steps involve finding qualified donors and building an authentic relationship with them. Don't worry about asking for a gift. In fact, to get potential donors to relax, you need to promise them that no solicitations will take place during Steps #2 and #3.

The final three steps of the Six I's are more institution focused—Step #4, Inform and Deep Understanding uses traditional fundraising materials to make sure your story is told in depth; Step #5, Involve, Acknowledge, and Engage uses traditional volunteer techniques to ensure the potential donor feels a sense of ownership in the organization and its projects requiring

funding; and Step #6, Invest, Recognize, and Steward is where the gift request is made and honored.

We will examine all six steps quickly now and then spend the balance of Part I of this book describing the first three steps in depth. In Part II, look for more information on the last three steps, particularly the last important one of asking for and closing the gift.

Six I's: Step #1—Identify, Qualify, and Research

One of the most obvious but important steps is to determine if the potential donor has any money to give away. You want to avoid getting someone interested in your organization, becoming good friends, and then destroying that relationship when it comes time for a gift request because the person has no money to give away (it's not good job security either).

In many ways, Step #1 of the Six I's—Identify, Qualify, and Research—is the most important. The rest of the process is donor-oriented relationship building, and usually culminates in a significant gift (not always, of course) as long as the person has disposable assets to give away. For the Six I's process to work, for any fundraising process to work, you must work with qualified donors.

Identify—ideally you want to start with your own organization's largest donors. Who are your best 25 donors for this fiscal year? For many organizations with a strong fundraising background, reviewing the list of the top 100 cumulative donors in the history of the organization will show people of significant wealth and affiliation who can be approached again in the future. Hospitals are particularly good at establishing their donor recognition systems on cumulative giving, where arts organizations tend to be wonderful annual fund list keepers. Do both formally—list your best annual fund donors by gift level in your annual report and your donor wall as well as maintain a separate listing of cumulative donors throughout the history of your organization.

With cumulative lists you must still do qualification work. You need to carefully review the names to make sure everyone is still alive, still in the area, and still in a position to give away money. Research is needed to update the capacity of the donor to give to your current effort. Receiving a \$100,000 gift to your last campaign ten years ago is great, but what is the donor doing today? How is his company doing? Has the donor been in the news making

large gifts to your friendly competitors? What is the donor's liquidity? Private business owners may have a tremendous net worth but until they sell the company or "go public" there may not be much cash to give; likewise real estate investors can have excellent net worth but be cash poor as they are always investing in the next deal. Ask board members to give you an update on that person. If in doubt, conduct a discovery call with the donor to ask about his current activities (see more information on discovery calls in Chapter 3, Listen).

For many organizations, the best indicator of future giving potential is not the size of donations but the duration of giving. If your organization has not been in a full-scale capital campaign or concerted annual fund, major-gifts effort, donor giving histories will be flat and not very helpful. Look for length of giving and length of affiliation (if you have a membership program or a subscriber program in addition to giving records).

Another good list to look at is largest-gift-ever listings. Go back 10 or 15 years and ask to see all gifts of \$10,000 or more, \$5,000 or more, \$1,000 or more. Don't worry if a donor who made a large donation has not given to you in years or if last year's gift was \$100. One special gift indicates gift capacity and donor interest. Most donor database systems have a "largest-gift-ever" field that is very helpful in qualifying donors in this way.

Look for odd gift amounts. Instead of \$1,000 for your gift club, the donor record shows \$1,003.26. Was does that mean? Usually, odd numbers like this indicate a stock transfer. For one client, a religious institution that we were helping to prepare for a capital campaign, we had a hard time building a qualified donors list. Because all church members were like "family" to each other, discussions of wealth capacity were avoided by our volunteers (usually they honestly didn't know and didn't care). We began looking for lump-sum pledge payments at year-end rather than weekly or monthly giving and for "odd" gift amounts. Both are indications of stock transfers to fulfill pledges. Stock gifts are a capacity indicator as the donors understand they can avoid some capital gains taxes by making gifts of stock.

Another technique is to take a relatively "flat" donor list and conduct qualifying screening with other donor lists in the community—get your local symphony and opera program book where they list all of their donors, look for donor plaques at nonprofit organizations, ask for copies of annual reports of your local university and hospital. Work top down. Look at the \$10,000 level in all of these reports. Then go to \$5,000, \$2,500, and \$1,000.

If a name is on their list and in your database, note the giving organization and gift level on your system. Keep going through lists until you have covered the major organizations in your city and then your state.

Qualify—soon you will begin to see a pattern of names emerging. Sure, some people will only give a substantial gift to one organization, but more often than not you will start to see the same names giving \$5,000 or \$10,000 to many organizations in town. If they are not in your database of donors, you have some work to do. But at least you have the name of a qualified donor. Start sending these people your newsletter. Invite them to cultivation events.

If, on the other hand, you find the donor has been giving you \$50 for five years, you can move much more quickly. Maybe the only reason the donor has not given you a major gift is that nobody asked. You have a winner. Clearly this person is philanthropic, cares about the community, and is also connected with you.

Exhibit I.3 shows a wealth and interest chart (thanks, Vic Atchison). It helps to explain the early steps of identifying and qualifying donors so that when it comes time to ask for an investment in your organization you are more likely to be successful and the donor able to respond to your request. All of the dots on the chart represent a potential donor to your organization within your universe. This chart may be your town, your state, your country, or the world. It depends upon your mission and geographical scope.

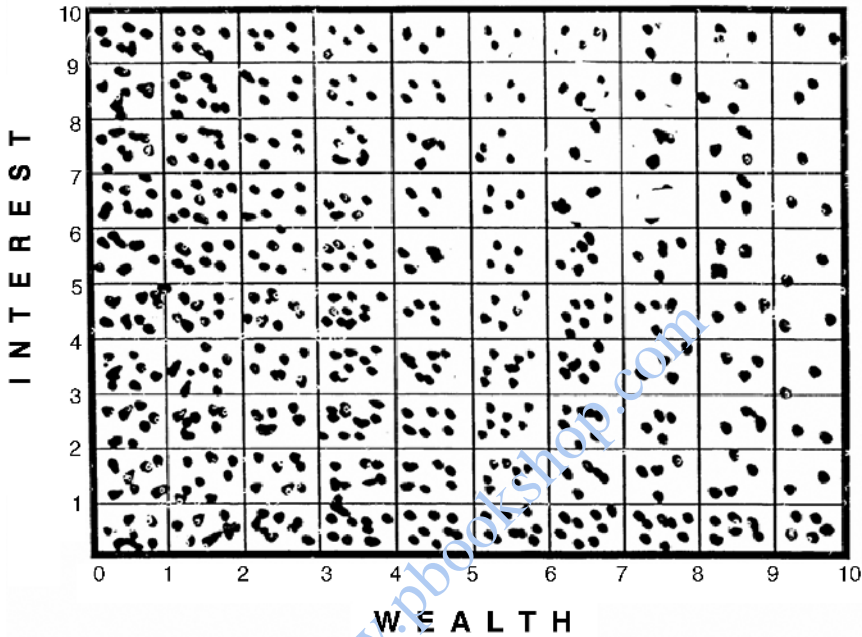
The process of identifying donors is putting faces on each of the dots. Qualifying donors is putting them in the right quadrant for future work.

The upper-right quadrant shows your immediate prospects for gifts. They have wealth and interest. This group may be the best 25 of your top 100 cumulative donors and could include some long-term donors whom you have researched and determined could give away significant gifts.

The lower-right quadrant may represent the people you found on everybody else's lists but not yours or those who are at a low level of giving to you currently. These people might be wealthy business owners you are aware of but have not yet connected to your organization or the new board members that the chair recruited.

Your real task in fundraising is to get the wealthy, already-interested people even more interested and engaged with you. And, to get the wealthy uninterested people intrigued and enamored of your organization. Ideally, the entire right half of the chart is made up of asset donors rather than salary donors. To qualify donors at this level, look for second and third homes,

Universe of Interested and/or Wealthy people



Rated on a scale of 1–10 with 10 denoting greatest interest/wealth.

EXHIBIT 1.3 WEALTH AND INTEREST

frequent exotic travel, Securities & Exchange Commission (SEC) primary stock listings (people holding 5 percent or more of publicly traded company stock are listed in the SEC filings by these companies as are all officers and directors). Warren Buffett would be considered an asset giver even though it took him until age 75 to give away those assets. Of course, until that time he had been giving some small donations out of his yearly salary. Timing is everything.

The people in the upper left-hand corner of the chart, the highly interested but not wealthy people, are wonderful candidates for a planned estate gift. While of modest net worth, most people have several hundred thousand dollars of home value and usually more than that in retirement assets. Until death, these assets are not liquid and can only be committed in estate plans.

The lower left-hand people have no interest or money, so leave them alone.

The theme here is: **It is easier to make wealthy people interested than interested people wealthy.** Make sure to qualify donors to ensure they have the money to give away once they are highly interested.

This is the nondemocratic part of philanthropic fundraising. But, it does prevent you from over-asking donors without the capacity to respond. It is a winning-gifts technique.

