

Capacity Building

LEVERAGING YOUR CAPITAL CAMPAIGN TO STRENGTHEN LONG-TERM FUNDRAISING CAPABILITY

Campaigns are an exciting time in the life of a nonprofit. The board, staff and stakeholders are actively looking to the future – be it a new building, expanded programs and services, or a more sizable endowment. Additionally, a campaign provides an ideal opportunity to invest in the long-term fundraising capacity of your organization. One of the great advantages of running a capital campaign is that it creates the imperative to invest in planning and infrastructure – areas that are often pushed to the bottom of the day-to-day priority list, but are critical to the success of a major fundraising effort and of a strong annual support program.

This volume of the Catalyst identifies five fundamental areas that a campaign-focused nonprofit organization can leverage to develop a healthy fundraising culture and capacity for the future. The strategies and practices described here are essential for successful campaigns and, when applied to the day-to-day fundraising efforts, will help your organization yield greater financial results in the long-term. Effective and forward thinking organizations will be aware of these opportunities while the campaign is underway, and put in the extra effort to not only ensure that the campaign goals will be achieved but also to use the campaign's momentum, resources, and best practices to permanently elevate the performance of their fundraising programs.

1 **Prospects** **Build a personal relationship**

Your campaign (and your ongoing fundraising) will depend greatly on your ability to identify, cultivate, solicit, and steward prospects and donors. The most successful campaigns begin by looking at the inner circle of supporters, Board members, and friends, and then move out in concentric circles, strategically building personal relationships with prospects, transforming them into campaign donors and then lifetime supporters of the organization. The following three strategies are essential for developing the large pool of prospects you will need during a campaign, and serve as relationship-building practices that are easily transferable to the day-to-day efforts of your Development team:

Institutionalize prospect identification

To build a list of prospects that is capable of driving a major campaign, extend the task of prospect identification beyond your Development Department. Engage your staff, Board members, and friends in prospect “screening sessions” to review a list of potential donors, identify personal connections, and assign a lead to each prospect. After the campaign concludes, institutionalize these sessions as a regular exercise to feed your annual giving program, planned giving program, and so on. You will have greater capacity to proactively identify new prospects and determine how to “open doors” to these individuals, thus expanding your pool of supporters and continually breathing new life into your fundraising programs.

Create a personalized solicitation strategy

Organizations that understand and speak to the individual needs, interests and motivations of a prospect will be more successful in turning that prospect into a major donor. For each campaign major gift prospect, create a solicitation strategy that maps out a step-by-step action plan for how you will cultivate, educate and solicit the prospect, and that clearly defines what and how much you will ask for. This solicitation approach can also be implemented in your annual giving program – to better target relationship-building efforts with your best prospects and donors, strengthen upper-level annual giving, and understand how to design customized strategies that move people up the “donor ladder.”

Don't forget about stewardship

The relationship with an individual, corporation or foundation does not end when you secure the campaign gift. Your campaign donors will require significant stewardship to properly recognize their major gift, to keep them informed of how their gift was used, and to maintain their interest in and involvement with your organization over time. Create a strategic donor stewardship program to keep these donors up-to-date and engaged, and going forward don't lose track of those who supported you for the campaign. Continue to nurture the relationships formed with donors even after the campaign concludes, and roll this stewardship model into the annual fundraising program to strengthen and systematize stewardship efforts across the organization.

2 Voluntary Leadership Recruit and train for where you are going, not where you have been

Much of your campaign's success will depend on the voluntary leadership driving your fundraising effort. Identify and recruit 6-8 people to serve as the core of a Campaign Committee – these individuals should possess a commitment to fundraising, access into the various constituencies you are seeking to cultivate and solicit, and a willingness to “roll up their sleeves” and “get their hands dirty” in securing visits with prospects and soliciting gifts. As you build your voluntary leadership in support of the campaign, keep these strategies in mind:

HOLD regular “screening sessions” to feed new prospects in to your annual giving program, planned giving program, and so on.

Communicate “give and get” responsibilities

The campaign presents an ideal time to reinforce the Board's give/get responsibilities. Schedule a face-to-face meeting with each Board member to discuss their contributions to both the campaign and annual support, emphasizing the importance of maintaining the performance of the annual fund during the campaign. In addition, the campaign is also an opportunity to train and involve Board members in fundraising outreach. Afterward, Board members should feel comfortable with fundraising responsibilities, continue to open doors, and be committed to cultivating and soliciting prospects, and stewarding donors.

