

“Successful Major Donor Programs”ⁱ

-Diana van Maasdijk

It’s not just about finding the “millionaires”, it’s about creating a new fundraising culture in your organisation able to build an open and inspirational relationship with your donors.

Major donor fundraising is “hot” and the market in the Netherlands is ripe. But, how can an organisation build an effective and long term major donors program? In the past year, major donor fundraising has raised much attention in the Netherlands, however, much of the advice and talk around major donors programs does not go further than finding wealthy people with a potential to give major gifts. Although the potential market and the capacity of people to give large donations are two important issues, “capable” does not mean “willing”. Most wealthy people have the capacity to give large 5, or 6 or even 7 digit donations, but that does not mean they are *willing* to do it, no matter how much you write or call them.

Life Stages of a Major Donorⁱⁱ

In order to raise major gifts and transform “capable” potential major donors into “willing” major donors, an organisation must connect with donors and help them move through what is called the “life stages” of a major donor. This is done by moving them from being aware of the organisation’s work, to making them committed to supporting your work, to getting them involved with your work.

To move potential donors from awareness to involvement, an organisation needs to take some specific steps. These steps include: 1) contact prospects in person, 2) inspire them with the impact of the organisation’s work, and 3) make them feel highly valuable for their money, ideas and commitment. It is the role of the organisation to bring a donor in and take them through the life stages of a major donor. And, moving these donors through the life stages is done by building a personal and open relationship.

The biggest mistake an organisation can make is to not build a personal relationship with (potential) major donors and keep them in telemarketing and direct mail programs. Sure enough, wealthy people may give a donation of €500 over the phone when asked - but that is not a major gift. The definition of a major gift is a donation that is in the highest-giving potential range of a donor. For organisations used to receiving average donations of €100, a €1000 donation might seem “major” to them. However, this amount might not be “major” to the donor. Many organisations assess “major” from the perspective of what is a large gift for them. This is a mistake. A “major” gift should be assessed from the perspective of the donor. For many private universities in the USA, for example, where alumni go on to top level jobs, a major gift starts only as of 6 digits. Why? Because that is where a significant amount of money begins for that pool of potential donors. These gifts are not raised through special telemarketing programs, but through personal relationship fundraising.

Creating a new fundraising culture based on relationship building

To make the life stages have real value for a donor, the organisation requires a shift in its traditional fundraising culture. This shift means building a new way of relating to donors by building trust in the leadership of an organisation, explaining the impact and added value of an organisation, and having personalised contact with the donor. In other words, a major donors program requires: Leadership, a Case for Support, a System for Donor Profiling and Management, and Investment.

1. Leadership

Great leadership is essential because people give to people. Major donor fundraising is possible only through the serious involvement of the leaders of an organisation. Strong leaders give credibility to your organisation, and they are the ones who will gain the trust of major donors. By leadership, I mean those who are ultimately responsible of programs and goals: i.e the Director, the Board of Director, and top management. In many cases, leaders can also be other major donors, who are deeply involved and whose investments and commitments make the work of the organisation possible.

This leadership aspect is, for most fundraising organisations in the Netherlands, the most difficult part of building a successful program because it means making a 90 degree shift in the internal culture and attitude towards fundraising. When the leadership of an organisation understands its role in mobilising money, fundraising is no longer the sole responsibility of the marketing or communications department. It becomes the responsibility of the Board and the Director- at least the fundraising with major donors. It means that those in leadership positions need to make their time and networks available to learn how to talk to, relate, ask and engage donors.

The leadership of an organisation is crucial in building an open and truthful relationship with major donors because they are the ones in charge and ultimately responsible for the success of an organisation- and it is precisely the promise of success and social change that inspires major donors. A major donor will also want to know the ins and outs of an organisation, understand the plans for impact and effectiveness, and learn to trust those in charge of the mission, vision and goals of the organisation.