Research—when I started in the field more than a quarter of a century ago, prospect research was unheard of. We did identification and qualification but there were few tools for in-depth prospect research as there are today. In fact, there is now a professional prospect research association of fundraising professionals who do nothing but this. There are also consulting firms that specialize in digging through data generated from electronic screenings, searches of national databases, and online searches of names.

For the small shop with one or two people, do as much in-depth research as you can on your top 25 donors. Look them up online, even pay for a research subscription where the vendor will provide in-depth profiles for a small fee. This information helps give you confidence on how much to ask for. For the large shop, consider cross-training one of your staff to become an expert in prospect research. Ideally, hire an experienced professional who comes to you with previous experience of how to do this well and ethically.

Six I's: Step #2—Introduce, Interact, and Connect

Now that we know whom we want to approach for a gift, how do we do it gracefully? Most people dislike fundraising because they figure out Joe has money and then they go ask for it. In a winning-gifts approach, Step #2 is never the ask but rather the introduction. For many board members who say they do not like fundraising and are not good at it, focusing their energy on introducing their friends with the capacity to give to the organization is a good role.

Introduction meetings can be a lunch with the university president, a breakfast with the hospital chief executive officer, joining a table of friends at the dinner auction, or going to campus for a tour and lunch with a faculty member. Be inventive; do everything you can to start connecting with your potential donors. Just follow one rule—no asks. These are education sessions, not solicitations.

Some capital campaigns will have an entire volunteer committee dedicated to introduction and interaction events. How can the organization tell its story through compelling activities at these events? How do we make these events special?

Six I's: Step #3—Interests and Needs (Listen)

Step #3 is the marketing approach to fundraising, the listening approach. This issue is so important that all of Chapter 3, Listen, is dedicated to techniques for collective and specific donor listening.

To build strong and lasting relationships with people, to find out their values and motivations around philanthropy, you need to be a deep listener. All of us can do it better. Chapter 3 will provide some insights from my experiences and from other sources to provide you with tools you can use.

Six I's: Step #4—Inform and Deepen Understanding

This step is all about traditional, ground-softening fundraising communications with some new twists for the Internet age. For many organizations that can say “we are the best-kept secret in town,” Step #4 is critical. While a great deal of information can be transferred through face-to-face interviews and meetings, this is an inefficient way to inform the best 500 prospective donors for your organization. Some type of mass marketing and target marketing has to be used.

One marketing adage goes like this: 27 exposures for one understanding. That is why we see so many car ads, so many hamburger fast-food ads—repetition helps to burn in the brand and the message. Should nonprofits play that game? Can they play that game?

Unfortunately, the answer is no. The kind of television exposure that major, national brands can buy costs tens of millions dollars. Nonprofit organizations need to target markets for efficiency.

For some wonderful ideas on creative marketing on a limited budget, read the *Guerrilla Marketing* books produced by Jay Conrad Levinson and look at *Marketing for Dummies* by Alexander Haim.

While cold list direct-mail fundraising is expensive, direct-mail focused to a target list of your 500 best potential donors does work. Once people

make philanthropic investments in your organization, they are willing to be informed more deeply about how the organization is using their money. We have found that communications to donors need to be short and frequent. Through testing during listening exercises (see Chapter 3, Listen) we found that donors, who are typically busy people and who are approached by many charities, tend to read “propaganda” from nonprofits sparingly.

E-mail will help, but the same admonition applies—keep it short. The best online newsletters have only a few graphics (so they load quickly), brief three-line outlines of an article, and a link to the full news article. Just remember to ask your donors if they are e-mail capable and if they like to receive information in that format. Short term, you should probably duplicate your communications online and through snail mail.

Continue cultivation events started in Step #2, Interact, Interest, and Connect, as most people will need to see your organization numerous times in a variety of settings to finally “get it.” Use your socialites (*The Seven Faces of Philanthropy*, Chapter 2, Donor Values, found 11 percent of your donors fit this category) to help provide a continuous social presence to your donors.

Six I’s: Step #5—Involve, Acknowledge, and Engage

If you want to speed up implementation of the Six I’s system, find ways to involve your best potential donors with your organization in a meaningful way—utilize Step #5, Involve. Transfer the ownership of the organization from the staff to the community. In this way you are acknowledging donors as more than bank accounts—you are confirming they have good ideas and abilities to help your organization. Engage your donors in meaningful activities so they can grow into your organization.

Of course, the ideal way to involve potential donors is have them join your board of trustees. But, this path is usually reserved for donors who have already made substantial investments in your cause. What can you do for those who are still in the “potential” phase of your fundraising courtship? In Chapter 5, The Win-Win Ask, we’ll spend the entire chapter on ways to use volunteers effectively in fundraising. We mentioned in Chapter 2, Donor Values, that the best way to keep people centered is to involve volunteers in all aspects of your fundraising program.

By using the power of your board members and volunteers, you can recruit new volunteers just because they are connected to your old ones. One recent interview with a potential donor and community leader was a classic:

I didn't even know what this children's organization did but I was new to town and my friend George suggested I join his board. Over the first year I learned a lot and now I am one of their most active board members. I love what this organization does.

A recent survey found that high-net worth donors gave to organizations because 61% were on the board and 80% had volunteered. Those people volunteering 51 or more hours a year gave significantly more than people whose volunteerism was at a more "token" level.

Six I's: Step #6—Invest, Recognize, Steward

Process in fundraising is critical to a winning-gifts approach. But, at some point you need to ask for the order, close the gift, and seek the investment in your organization. In Chapter 5, *The Win-Win Ask*, we'll focus on making a successful gift request, and then, in Chapter 6, *After Winning the Gift*, we will examine ways of thanking donors, recognizing them, and stewarding their gifts over time.

A tracking and accountability chart tied to The Six I's of Philanthropy can be found at www.WinningGifts.INFO.

READ ON

Part I of this book focuses on these first three steps of the Six I's—qualifying donors, understanding their motivations for giving, and listening to them. Part II, *Seek Winning Gifts for Your Organization*, will describe the final three steps—how to seek winning investments from donors to benefit your organization's mission by making your case, involving donors, making the ask in terms that inspire the donor, and thanking them appropriately.

The Six I's looks like a linear, one-cycle process. But remember, people are complicated and organic—they start where they are, not where you want them to be. The real-life process is ongoing, ever spiraling upward in a growing concentration of good relationships, mutual respect, and trust. Think of the Six I's as a three-dimensional spiral moving upward from the platform of the

six as the donor's life and the organization's growth mature over time. The spiral gets ever closer as the relationship tightens. This is where you would love the donor and organization to be—a philanthropic team for the good of the community—in 20 or 30 years, and through an estate gift, forever.

The time to take a qualified prospect through the Six I's ranges from 18 months to 4 years and 6 to 10 interactions. Of course, time spent by a donor participating on your board will increase the number of interactions and cut the time needed to secure a winning gift. Remember, once started, the process of a philanthropic partnership is lifelong. You need to establish systems to institutionalize the relationship. You must facilitate the ability of your successor to take over the donor relationship on behalf of your organization. The donor needs to have enough connections to the organization that transitions in fundraisers, presidents, and program staff will not sever ties and destroy the lifelong relationship between the donor and the organization.

■ NOTE

1. Stephen R. Covey, *The Seven Habits of Highly Effective People* (New York: A Fireside Book published by Simon & Schuster, 1990), 207, 213.



People Centered Fundraising

I have more fun and enjoy financial success when I stop trying to get what I want and start helping other people get what they want.

—SPENCER JOHNSON AND LARRY WILSON,
*THE ONE MINUTE SALES PERSON*¹

In this chapter, we will cover three key ideas about people centered fundraising:

1. Start with the peoples' needs and articulate how your organization benefits the community rather than focusing initially on institutional needs.
2. Use a marketing approach to fundraising.
3. Help your nonprofit become a people centered fundraising organization.

While some may think this chapter should be titled donor centered or constituent centered or customer centered, think about people first. Your family, your friends, your neighbors, your parents—they're all people first, then constituents of various organizations, customers of a variety of businesses, and donors to a few nonprofit organizations.

Great fundraising is all about relationships with people—people who have their own interests, stories, motivations, and needs.

START WITH PEOPLES' NEEDS

The winning gifts approach to philanthropic fundraising is a marketing approach. It is customer focused, and people centered. While we raise money for organizations, for the organization's board, or for the organization's executive director, ultimately nonprofit organizations are run to benefit the community. The board of directors sets policies for the organization as owners-in-trust for the community. Therefore, as contributed funds are sought it should be done in the long-term context of the organization benefiting its community.

So what do people need? What motivates them to give money away philanthropically? Chapter 2 will deal with these issues extensively in a historical and comprehensive way. Research studies have probed to find donor values around giving. In Chapter 3, listening skills to determine motivations for individual donors that you work with will be discussed. The best way to find out someone's philanthropic worldview is to ask them.