Recruit the leadership that complements your goals

Be strategic about how you populate your Campaign Committee. Ask yourself: what skills sets, capabilities and access do I need from my volunteers during the campaign? Remember that the committee does not have to be comprised of current Board members. Use the campaign's momentum and visibility not only to attract the type of leadership you will need for the campaign, but also to attract individuals that can best advance your organization's mission and vision and drive your future growth.

Map out an action plan for leadership development

Because the campaign traditionally represents a time of organizational change, and puts a nonprofit in the public spotlight, your Board members will be keen to self-evaluate their leadership performance. Use the campaign as a stimulus to undertake a Board audit and identify the Board's strengths and challenges. Get them to take a hard look at themselves: Are we strategic about who we invite to our Board? Does our Board represent the diversity of our community? Do the committees have active roles and operate effectively under the umbrella of the Board as a whole? From this evaluation, identify the reforms needed to

strengthen your Board's structure, as well as refine the fiduciary, fundraising and advocacy responsibilities. Design a leadership development action plan that charts the growth for the Board keeping in mind both the campaign goals and the long-term vision.

3 Communication

Educating prospects and donors

The ability to succinctly and effectively communicate the goals of the campaign is vital to the success of engaging new prospects and attracting Board members and qualified staff. Campaign prospects need a succinct pitch of the vision that makes it easy to understand how their gifts will help the organization. When engaged in a campaign, consider the following:

Be disciplined when defining and communicating your vision

A Case Statement will serve as the core communication document for your campaign. It should be inspirational, so keep the text tight and use graphics to communicate your vision and goals. There must be a clear idea of where you are going, and a tightly crafted message that identifies the three or four core objectives you are trying to accomplish with the campaign. This same disciplined approach can be applied to your annual operating requests—demonstrate to your prospects and donors that you have a plan in mind, and stay on message.

Provide regular updates on progress and successes

Use printed or electronic materials, such as a newsletter, to communicate the campaign's progress and highlight key milestones to your supporters and prospects. This series of updates can be used as a model in implementing a standard annual communications program—one that will be especially useful as a tool targeted to upper-level donors of your annual fund program, or special constituencies with whom you wish to create stronger relationships.

Implement a personal visit program

Any campaign effort will require personal visits with your major gift donors; you simply will not secure major gifts with a phone or direct mail relationship. Design and implement a well targeted visit program where the CEO, Development Director and volunteers can communicate the vision and funding needs to a prospect in a more intimate and personal atmosphere. Gift yield can be significant with this level of personal attention. While you cannot visit every prospect and donor for your annual giving program, you can use the personal visit program strategy to strengthen leadership and upper-level annual giving to your organization once the campaign is completed.

4 Planning

It's essential

Your campaign plan should enable you to: articulate a strong case for donor support, define the core priorities, identify major gift prospects, articulate the roles of Board members and volunteers, and provide an actionable framework for attaining the fundraising goals within the campaign timeline. The plan should also take into consideration the fundraising challenges that lie beyond the campaign effort. Consider these three strategies as you plan your campaign:

Involve your stakeholders

Include your staff and Board members in the campaign planning process. This will instill a deeper understanding of the organization's fundraising needs, and position the campaign as more than "just a Development Department initiative." Ultimately you will create ownership of the vision across all levels of staff and Board, and will strengthen the commitment to the organization during the campaign and beyond.

Include capacity-building goals among the campaign's funding priorities

When defining your campaign priorities, don't neglect organization-wide capacity-building needs, as these will go

THE Campaign Committee presents a great opportunity to recruit and groom new leadership for your Board.

hand-in-hand with operating new facilities or expanded programming. Remember, it's more than just financing a building; you have to be able to operate the building for many years to come. Use the campaign planning process to identify long-term needs such as hiring and training staff and upgrading technology systems and software, and begin to raise resources to strengthen your institutional infrastructure for the future.