This shift in culture, can only take place if 1) the Director is 100% behind building a major donors program, and 2) of the Board and top staff are willing to invest the time and money to get the necessary training in face-to-face cultivation and solicitation skills.

2. Case for Support

The Case for Support is nothing more than informing a donor about the specific purpose of the gift. That purpose may be related to any part of your work whether it is project, salaries or office costs. What is important is that the impact of the donation be well explained beforehand and measured after the gift has been spent.

A good Case for Support explains:

- The added value and distinct competency of the organisation.
- The higher vision the organisation is striving to attain.
- How the work being done today will help generations to come and make a difference in the world.

- How much is needed and what it will be used for.
- The specific effect and impact will the major gift have. I.e. what will change, or what will be able to happen thanks to the donation.

One of the biggest mistakes organisations make when trying to raise large gifts is not being able to explain what the money is for. The common message of charities is “We do good work. We need your help”. That message is overused and not inspiring to major donors.

3. Donor Profiling and Management system

Here again, these are big words that mean one simple concept. A special system for finding and keeping your major donors.

In English people say “fundraising is friend-raising”. My experience with major donor programs has taught me that major donor fundraising is **best-friend-raising**. Think of your best friends. Who are they? Why are they your best friends? Why do they keep on being your best friends?

Most probably, your best friends are the people who know you best and are involved in your life. You call them when things go well and when things go wrong. You ask them for their advice, for their time and you are aware that you also need to give them something back. You want to have major donors? Create a system that treats them like your best friends- with open communication, trust and a personal touch, and make sure you understand their needs and values so you can make them feel appreciated for who they are and what they bring.

A donor profiling and management system needs to be filled with the names of potential major donors. Many organisations find this very challenging. How do you find the wealthy individuals? Who can help you? The answer lies actually quite close to home and finding potential major donors is really not that difficult. Most of them are probably already in your network and database. Research from the USA shows that 20-30% of the major donors will come from the network of your Board of Directors and staff. And, 40- 50% will come from your current donor base files. Current donors are your best source for major donors. Even though Boards of Directors in the Netherlands are different than in the USA, people are more connected than they realize and those who are already donating money to you are the best resource for major donors.

4. Investment

Because a true major donor is someone who will give a significant gift (significant to him/her and to you), and because this happens after they have built a relationship with you and moved through the “life stages” of a donor, the returns on the investments made for a major donor program are not available over night. Major donors programs take time, and the true returns should be measured on a 3-year rather than a 1-year goal.

However, the good news is that those organisations who do build strong major donors programs can then count with an incredibly powerful resource and group of people who deeply care about the organisation and are willing to give substantial donations if asked and treated in the right way.

The most important investments an organisation can make with regards to building a strong program are in training the leadership of an organisation and the fundraising staff responsible for the program, and setting the right systems and strategies in place. The key word is process. Do not expect to buy a list of potential donors and see your Major Donors program start to grow and flourish. The internal culture change will need to come first and might take some time. It mostly depends on how quickly an organisation can switch traditional fundraising thinking to relationship-based fundraising. This will take coaching, training, planning, new systems and the buy-in from the Director and the Board.

The good news is that all those people who claim that the time is right for major donor fundraising are right. And, the very good news is that ANY organisation can build a major donors program. There are plenty of wealthy individuals, all with different values and interests looking for the right organisation for them. Most of them are probably already making small donations to the organisations they find most interesting.

So, if you want to build a major donors program, start with a strategy, train your Board of Directors and staff (specially your Executive Director and management team), and set up a plan that finds potential major donors in the way you would find and keeps major donors the way you would keep new friends.

Major donors fundraising is one of the most satisfying forms of fundraising there is. It takes time, investments, some tough decisions and a switch in culture, but the benefits are immense and very gratifying. I have always thought- it is like finding those best friends and allies who will support you through good and bad and stick around for the long term- but only if you treat them right.

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ⁱⁱ Adapted from documents of the Women's Funding Network. www.wfnet.org