- "I just sold my company and am too young to retire. I want to join your board and observe Ed and John and the other community leaders who give of their time and wealth. I need role models."
- "My family is from Chicago where Granddad was on the museum board and Dad on the symphony board. We have a family tradition of philanthropy and board work. I need to learn how to do this in my newly adopted city."
- "Our company employs a lot of people in this county. We want to help make this a great place to live for our families and to be known as good corporate citizens."
- "I'm an entrepreneur. I'm willing to make a gift, but I want to see how the organization can leverage my money by raising additional funds. And, I want to see a multiplier effect of my gift in making a difference for poor children in our town."
- "Our founder is dead, so we as foundation trustees try to envision what he would have wanted us to fund. He was interested in economic development and children. We want to honor his generosity in setting up our foundation."

Every donor has his or her own unique set of needs, aspirations, family history, and understanding of philanthropy. And every donor is on the path from

making his or her first gift, to having donated dozens of times, and to learning what an endowment is and how it differs from operating or building gifts.

In developing a winning gifts strategy for all of your donors, think through the benefits they receive through their gift investment. Most of these benefits will be intangible, psychic, and emotional. For many people of affluence, once they have bought a huge house, a second home, traveled everywhere they can imagine, and bought everything they want, they begin to see that things can only bring you so much pleasure. True happiness takes meaning and permanence. Becoming a philanthropist can provide people with more satisfaction than almost anything else. Finding peoples' passions and emotional values can be the winning-gifts secret to your fundraising success.

And, as you present gift opportunities remember that no matter how good the college president is, another job or retirement will mean change in the future. No matter how talented the fundraisers, they, too, will retire someday. What lasts is the mission and vision of the organization—and the generations of donors who invest their personal funds to help pay for that vision.

Fundraising for nonprofits started because there was a need for money. At private universities, students could not pay enough tuition to fully cover faculty salaries or fund the construction of new buildings; at hospitals, patient fees could pay for immediate services but not for all the new equipment needed in a given year; and at animal shelters, perhaps a treatment hospital is needed. These are all real concerns but they are focused on what the institution needs. For the board members of these organizations, many of these needs became evident through discussions at board meetings and with staff members.

How do we match up the needs of the organization with the values and motivations of donors? How do we do this for people who are loosely connected, if connected at all, with the organization in need? What's the 30-second elevator speech to capture the attention of people busy with their own lives and with the many other causes in the community?

The first step is converting these organizational needs to community benefit.

How Does Your Organization Benefit the Community?

When you first start thinking about how to convert organizational needs to community benefits, it can be numbing to your brain. What does this mean?

Try to look at your organization from the community perspective. What does it do that makes the community better? What's the added value? Sometimes it helps to think about what holes would be left in the community if your organization disappeared.

These ideas tap into the prominent donor motivation of communitarians—giving back to the communities that helped enrich their lives and lives of family members.

For example, colleges need money to pay for faculty, to keep their facilities clean, for administrators, to construct new buildings. But, what is the community benefit? Sure students go to classes. But how do I, the little old lady living three miles from campus, benefit? One of the great sayings is, "The only thing more expensive than a fine education is the lack of one." A study showed it costs more money to put a 20-year-old in prison for a year than to send that individual to Harvard for a year. Young people need a safe environment, one step away from home, to finish their emotional development and to gain knowledge and skills that will pay off for their lifetimes. College graduates work at local business and industry. They create companies, they work, they vote, they pay taxes, and they make good health-care decisions. They become a community asset rather than a community drain. A great college will bring students from far away to your town and your state. Many will stay to strengthen the local economy. A strong college creates an academic atmosphere by attracting faculty members and their families from across the country. College cultural events, plays and music performances, enable small towns to have the cultural life of a city many times larger. Sure, the college may need to raise money to pay for some projects, but one important reason people give is the community and societal benefit the college provides.

In people centered fundraising, you always need to ask the questions, How does the investment the donor makes in this organization benefit the community, society, or people in need? What difference will this gift make? What impact can we show the donor? What results is this organization producing in the world?

Here are two case histories that may be informative. These are true stories.

A Public Library The local public library was able to operate on tax levies and modest revenues from library cards, overdue book fines, and a few

government grants. Everything worked well for the past 50 years. Then the library building needed a major expansion. City budgets were tight and there was no money for capital improvements. The local citizens could not be asked to approve a bond measure for new library space. What to do? Undertake a capital campaign of course—raise the \$2.3 million needed. But, that's a lot of money for a small, rural community of 7,000.

Why should people give money to the library, which is owned by the city, because the librarian wants more space? That's what we heard at our first consulting session with the client and some of its potential donors during a leadership briefing focus group session.

In asking what the problems were at the library, we learned that when the current library was built 20 years ago it was supposed to be 7,500 square feet, but the budget only allowed for 5,000 square feet. So what? Well, after two decades of successfully serving the public and after many changes in both the technology as well as the offerings of libraries—from card catalogs to Internet searches and from hardback books to the addition of paperbacks, audiobooks, VHS tapes, and DVDs—the stacks had expanded out to the walls of the library. All of the reading areas were now gone. As the town's demographics had changed, library patrons now came in using walkers, wheelchairs, and motorized chairs. The stacks were too narrow to accommodate these patrons. In fact, they were so narrow that when one person was browsing in an aisle there was no room for a second person to pass. One computer station had been added seven years ago and, through a grant from the Bill & Melinda Gates Foundation, three more computer stations were added a few years later. Computers were in such demand, users were limited to one hour. There was a sign-up list for Internet searches by senior citizens and by people who couldn't afford a computer or an Internet connection. The library needed more money for more computers and the space to put them in.

What other problems did the library have? Children's hour at the library had always been popular. It was a great activity for young moms to get out of the house and bring their children to hear some stories and browse the children's section for books they could check out. Everyone wants their children to learn how to read and become well educated. The problem? Too much success. As the children's section added more and more books there was less open space for the children's hour. The children's hour became more and more popular. Finally, critical mass was surpassed. The children's hour

had to move out of the library into the nearby community center. It worked, but the opportunity for the children to move immediately from story time to looking for books was lost. Only half of the families took the time to walk one block to the library to look for books—especially in the winter in the pouring rain.

As we talked to potential donors who had the wealth to make gifts to help make the library expansion possible we found out they didn't know any of this story. They just yawned at the idea that the librarian wanted more space for her books. But, when they heard that their grandchildren couldn't look at books after the children's hour, that was a different story.

When we asked if they had checked out a book recently, they looked at us with puzzled eyes. If they wanted a book, they went to Barnes & Noble and bought it; they went online to Amazon.com and had the book sent to their home. They didn't need the library at all. And, you know what? They were right. A new library expansion had no value to them, at all.

What we learned the hard way was the need to ask the value question in a different way. When did they use a library in their life? When was it of value? We heard some stories that were amazing to us—and even more amazing to the potential donors. One older gentleman remembered immigrating to America and coming to town not speaking or reading a word of English. He got a job with some cousins but spent every spare moment in the public library learning how to read English and understand the United States. He said that without the public library he never would have realized the American dream and come to own his own business and several buildings in the downtown area. Another person remembered going to the local library's book club as a seventh grader and reading 10 books a week during that summer, opening a whole new world through fiction and nonfiction. A lady learned how to turn her hobby of gardening into a nursery business. The stories were endless. All of a sudden, the needs of the library were aligned with the values of the donor and the benefits to the community. The donors' grandchildren would benefit. New people would move to the community because the library was so good. Poor families without computers and Internet connections would still be able to connect to the World Wide Web because the library was around.

The result? The campaign surpassed its building goal and started on its next fundraising phase, a permanent endowment fund for new book acquisitions.

A Graduate University This private graduate institution granted doctoral degrees (primarily) and master's degrees (a few) in complicated high-technology, engineering, and science fields. The faculty members focused on their own research and supporting their graduate students' original research for their doctoral dissertations. A new president came to the school with a vision for the future and a fundraising team was created. Given the young history of the organization and the six to eight years needed to complete a doctoral degree, the alumni base was minuscule. How could funds be raised?

In developing a strategic plan, a new mission statement was forged: "ABC Institute of Science & Technology: educating leaders and creating knowledge through research." Sure, the organization still taught students, but the community benefit was educating leaders in science and technology for local and national high-tech companies. And instead of just doing research for its own sake (the common perception of donors), the faculty was actively engaged in creating knowledge to benefit humankind (this was always the goal; they just hadn't told their story well). The mission statement helped to articulate the community benefit. And, like most good mission statements, it started to serve as a guiding light to determine which new graduate programs the institution should offer in the community (e.g., the creation of a new master's degree program in technology management to educate engineers on business principles, thus meeting the needs of industry and its employees).

Take a Marketing Approach

A winning-gifts approach to fundraising takes a marketing approach rather than just a sales approach. In selling, you are going out to convince people to buy something. Using a marketing approach, you slow the process down to determine the interests and needs of your potential customers with the goal of coming back to them with a product they are already interested in buying.

Earlier in my career I was the corporate and foundation fundraiser for Field Museum of Natural History in Chicago, a wonderful institution. I loved wandering the halls learning about dinosaurs, exotic animals from around the world, the gem collection, and the primitive artwork of indigenous peoples. My young daughter used to tour with me occasionally and because of all of the stuffed animals at the time (the mid-1980s), Chrissy called it "the inside zoo."

One day, I got a call from volunteer services telling me they had assigned a new volunteer to help me. Volunteers always wanted to be tour guides in the museum or help with children's programs, not help with fundraising. I was amazed; this was going to be great.