Create a culture of “looking ahead”

A campaign, by its nature, forces a nonprofit to look to the future, and envision the possibilities. When planning, remember to look out beyond the campaign time frame to prepare for and project the shifts in operations, staffing and other needs. How do you want the organization to evolve over the next 5 years? 10 years? This practice of looking ahead should be adopted into your annual planning initiatives – look beyond the present calendar or fiscal year. By thinking outside of the standard budgetary loop, your staff and Board will be better prepared to make the strategic decisions that support your mission and long-term growth.

5 Infrastructure

Invest in your fundraising department for the future

A successful campaign will require you to have a well-organized development team and dedicated staff committed to seeing the project through; the technological tools to properly track and manage each prospect and donor; and clear fundraising policies that will save a time and spare confusion. This core fundraising infrastructure will ensure that the back office management of your campaign is streamlined and structured to support the high volume of gifts, the additional administration and the expanded stewardship that your campaign donors will require. Here are some tips to remember:

Staff the Development Department with the long-term in mind

Resist the temptation of hiring full-time staff to fulfill your campaign-specific, enhanced fundraising needs. Think strategically about what your Development Department needs to accomplish on an ongoing basis, post-campaign, and only expand your permanent staff based on both campaign needs and longer-term objectives. Bring campaign

THINK beyond the campaign timeframe – prepare for the broader operational shifts that will accompany the organizations growth.

consultants on board for campaign-specific roles. After the campaign concludes, the roles and responsibility of permanent staff should easily transition to day-to-day Development functions and ongoing annual fundraising.

Invest in fundraising technology

A campaign can easily involve a pool of several hundred prospects. With the right technological infrastructure, less staff time will be required for tracking and reporting, and efforts can be focused on fundraising. Your software should allow you to quickly determine your priority prospects, and manage the cultivation, solicitation and stewardship programs for each. Your fundraising software should also easily interface with your bookkeeping software. By ensuring that your development and finance systems are able to “talk” to each other, you will streamline the gift recording procedure, facilitate the accounting process related to campaign gifts, better ensure gifts are both recorded and used as intended by the donor, and have access to real-time information on your campaign progress. These best practices, once implemented, will also stimulate more effective management of your annual fundraising.

Define fundraising policies to eliminate confusion

A growing organization, especially an organization engaged in a campaign, will find that establishing clear fundraising policies will save a lot of time and spare unnecessary confusion. Create gift acceptance policies that specify the types and forms of assets (e.g., cash, bequests, gifts in kind, real estate, stocks, bonds, CRT's, etc.) that your organization is willing to accept as gifts; a gift recording procedure on how to properly and accurately record gifts, from pledge, to cash in hand, to disbursement by donor-restricted purpose; and a donor recognition policy and procedure that defines the benefits donors will receive in recognition for their campaign support. Again, these best practices, when applied to your annual fund program, will streamline fundraising activity.

By Andrea Lawson and Theresa Schieber

THINK outside the scope of the campaign, and you will easily see how to leverage your efforts to build permanent resource development capacity.

These days more and more nonprofit organizations are turning their attention to capacity building. Every nonprofit could use greater capacity in support of resource development—investments in the core design and structure of your day-to-day fundraising efforts can have a great impact on how effective you are financially and, in terms of your overall organizational efficiency. Though the benefits of enhanced capacity are undeniable, the pathway to actually building out this capacity can appear daunting for many nonprofits. In which areas of your fundraising activities do you need to invest? What resources will you need to get started? Who has the time or energy to initiate and implement these changes? Capacity building is often seen as a challenge that just doesn't have the same level of urgency or appeal as regular fundraising efforts, and gets pushed off to the side as a result. That is why campaigns, beyond raising the funds needed to underwrite a specific project or set of initiatives, present an ideal opportunity for a nonprofit organization to build out its long-term fundraising capability. Think outside the scope of the campaign, and you will easily see how to leverage your efforts to build permanent resource development capacity.



For Additional Information

THE WHELAN GROUP encourages organizations to look at the big picture, to think ahead, and to define a clear vision for their future. Our “institution building” approach centers on expanding and strengthening each client’s financial resources through innovative, well-managed fundraising campaigns. We enjoy a well-established reputation for helping organizations to map out a thoughtful growth plan, and for our creative approach to financing the development or renovation of buildings in which non-profits house their programs.



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