Sally changed my whole perspective of fundraising. Her family had recently come to Chicago for her husband to take on a news anchor job. She was in her late 30s with a young child at home, but had a master of business administration in marketing and had worked at a big agency in New York City before starting their family and retiring. She wanted to volunteer somewhere her marketing expertise could be used.

At our initial meeting I described my responsibilities—raise \$1 million a year from corporations to support Field Museum and write grants to foundations.

She tested me on what I knew about marketing; I flunked the oral exam. I was in my late 20s at the time, a kid. She was older than I and obviously had many more years of corporate experience. I was just a dumb musician who had recently finished managing a community orchestra. What did I know?

Being a good volunteer, she took control of the situation and laid out our mutual agenda. Her volunteer job was to teach me marketing. She brought in her MBA marketing books and lectured me, taught me, cajoled me into learning marketing concepts in her two volunteer afternoons a week.

I've never forgotten her main themes. Don't sell before you market, and listen to the marketplace. It's much easier to sell something people want to buy. Slow down and take the time to listen to your customers (donors) to learn about their interests and values. Then shape your sales proposal to meet their needs. Thanks, Sally.

Sales

What's the difference between marketing and sales? Selling is taking a product, or in our case a fundraising need, and convincing a person to make a decision to buy the product; making the pitch; making the sale. For example: Your college has a President's Club with a \$1,000 yearly membership; they ask you to join them. That's a sales pitch.

Sales-focused fundraising emphasizes ways to make the ask, the amount of money raised this month and this year, how many prospects each fundraiser

can handle, how many cold calls, and how many fundraising pitches have been made this month.

From Thomas J. Stanley, author of *Selling to the Affluent*:

Are you an Apostle or Antagonist to the Affluent? An apostle to the affluent is a sales professional whose mission is to serve this target market. . . . They are also proficient at attracting, conditioning, and retaining the affluent as clients. Antagonists, more often than not, show more concern for their own needs . . . than for those of the affluent. . . . They often repel as opposed to attract the affluent as clients.

First become an apostle to your affluent prospects before focusing on your own need—the need to sell your product.²

Stanley goes on to define an apostle as someone on a mission, someone who is there to serve.

Of course, you will always have an aspect of sales in fundraising; however, it should come after you have developed your marketing plan and tested your value proposition with your donors.

Many organizations rely on a sales approach through their emphasis on special events. Golf tournaments, auctions, and other types of special-event fundraising are transactional fundraising. The buyer is getting merchandise, usually at a discount, in exchange for her donation (her purchase). It's a sales approach to raising money. While nonprofit groups raise \$5,000 to \$500,000 using sales techniques in special events, donors may be only vaguely aware of the cause they are supporting. They are more interested in the great deal they got on the golf vacation they won at the auction.

Marketing

Marketing to understand your donors and potential donors means slowing down to find out the interests and needs of the potential buyers before making the sales pitch.

For example: What is your connection to our library? What do you know of our programs? Do you understand how we impact the community? Do you realize we need support from people like you to increase the size of our book acquisition fund so we always have the best research sources available? What would motivate you to consider making a \$1,000 contribution to our organization?

A marketing approach can still involve metrics and measures of results productivity, but its emphasis is on relationships that lead to donors discovering they need to make a gift. Testing case statements through focus groups and face-to-face interviewing is a marketing approach (see Chapter 3, Listen). Relationship building is the heart of a winning-gifts strategy, a people centered approach to fundraising.

To create authentic relationships with your potential donors, you need to be convinced of your case for support (see Chapter 4, Make Your Case). Understanding the impact of gifts on your organization and society will help create your personal energy. It will motivate you to seek funding for your cause through charitable giving. In Part II, we will look at some ethical influence considerations as you put people ahead of money.

Good fundraisers know that the first gift is never the last gift. Your goal is to steward the first gift (see Chapter 6, After Winning the Gift) toward the objective of a lifetime relationship between the donor and the nonprofit organization. You may or may not be there the entire time of this institutionalized relationship, but hopefully you are the catalyst that starts and nurtures interactions as long as possible.

You can achieve the same results (for example, securing a \$1,000 President's Club donation) through a marketing approach (taking the extra time to listen to the donor so you can begin to understand a long-term philanthropic path for this person with your organization). You may end up getting a much larger gift using this marketing approach rather than a quick-sell technique.

A fine example of this difference goes back to my days when I was on the Field Museum staff in Chicago. I was appointed by my supervisor to be on several museum committees, one of which was the "copier committee." We were in charge of helping departments get copy machines and duplicating services (this was back in the mid-1980s, when copying was a real chore). We asked Xerox to come in and make a sales presentation for a new machine for the fourth-floor curators. The Xerox representative came and politely listened to our request. She asked our permission to come back in a few days with a colleague to interview the curators and their secretaries to see what the ideal copier would be. They came back a week after the interviews and told us that while they could sell us the first machine we were interested in, they had a different model with more capabilities that Xerox felt met the museum's needs better and would be more efficient and cost effective over time. We listened to their defense of the proposal, bought the more capable

copier, and thanked the sales team for their thoughtful work. This is a great approach—first-class marketing followed by the sales pitch.

In *The Portable MBA in Marketing*, authors Charles D. Schewe and Alexander Hiam note:

It is not an easy thing to please customers. They already have so many choices. If you wish to sway even one purchase decision [think donor gift decision] in a new direction, you must discover and communicate something of unique value to customers.

It all comes down to customers . . . you must, first and foremost, focus on *what you will do for your customer?*³

The essence of good marketing is customer satisfaction. As consumers of retail products in the United States, we know that. Toyota wants us to feel good about being environmentally conscious so the company offers us the Prius hybrid. As philanthropic fundraisers, we need to remind ourselves that while donors can be altruistic (one of the seven profiles identified in *The Seven Faces of Philanthropy* by Russ Alan Prince and Karen Maru; see Chapter 2, Donor Values), the donors are being bombarded by philanthropic requests almost as often as they are by car advertisements. Nonprofits compete for contributed funds—for the known donors who have publicly displayed the capacity to make million-dollar gifts, this competition is fierce. What will you do for these donors (these customers)? How will they be delighted by making a major donation to your organization? How can they be sure they have made a winning gift for themselves?

One way to satisfy customers is to provide direct feedback from the people they have helped or will help through their gift. For one college, we needed to get the scholarship message across to our donors. The staff found a young mom with two young children who was only able to go back to college because of a scholarship. We captured her and her children on video as the narrator read her heartfelt letter of thanks. The emotion of what this scholarship meant to her children and to her was clear to the donors and helped inspire many to give to the scholarship fund.

In their book, *Principles of Marketing*, Philip Kotler and Gary Armstrong comment on the importance of personal selling:

People hold many stereotypes of salespeople . . . modern salespeople are a far cry from these unfortunate stereotypes. Today, most salespeople are well-educated, well-trained professionals who work to build and maintain

long-term customer relationships by listening to their customers, assessing customer needs, and organizing the company's efforts to solve customer problems.⁴

Many fundraising consulting firms have moved the concept of the feasibility study to that of a philanthropic market research study. Yes, they can still tell client nonprofits whether the campaign goal is feasible, but the higher purpose is to test the sales proposition (the case statement) with prospective donors to determine their reaction. Is the nonprofit helping to build a better community and society through this campaign project? Does the donor realize that a problem needs solving? Feasibility studies are fine, but you may want to consider expanding the scope of the study to include market research so you can understand your donors better.

In a recent interview, Kenneth Blanchard, co-author of *The One Minute Manager*, commented on college students and learning:

I think the way you make anybody a raving fan is when you go out of the way to serve them . . . Satisfying customers is not enough, what you need is to create raving fans . . . by treating . . . the customers as if they really had brains and they were important to you and you want to listen to them and you're open to their ideas.⁵

In Chapter 3, Listen, we will examine specific techniques you can use to discover and uncover donor interests.

Importance of Strategic Planning

Strategic planning (scenario planning, long-range planning) should be important to every nonprofit organization. Planning helps set directions for the staff and the future of the organization. Visions of future successes for the organization are mapped during the strategic planning process.

Beyond organizational effectiveness, strategic planning creates a winning-gifts atmosphere. Why? First, the plan helps to confirm to the staff and donors the future vision and vibrancy of the organization. The time invested in planning by the staff and board also serves to create a common vision for the organization, and common words to describe the vision and the path to move toward that vision over the next several years. Second, to take a marketing approach implies flexibility. Because you have a multifaceted prioritized plan, you can react to peoples' interests and needs by shopping

the plan. Of course, we always want to sell the first priority, but if the donor isn't interested, the strategic plan gives us a roadmap to other options.

We speak here about *vision* rather than just the three- to five-year strategic plan. While this type of plan is fine for operational purposes, philanthropic fundraisers need a longer-term view, a quarter-century vision. If we are to encourage our 60- and 70-year-old donors to include our organization in their estate plans, then we need to be selling the 25-year vision, not just the five-year strategic plan.

Planning helps your organization to define the ideal situation in 5 years, 10 years, and a quarter-century from now. It then looks at current resources to achieve that ideal. The gap between what is possible now and what is possible to reach the vision—the gap analysis—can be presented to donors for funding. For example: One organization had \$500,000 set aside for an endowed scholarship. After strategic planning, the group found that to have an impact on the students it wanted to help through this scholarship program, it would need a \$1 million endowment (the organization wanted to give two \$25,000 scholarships to encourage minority students to enter the medical profession). Rather than lower its vision to one scholarship, the organization established a fundraising objective of securing an additional \$500,000 in the next three years and a long-term vision of a \$10 million endowment through planned estate-gift commitments (the organization knew tuitions would keep increasing over time and the number of students that needed scholarships was estimated at 10 to 15 students each year). You can see that without a strategic plan the fundraiser does not have a roadmap for future projects to share with donors.

Here is one donor's comment: "I was raised as a preacher's son and was told to give to those who asked, but as an adult, now, I want to know how my money will be used and need to see a vision and goal." The best way to respond to a donor like this is to share elements of your organization's strategic plan. Some donors will want to see, and deserve to see, the entire strategic plan. (Note: A person requesting such information may be an excellent board of trustees candidate).

Drucker Self-Assessment Tool Peter Drucker (1909–2005) was an academic, a writer, and a consultant in strategy and policy for corporations and nonprofit organizations. He authored 31 books that have been translated into more than 20 languages. He was an editorial columnist for the *Wall Street*

Journal and frequent contributor to the *Harvard Business Review* and taught at the Peter F. Drucker and Masatoshi Ito Graduate School of Management at Claremont Graduate University (the business school was named in his honor in 1984). In 1997, he was featured on the cover of *Forbes*. *BusinessWeek* described him as “the most enduring management thinker of our time.”

In the early 1990s, Drucker turned his writing attention to nonprofit organizations. He created The Peter Drucker Foundation, which published the Drucker Self-Assessment Tool through Jossey-Bass Publishers (a division of John Wiley & Sons, Inc.), to aid nonprofit organizations with their strategic planning. More information can be found about the tool on the Leader to Leader web site—www.LeaderToLeader.org. The Drucker Self-Assessment Tool is an excellent way to structure a strategic planning process. We mention it here as it helps provide a context for planning. In the tool, Drucker asks five simple, yet deep and profound questions (see Exhibit 1.1).

The “customer” notion may seem foreign or awkward to your nonprofit organization. Drucker defines the customer as the person whose life your organization is trying to change. He asks that your organization consider the myriad sets of supporting customers who help the organization serve the primary customer. Of course, one always-important supporting customer is the donor. In addition to asking nonprofits to focus on their primary customer, another aspect of Question #2, Who is our customer?, Drucker asks that you consider sets of supporting customers. In Question #3, he asks nonprofits to think through the values of their primary customer and each set of supporting customers. By supporting customers, Drucker means all of the other people who assist the nonprofit in serving the primary customer. For a hospital, the primary customer is the patient; supporting customers would include physicians, nurses, lab technicians, cleaning personnel, family

EXHIBIT 1.1 FIVE STRATEGIC PLANNING QUESTIONS

Question #1	What is our mission?
Question #2	Who is our customer?
Question #3	What does the customer value?
Question #4	What are our results?
Question #5	What is our plan?

members, administrators, health insurance companies, employers, the community, and so forth. Each of these supporting customers will have their own set of values.

What will encourage contributors . . . to convert individuals who give money into “contributors,” that is, citizens who take responsibility, neighbors who care. . . . What are that individual’s personal reasons for giving money? To whom does he or she give? What results prompt the contributor to say, “Yes, that’s what should be done. That’s what deserves more of my support.” What does this customer value enough to do more, to really become a partner in furthering the mission?

Listen to your customers. . . . To formulate a successful plan you will need to understand each of your constituencies’ concerns, especially what they consider results in the long term. Integrating what customers’ value into the institution’s plan is almost an architectural process, a structural process. It’s not too difficult to do once it’s understood, but it’s hard work. First, think through what knowledge you need to gain. Then listen to customers, accept what they value as objective fact, and make sure the customer’s voice is part of your discussions and decisions.⁶

Chapter 3, Listen, will cover ways of listening to the donor customers of your organization. Being sensitive to their values will keep you people centered in all of your fundraising work.

HOW TO BE PEOPLE CENTERED

Now that you understand the need to be marketing oriented, customer focused, and people centered, what does that mean for the different sectors of philanthropy? The first task is not to assume or to base our fundraising techniques on *our* values and *our* needs but to listen to people—therefore, there is a whole chapter on listening in this book. Don’t guess at donor values and motivations—don’t assume you are people centered until you meet with a donor or person in the community who might become a donor every working day of the year.

You can keep people centered by remembering to engage the other people in your organization, not just your fundraising team. Explaining your fundraising story to the academic vice president as well as everyone’s favorite maintenance engineer forces you to remember that the people within your

organization can be a marketing force for you, too. Alexander Haim, who wrote *Marketing for Dummies* as well as co-authored *The Portable MBA for Marketing*, notes the five P's of marketing:

1. Product—what aspects of the product itself are important?
2. Price—what does it cost for your customer to obtain and use your product?
3. Placement—when and where is your product available to customers?
4. Promotion—any and all ways you will be communicating to customers about your product.
5. People—all points of human contact with customers are important parts of your marketing program.⁷

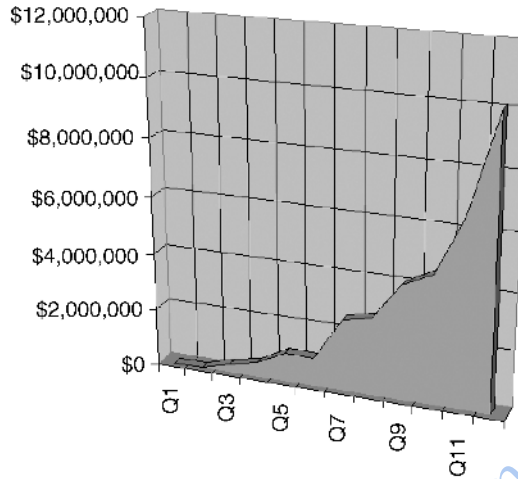
In Chapter 4, Make Your Case, we'll look at product, placement, and promotion. Pricing will be discussed in Chapter 5, The Win-Win Ask. For this chapter, keep focused on item #5—people. Don't forget that the people who work with you and for your organization can be a wonderful aid to your fundraising program.

Individuals

With 80 percent of the charitable funding coming from individuals (see Giving U.S.A.—Sources and Trends in Giving in Chapter 2, Donor Values), we will spend most of the time in this book looking at this sector. In Chapter 3, Listen, we will go through a list of questions you can ask your best donors and best prospective donors regarding what they value.

One of the mantras throughout this book is to get out of your office at least 50 percent of the time to call on people. Interact with them, build relationships, ask them questions, and get to know their values. Philanthropic fundraising is a people business, so follow the one-a-day plan and visit with one qualified donor or prospective donor every day.

All good fundraising is a combination of marketing and sales. Once we understand a donor's value system and once we have created a case for support (see Chapter 4, Make Your Case) then we do have to go into a presentation and sales mode. To keep people centered, remember each individual is going through a learning curve and your donor community is



	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Series1	\$0	\$0	\$250,000	\$500,000	\$1,000,000	\$1,000,000	\$2,500,000	\$2,750,000	\$4,000,000	\$4,500,000	\$6,500,000	\$10,050,022

EXHIBIT 1.2 LEARNING CURVE

going through a *mass learning curve* (a cumulative effect of all of the individual curves put together).

You can see in the fairly traditional learning curve in Exhibit 1.2 that education starts off slowly, some progress is made, and then a plateau is reached. Then, as time goes by, rapid learning takes place and finally mastery is achieved. Being a former high school teacher, this concept was presented to us in senior-level and graduate education courses so we as teachers could better appreciate why the students were so slow to catch on. It taught us to be patient, to be prepared for the plateaus in learning, and yet to keep our expectations high as rapid progress would occur over time. We were also taught that everyone in the class would have their own individual learning curve and that people would, on average, learn at about the same rate. But, to again teach us patience, our professor emphasized that a few people would catch on very quickly, thus getting bored with the slow progress of their classmates. And, a few others would be slow in the learning curve, take more of our attention, and probably need extra help outside of the regular classroom teaching setting.

As I got involved in fundraising, it became apparent that presenting an organization’s vision and funding needs to potential donors required that

they go up a learning curve. They do not get it right away. You have one meeting and they are nodding their heads, indicating that they understand. You go back one month later to see them again, and they have regressed back down the learning curve and have forgotten almost everything. They need to be retaught. One test of learning retention that works with students in the classroom as well as in fundraising is to ask the student (donor) to tell you the lesson (the case for support); tell it to others at a board meeting or leadership briefing focus group session. If they pass the test, you know they have mastered the material. And, in getting ready for the test, the public testimonial, the person needs to master the material and be able to articulate the case for support.

Look again at Exhibit 1.2. This indeed is a typical learning curve that would fit any individual student quite well. But, this is actually a campaign- dollars-over-time graph that tracked a \$4.25 million campaign. Three years of time are captured here. You can see the plateaus where learning (fundraising) seems to have stopped. And you can see where mastery was reached and the campaign goal achieved (in fact, this campaign hit \$10 million).

Patience is critical. It is not about us telling the story; it is about the potential donors understanding, internalizing, and being able to repeat the story of our organization in their own terms with their own passion and values integrated. We looked at *The Six I's of Philanthropic Fundraising in Part I, A Winning Gift for Your Donor*. The time it takes for a donor to go through this six-step process is somewhere between 18 months and four years, depending on his prior knowledge and experiences with an organization. Collectively, capital or comprehensive capital campaigns can take three to five years, with seven years the standard in large, complex campaigns for universities and medical centers.

Having worked in one community for 20 years now, it is fascinating to see how patient and persistent organizations need to be. The \$50,000 donor of a decade ago is now making million-dollar gifts. The family who was new to town and cautious with their giving is now a recognized role model. Even though your organization needs the money now, each person is on his or her own philanthropic path. Give them time to mature and grow.

To be people centered, act like a teacher exhibiting high expectations but infinite patience with your students, the donors.

For those involved in teaching adults, it is important to remember that—because of the ever-growing body of knowledge about the brain—we now

realize the older the person, the more experienced the person, the harder it is to introduce new concepts and new nonprofit organizations to support. Not impossible, but harder, as we are trying to position our organization into the already-established charitable giving patterns each donor has.

The old real estate mantra is “location, location, location.” The philanthropic fundraising mantra should be “patience, patience, patience.” But don’t mistake patience for doing nothing. Children go to school five days a week because learning is enhanced through repetition. Frequency of interaction with concepts to be learned is critical. Another common way to look at fundraising is to assume through the Six I’s process of up to four years that you will have 6 to 10 contacts with the donor over that time period. This time frame can be shortened through bimonthly written communications (through printed and/or e-mail newsletters). You want to get to a top-of-mind status with your potential donors. You want them to say that your charity is one of their top three philanthropic priorities. If you are number 10 on their list right now, you can see where a couple of years of hard work will be needed to bring your organization up to the top three. If you are not even on the donor’s radar screen of charitable causes, you could be looking at the four years (or longer) to capture the donor’s interest, heart, and pocketbook.

In *The Art of Selling to the Affluent*, Matt Oechsli notes:

Your critical path to affluent sales success requires the mastery of *face-to-face* interaction . . . you don’t simply manage the sale; you manage the relationship. . . . They do not want to be sold; they want to be served and assisted as they move through the decision-making process. . . . Face-to-face communication . . . is the richest medium of communication possible. It engages all five senses.⁸

In Planned Estate-Gift Fundraising Many organizations seeking planned estate gifts want the money to help build their endowment funds. Just like people can never be too rich or too thin, nonprofits can never have too much endowment. But both statements are vain and self-centered. How do you become other centered? People centered? Why do you need an endowment? What impact does it have on the people you serve?

Basic, planned estate-giving fundraising techniques include: think family first; include all of the donor’s major charities in your discussions; find out the person’s values around giving money to children and grandchildren; and what legacy the donor would like to leave the community or

society. And, ask about the donor's views on endowment (some like it, some like it not).

To build a successful planned estate-giving program, you have to be 90 percent people centered or you will not be successful (more to come on this later in this book). Estate giving is so family-centric that to break into the inner circle of giving takes great persistence and intelligence. As one gentleman told me: "I have four children and twelve grandchildren, that's my estate plan." Unless we can show a person like this a legacy vision plus a way to reduce tax obligations, an estate planning proposition is impossible.

One classic people-centered story has to do with a fundraising-industry-jargon use of the words, *planned giving*. In this book, you will find the consistent use of *planned estate gifts*. Why? Here's the story: I was invited by a board member of one of my clients to present to one of his other nonprofit boards. The organization we were working together on was in the midst of a major capital campaign for endowment that was using both five-year pledges and planned gifts to reach the campaign goal. My board friend, Joe, was the president of one of the largest banks in the region and wanted his other board to get on the planned-giving bandwagon. Therefore, he invited me to do a training session. I started the session with a discussion about basic planned giving, noting that 87 percent of all planned gifts are made by simple bequest. He stopped me right there and asked me to repeat what I had just said. I repeated it. He interrupted again to ask, "Does that mean if I have ten charities listed in my estate plan that I am a planned gift donor?" I told him yes and realized that, to him, even as a long-term leader in banking and financial services, the term *planned gift* was meaningless. I immediately started using the more people-friendly *estate gift*, and, to help bridge this apparent gulf between people and professional fundraisers, started using *planned estate gift*.

Foundations

In many ways, foundations are the hardest area in which to be people centered as you are dealing with an organizational entity rather than an individual (this applies to large-staffed foundations, not family foundations). They may seem remote, bureaucratic, rule-bound, and somewhat adversarial. I had the luxury of being a rookie grant writer at a major Chicago

cultural organization, which allowed me to ask dumb, rookie questions of grant officers at the major foundations in town.

In talking with these program officers, it was interesting to learn that they felt as restricted by their trustees' guidelines as did the grant requestors. But they had to follow the rules. Their real professional goal was to find exciting, solid grant proposals from nonprofit organizations to present to their trustees. If they did so and the trustees made a full or significant award, the program officer was successful; they felt like winners—they were delighted.

Understanding my customer, the foundation grant officer (and the grant officer's customer, the foundation's trustees), it was now clear that the nonprofit organization's grant writer's job was to follow the published guidelines, write a first-rate proposal, form a partnership with the grant officer (if at all possible), and revise and redraft the proposal to meet the values and expectations of the foundation's trustees. It didn't have to be an adversarial relationship, and, in fact, if you worked hard and did the process right, a partnership usually did develop with your program officer. The program officer became your internal advocate and champion in his written report and personal explanation of the proposal at the trustee meeting.

Through a relationship with your grant officer you can understand firsthand the values of the foundation instead of trying to tease them out of the written guidelines. Over time, your relationship becomes more important as the grant officers begin to share ideas the trustees are discussing for changes in the written guidelines that may not appear for some time in writing (you get on the inside track).

Of course, trying to build relationships with the trustees is also important but not as easily done as with the grant officer. Ideally, to understand the foundation's values you want to do both. Top-level foundation fundraising is not just about good writing—grant writing. But, rather, grantsmanship is the value matching of the foundation's vision of how they want to benefit society with your organization's strategic plans and projects. As the song in *Fiddler on the Roof* goes, "Matchmaker, matchmaker make me a match . . . find me a find."

Corporations

Many nonprofit organizations relate poorly to corporations when it comes to fundraising. The whole culture of most nonprofit organizations is

academic, or social services oriented, or otherwise focused on service rather than profits. In fact, if the nonprofit does its job right, you create more losses through more services to people in need in the community. The difference in culture between nonprofits and for-profit corporations, which monitor quarterly earnings and profits like hawks, is gigantic.

To aid in your corporate fundraising work, elect some leading corporate officers to your board. Start reading your local newspaper's business section as well as the local business journal. Attend meetings of your local chamber of commerce; become a Rotarian.

If corporate fundraising is going to be important to you, reach out to understand their world. As you become more acquainted with corporate life, you will begin to understand the vast differences within the business sector—how banks operate so differently from high-tech firms, how publicly held companies differ from privately held ones.

Unlike foundations, which are formed to give money away, companies are formed to make a profit for their owners and shareholders. Their first job is profit. If you, as a nonprofit, can help the business be seen as a good corporate citizen, it may perceive that this is indirectly helping boost its profits. If so, the corporation will be more cooperative in helping you.

For example, when I was head of fundraising for the Phoenix Symphony, we had a great corporate sponsorship program in the community. We recruited a volunteer committee of public relations company executives. Their job was to understand what the symphony had to offer and to see how best to match that with client needs for corporate visibility. There were no promises, just a marketing opportunity if the right match came along. We did a few small projects and then we hit the big one. One of our PR volunteers called up to say that a major bank merger was in the works. It would take place in four months and the new bank name needed to be promoted in the community to build brand identity. The bank was looking at any and all creative ideas on how to do this. Did we have any projects coming up at that time period with a budget in the \$50,000 to \$75,000 range? In fact, we did. We put a presentation together for our volunteer who went to his client and sealed the deal. Ah, fundraising is fun when everyone wins.

We had visited Dr. Howard. He had formed several privately held corporations 30 years ago to develop products for his patients. He no longer practiced clinically except to perfect his products. He was passionate about their impact on patients. We hoped for a six- or seven-figure gift to

jump-start our comprehensive campaign. In interviewing him we learned that he had a new product that he was bringing to market that required huge investments of capital. All of his thought, energy, and resources were going into this product. In talking to one of his senior managers, we learned that Dr. Howard had never taken on any debt, his companies were privately held, and that positive monthly cash flow was a high value to him. In conversations with Dr. Howard about a potential gift, he reaffirmed his monthly, positive-cash-flow philosophy and his commitment to eventually giving big gifts away to others and maybe us, but he said that the timing wasn't right. Anything we could do to partner with him to take in-kind gifts of the new product and help poor people would be just terrific. The organization was disappointed that no money was forthcoming. However, it was smart enough to start looking at several clinics where the in-kind donation of products could be used to help poor children without access to medical care. We approached a local community foundation to partner with us to support the pilot project. The end of the story? We'll see.

Remember that corporate philanthropy is enlightened self interest. Businesspeople want a stronger community that provides jobs for their customers so that people have the purchasing power to buy products and services. They also want to hire good employees and keep them healthy. As you discuss your organization's impact on any of these issues, figure out partnership opportunities between your nonprofit and the company to develop a winning-gifts strategy. This partnership may be in the form of a financial grant to your organization. Ideally, it can be much more. For example, in working for an art museum we approached a corporate donor. They said they would support the museum with a modest capital gift for the capital campaign. When we asked about their interests, we found the local manager had been on the school board for three years and the national company had a major emphasis on education. We talked about the possibility of endowing our arts-in-the-schools program for two inner-city elementary schools. All of a sudden, our \$5,000 to \$10,000 "okay" project went to a \$50,000 discussion with high energy from the local manager. Meet their needs halfway as you seek funding for your projects.

Communications and Learning Styles Some people are readers and some are listeners. It is like being right handed or left handed; you are born

with a learning style, a communications mode that works for you. People can try to improve their reading skills and their listening skills, but they have a natural tendency of knowledge acquisition to which you need to attend.

Do not expect people to read everything you mail to them or to listen to all of the speechifying at your cultivation events. Learning theory indicates that some people take in information aurally, some visually, and some in both forms. Use both communications forms (oral and written) for maximum effectiveness in your communications.

For example, at a donor dinner, as the president is telling the audience of donors about the mission of the university and the three key strategic issues that require investment during this capital campaign, have the president refer to the small three-inch by five-inch tent cards in front of each plate on which the university's name, mission statement, and a list of strategic initiatives are emblazoned. Some people will hear the message; others will read it. The card is a great take-home reminder for people, explaining why your organization exists.

While this information applies to every person, every type of donor, the corporate sector can comprise some of the toughest people to communicate with as they are busy and overwhelmed with communication opportunities. Once you master the concepts here, you can apply them in many other settings and with various types of donors.

Remember back in your school days when the teachers wanted quiet, stillness, and silence in order for learning to take place? Then think back to your most favorite classes—like chemistry lab, where you were able to set things on fire and mix chemicals to produce strange, new concoctions. Which was more memorable? Burning stuff up and watching beakers foam up or change colors, of course—*experiential learning*. Great schoolteachers are smart. They realize that concrete, real experiences in any subject are longer-lasting lessons than passive listening. Some great teachers tell memorable stories, while others assign challenging, if not impossible, homework assignments that burn concepts into your brain (like the high school journalism teacher who forced everyone to document 1,000 synonyms for “said”).

To be people centered, remember to let your donors experience your organization, the challenges your constituents are trying to overcome, and how your organization makes a difference.

Fundraising is not about you or your organization's needs but about *providing donors with an opportunity to invest their money in the community to help*

people and society. You want to be people centered so that donors can understand your organization's mission in the world, your vision for solving societal problems, and the role they can play in helping your plans come to fruition through a philanthropic investment. You're not so much telling and selling as allowing the donors to discover how your organization fits into their values, their aspirations for society, and the future.

How do you test to see if your communications are people centered? Ask people, of course. An example: At our university we were trying to get local business leaders to adopt our institution not only to help fundraising but more importantly to acquaint our faculty with industry needs for joint research collaborations and to place our graduates. In interviewing corporate CEOs on our board to probe for communication techniques, I asked them to review our standard six-page newsletter. Several of them chuckled and asked if we were kidding. I didn't get the joke. They said that they had so little time to read outside of their job duties that they would never get to my newsletter. After recovering from my hurt, I asked what recommendations they had. How could we fix it? They told me that every day they skimmed through their outside mail as fast as they could. The quick, short letters and information they read immediately and threw away or put in the outbox for action. The longer magazines, our newsletter, and other things they received went onto the to-be-read-later pile. After that pile got a couple of feet thick, they would spend five minutes and skim through the whole stack of materials with the aim of disposing of paper with lightning efficiency (you probably do this, too). They said we were always in the to-be-read-later pile, and, in spite of good intentions, they just did not have time. If we could get into their quick-read-and-toss pile, they would look at us.

We listened; we changed. We moved forward with an oversize, one-page, trifold, self-mailing newsletter on glossy stock with lots of pictures and captions, headlines, very brief articles on our faculty members' research, and highlights of past cultivation events on campus. We decided to mail on a bimonthly schedule rather than quarterly as the frequency kept us more visible and enabled us to shorten the articles. It was hard to write such brief stories and devote so much of the newsletter's space to pictures. But that's what it meant to be people centered, so we did it. By the way, they loved it. They appreciated the fact we had listened, and they really did read and toss versus putting us in the pile for later.

Another example: While waiting for a meeting with a venture capital investor who was one of our donors, I got to talking to his administrative assistant, Joan. I had been to the office many times and had gotten to know her over time. I happened to glance down at her desk and noticed one of our letters to her boss. She had highlighted several sentences on the page with a marking pen. That puzzled me. Our conversation went something like this:

Tom: Joan, if you don't mind my asking, why are you highlighting parts of that letter?

Joan: I always do that with all of John's correspondence. He is so busy that I pre-read the letters looking for the essential elements. If he just reads the highlighted sections, he'll know the key points and what action is being requested of him. If he's really interested, then he'll go back and read the whole letter. It saves him time.

Tom: Would it save you time if I did that to the letters I send here? That would help you, wouldn't it?

Joan: That's a great idea. Thanks.

We asked around and sure enough a lot of the high-level administrative assistants were doing the same pre-reading. It seemed strange at first to be taking a nice-looking letter and highlighting it by hand (now you can do it on your computer, thank goodness). Every time we went in for meetings, the secretaries would wink at us as we had saved them time. I don't think the bosses ever knew what was going on, but we had won over another customer—the gatekeeper to the donor.

INVOLVE VOLUNTEERS IN YOUR FUNDRAISING

To keep people centered, keep donors close to you. By forming an annual-fund, volunteer, fundraising committee, you have created an ongoing focus group of people who are just like the people you are trying to secure as donors. If your volunteers can get excited by raising operational money in the annual fund drive, then most likely so will your target audience of donors.

As you read this book, you will pick up many useful ideas; too many, perhaps. One of the ways to stretch the capacity of you, your staff, and your organization is to seek dedicated volunteers. I grew up in arts fundraising

where fundraising budgets are tight and expectations high. The only way to survive was to use volunteers. As chief philanthropy officer, you have many jobs that will need to be done by your staff, your organization's staff, and your fundraising volunteers.

One caution though—make sure your volunteers model the characteristics of the target audience you are trying to reach. For example, if you want to secure the top 25 largest corporations in your community as donors, who on the volunteer committee you have formed leads, works with, or provides services for the largest 25 companies? Hopefully you have someone on your board and donor list who fits that description. Sometimes you won't have a company at that level yet. What about the top 50 companies? Do you have board members or volunteers who work with these top companies in some way, as a corporate attorney, accountant, banker, or so forth? Many times these volunteers understand their customers (the big companies) and can advise you on how to approach them. In seeking to answer the value-to-the-donor question, just ask your fundraising volunteers at your meetings.

In Part I, *A Winning Gift for Your Donor*, we discussed The Six I's of Philanthropic Fundraising, noting that not every volunteer will be comfortable with Step #6—asking for the investment (closing the gift). Some organizations make the mistaken assumption that all fundraising volunteers will be askers. If you understand that the most comfortable role for some volunteers in the fundraising process is everything *but* the ask, you can relax and be more understanding of your fundraising volunteers. In fact, a recent study on high-net-worth individuals found that peers were the second strongest influencers of giving (36%), second only to staff fundraisers (41%). Yes, you need a few volunteers to be your askers, but the volunteers' primary role is to help you with Step #1, Identify, Qualify, and Research—who should your organization be approaching for the \$1,000 gift club or the \$100,000 campaign gift society?; and with Step #2, Introduce, Interact, and Connect—what cultivation events can you offer potential donors so that you can start meeting with them and educating them about your organization?

Many potential volunteers, when asked about their willingness to fundraise, will say no. However, if you ask them if they can tell you whom to call on for a significant gift or to help to open the door for your organization, they are very willing to help. In *The SevenFaces of Philanthropy* (Chapter 2, Donor Values), authors Prince and File note that they found that about 11 percent of donors are socialites who love to help with Step #2.

They are the party and event people and Step #2 calls for social events to help connect potential donors with the organization (see Part II, Seek Winning Gifts for Your Organization, for the importance of “connectors” in the Law of the Few, *The Tipping Point*).

We cannot emphasize too highly, though, that you want to go through Step #1—Identify, Qualify, and Research—to identify your target audience and then select your volunteers from target audience members who are already affiliated with you. Sometimes this is easy; other times very difficult.

For example: In working with one alcohol and drug treatment center that wanted to build a new youth treatment center, we found only a very small number of donors. The center’s operational funding came from governmental sources, so, except for a few foundation grants and a once-a-year direct mailing, the group did not do any fundraising. The board was small and not philanthropically savvy because, in the past, it had not needed to be. How to proceed was a puzzle. We always ask for a wide range of background materials when we work with new clients as you never know what you will need to know in the future. Digging through this information we found a list of board members that dated from the organization’s launch 30 years earlier. One name leaped out—Albert. He was a major contributor in town and had a small family foundation. We had worked together on other projects, so after asking permission from the treatment center we interviewed Albert. He admitted he was a recovered alcoholic and that to pay back the treatment center for saving his life he had joined the board, served his terms, and drifted away. Would he come back to help the treatment center build the new youth center? Sure, he would help in any way he could. We asked that he recruit five people like himself to form the core of the campaign committee. Would he also agree to accept the first Freedom Award from the organization at a breakfast cultivation event to help make the treatment center visible in the donor community? He was brave and agreed to tell his sobriety story in accepting the award. He knew many friends who had gone through treatment and who would respond to an invitation to the event. This was the start of what would eventually be a successful campaign many years later. Did Albert raise money? Sure, indirectly. Was that his first and most important job? No.

Another important reason to involve volunteers is to deepen a potential major donor’s relationship with an organization. Tanise L. Chung-Hoon’s doctoral dissertation looked at higher education’s donor relations and the

role of organizational integration in creating long-term donor support for the nonprofit. While focusing on higher education because of her staff work at Brigham Young University and Utah Valley University, Chung-Hoon's research and an article co-authored by Julie Hite and Steven Hite applies to all nonprofit organizations. The authors noted that meaningful interactions lead to long-term relationships and donor investments.

Enduring donor relationships are evidenced by high levels of personal relationships, economic interactions, social capital, and personal commitment; by significant personal integration into the formal structure and activities of the institution; and by high levels of trust. . . . Institutions must make strategic organizational efforts that go beyond transactional give-and-take exchanges. . . .⁹

Staff-Driven Fundraising?

Some professional fundraisers express frustration with volunteers in fundraising. Yes, it takes time to get someone up to speed on the project, have them help you review prospective donors names, find out how best to use them for cultivation events, and find out the hard way how good they are at asking for money. But, if you realize their first job is to keep you people centered and to remind you of donor values at all times, then the volunteers' role comes into context.

For universities with far-flung alumni, using volunteers is difficult. But seeking a fundraising volunteer in each major city where you have alumni to serve on a regional or national fundraising council will pay dividends in the future. Always remember Six I's Step #5 Involve, Acknowledge, and Engage. If you want to speed up the fundraising process, look for highly qualified donors in Step #1 and recruit them to your board and/or volunteer fundraising team (Step #5). As they become involved as volunteers you end up going backward in the Six I's to fill in the missing gaps in their knowledge and commitment to your organization. Through fundraising task force meetings you cultivate them for a bigger gift. Self-discovery is a critical part of the process.

Make no mistake: Volunteer-led fundraising will make you more successful only when it is staff driven. It takes a quick-working, smart, and dedicated staff member to keep up with highly successful, brilliant

volunteers. When both teammates are working in tandem, your fundraising will be highly successful; the presence of volunteers will keep you people centered.

HOW TO HELP YOUR ORGANIZATION BECOME PEOPLE CENTERED

What do you as a professional fundraiser and/or sensitive fundraising volunteer do when you are people centered but your organization is not? The organization is not intentionally being selfish or malicious; it is focused on its own needs and simply wants money from donors. How can you start to effect a culture shift? How do you get your institution to see the light? How do you build a *culture of philanthropy*?

The first step, of course, is to have everyone in the organization read this book (*smile*). But what's next? First, appreciate the fact that you may have been personally involved with fundraising for 5 years, 10 years, or, like me, a very long time. You didn't learn everything in the first week. It took time. Your job is to help the organization begin to develop a winning-gifts approach to donors—a people centered approach to fundraising. The organizational leadership—the faculty, the staff, the physicians—may not understand right away why they need to be people centered; they just need to appreciate that you can raise more money short and longterm by taking this approach.

First step—be grounded yourself in the principles of people centered fundraising. You need to promote it every time fundraising comes up at board meetings, at senior administrative councils, at volunteer fundraising meetings.

Second step—we'll deal extensively with the case statement in Chapter 4, Make Your Case, but a very important step in transforming your organization to a people-centered institution is to take the case statement and make it community-benefit oriented. Take the needs of the organization and translate them into future benefits for the community.

Here are a few examples. The university wants to have more endowment funds because great universities are measured on their endowment per student and endowment per faculty member. It's basically an endowment arms race to catch up to Harvard University's \$26 billion endowment. But that's institution centered. How do we take this institutional need and make it people centered? There can be several storylines—great institutions have

endowed professorships as this helps to retain the best, most senior, star professors so they are not stolen away by other universities. Within the academic community, being named to an endowed chair is a prestigious honor that goes on resumes that get shared with spouses, family members, and colleagues across the country.

Tom Sanders, Ph.D., has been a star faculty member for 20 years. He does groundbreaking original research that benefits our local high-tech companies and his students love him—both his graduate research students and the freshmen who sign up for his standing-room-only lectures. We're worried that Dr. Sanders could be lured away from our campus by one of our less-than-friendly competitors. We want to honor his achievements and ensure his presence on campus until it comes time for his retirement. A \$2.5 million endowed chair, in your name, would provide \$125,000 of income a year for Dr. Sanders, his department, and our university. Dr. Sanders would get a significant portion of these funds each year to work on new ideas that are not yet fundable by the National Science Foundation and to support undergraduate and graduate research students in his lab. He'll also use these funds to help his students go to national conferences to present their team's research as well as to buy equipment and supplies for his lab.

The city's symphony orchestra is seeking funds for a capital campaign to provide bridge funding to balance its operating budget, record a CD of performances, and increase the size of the orchestra from 85 to 90 full-time musicians. That is what it wants and needs. How do we convert this to people centered fundraising? If we want our community to be seen as a viable metropolitan area that companies and their employees will want to come to, stay and grow in, we need a vital, active arts community. Otherwise, everyone will move to New York City, Boston, and San Francisco, where great symphony orchestras and other prominent cultural organizations thrive. The symphony is instrumental (so to speak) to our city's economic vitality. Did you ever play an instrument in high school or college? If so, you know what it means to have quality musicians in our city that we audition and recruit from around the world. Yes, they perform in the orchestra at evening concerts, but these same musicians teach private lessons to school children, perform in small ensembles, and enrich the cultural life of our community.

A public radio station needs a new building for its staff because the old building is 40 years old and terribly overcrowded. Consider a gift to our

state-of-the-art digital broadcast center where we will expand our on-air offerings to include more international webcasts, move toward providing podcasts of our jazz programming, and protect our collection of 10,000 jazz records (one of the top three collections in the world; we must provide temperature and humidity control to protect this priceless archive). As you know, we ask for volunteers to help us in many ways. But, our current space is so overcrowded with staff that we can use only five volunteers at a time. We have people clamoring to help us. We can meet their needs only through this new broadcast center.

A hospital needs better communications systems for the staff, a new parking garage, and improved nurses stations. But, what is the hospital doing for the community? Well, we do hire certain specialists right out of their residencies to bring them to our community where they would not otherwise come. We let them work three-quarter-time so they can study for their national boards so they can be fully certified in their specialties. We help advise them on office management systems so they can learn how to start their practices. And for some specialties, we find them physician business managers to run their offices so they can be profitable and stay in our community. This result came after the fundraiser and consultant asked for more community benefit projects and didn't agree that the internal needs of the hospital were fundable by the community.

APPLY WHAT YOU HAVE LEARNED

In each chapter, we will give you three exercises to help strengthen your winning-gift muscles. Try each one as described or create your own variation. Keep a journal of what you learn from each of these exercises. Let me know how you do by e-mailing me at Tom.Wilson@WinningGifts.INFO.

1. *Volunteers to keep you people centered.* Go through each of your fundraising programs (major gifts, foundations, corporations, special events, planned estate gifts, direct mail, etc.) to see how many volunteers you have actively engaged in each program. How often do you meet with them? Have you empowered them to give you honest feedback on your plans? Are they really role models for the type of

donor you want to attract in each program? What could you do to improve your current situation?

2. *People centered audit of your fundraising materials.* Start this fundraising review with your staff. You may want to end it there, but this is a great 30-minute exercise for a volunteer fundraising committee meeting. Pull out all donor communications from the last year to see good examples of people centered communications (versus institution communications). Look through newsletters, annual reports, direct mail, and anything else sent out to donors in the past year. How often do these materials stress community benefit and impact? How many donor stories are there compared with institutional stories (e.g., “Faculty member gets research grant from NSF and we’re proud of her” as opposed to “Joe and Mary made a bequest commitment to us because they were so excited about . . .”).

What did you learn from this exercise? How can you be more people centered in the next year? How can you monitor the process in the future?

3. *Your strategic plan.* Find your strategic plan. How recent is it? How does it share the vision of your organization? What visionary goals does it articulate that require the raising of funds? Does the plan need updating? How are you sharing the plan with your board members? With donors?

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