

funds**2**orgs™

# The Essentials

## of Major Gift Fundraising

### Part 2

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If you haven't yet read the first part of this series, I invite you to download "[The Essentials of Major Gift Fundraising – Part 1](#)." In that resource paper, you'll discover what motivates major donors to support charitable organizations and some of the essential elements necessary to build a sustainable major gifts program.

### **Get Ready to Build Meaningful Relationships**

If you're considering investing the time, energy and some of the financial resources necessary to have a growing major gifts program, you have to be prepared to create and maintain relationships. The best teams have the greatest success because they understand that the process of research, identification, cultivation, solicitation, and stewardship occur each day consistently. No two individuals are the same, and that means that you should be prepared to relate and engage differently with your prospects and major donors.

Fundraisers understand the difference between "fundraising" and "development." From a Nonprofit Pro article entitled, "[The Difference Between Fundraising and Development](#)," Sandy Rees explained, why nonprofits—especially small shops—shouldn't just focus on the money. Believe it or not, it's not always about the money. She concluded her article by stating,

*These activities are focused on the immediate money raised and are considered fundraising activities. In order to build for the future, each organization needs to shift its focus away from fundraising and instead pay attention to development — developing donor relationships that lead to long-term organizational sustainability.*



When you're fundraising, you're looking to raise the money, but when you understand the art (and science) of development, you begin to learn that building robust and meaningful relationships with donors and prospects will lead your organization to sustainability.

In this resource, you'll learn about the donor continuum for a major gifts program. Remember, these are the essential steps to a relationship; first, that will help you raise money by aligning donor interests with your work.

Your goal is to take them from becoming aware of your nonprofit and its programs to a more immersive experience where they support your charity. This relationship is achieved by careful and consistent donor development where you listen a lot more than speak, in my opinion, so you can understand what drives their motivations.

I've been in sales for the entirety of my career, and there's an old expression in sales, people will always tell you how to sell them. You just have to listen and pay attention.

### **The Steps of Major Gift Fundraising**

In the first part of this two-part series, I wrote about the research process. You'll understand from reading that paper about where you can surface prospects. Of course, the first place you'll start is with your current donor base of donors, but once you've reviewed and learned the giving patterns of certain contributors, you want to expand your list of pros-

pects. You'll discover opportunities by speaking to others such as your board members, or even current donors. Did you know that you should also look at political giving? People who give to political campaigns tend to be more charitable as well. If you read the first part of this paper, you'll learn where you should go to uncover some of those kinds of individuals.

1. **Identification:** If you're doing your research right, you should have a list of prospects that you'll start to develop. Remember, as I indicated in the first part of this series, you'll want to have at least three possibilities for every one gift you're able to secure from a major donor. And, also remember that at this point in the process, you're looking for people who have the *capacity*, and not necessarily the willingness to give—yet.



In the first series, I provided some thinking for you on the dollar ranges that you might consider. Depending on the size of your nonprofit, you may end up defining a major gift as anyone who can give you a gift of at least \$500 or \$1,000.

As a reminder, don't forget to look at donors who have given to you consistently for three to five years, especially if they gave you \$25 or \$100 or more per month. Those are donors who are indicating to you that they care about your group and could potentially give to you at a major gift level.

2. **Giving Levels:** Once you have a list of names, you'll want to set your giving levels. If you're a small organization, you may want to make it easy for yourself and say that any gift over \$500 or \$1,000 is considered a major gift. However, if you want to create levels, they're ideal if you want to treat people at different levels differently.

Sometimes organizations want to incentivize and treat donors in varying ways, which helps them feel special or influence the nonprofit in some way. For example, you may have a special dinner with donors who give \$5,000 or more, which is an intimate dinner hosted in the home or board room of your board chair. And for those who've donated \$2,500, you might host a donor cocktail event.

It's not necessary to have multiple giving levels. If you expect only to have a handful of donors, it probably doesn't make sense. However, if you're looking at hundreds of donors, you may want to consider giving levels to further target and recognize donors in a way that's concomitant to their giving levels.

3. **Cultivation:** The cultivation process is not a straight line, nor is it the same from one person to the next. When you begin the process, this is the beginning of what will be a beneficial relationship both for you, but also for the donor. Remember, you're looking to build a relationship and the support will flow from that point.

Sure, you may begin, for example with a donor prospect event that's hosted by a member of your board, but once you initiate the individual follow-up, you may end up with different circumstances depending on each candidate. You may have one prospect who wants to "get under the hood" of your nonprofit and understand it programmatically and financially. You may have yet another prospect who's been friendly with the executive

director or a board member, and all that he requires is an ask for \$1,000, and he'll be happy to donate it.

Ultimately, major gifts work is a team effort. It is a mistake to believe that the fundraiser will be the only person who will have it rain money. In fact, the executive director and board members are involved in major gift work because when a donor is looking to give what they consider to be a substantial amount of money, they want to speak to the person in charge ultimately.

The easiest way to think of major gifts fundraising is that your fundraiser or point person in charge will be the "quarterback." He or she will be responsible for helping develop and manage the strategy and in some instances, the relationship. This individual will know the status of everything happening and more than likely he or she will also have prospects and donors with whom to meet. However (especially the higher the gift), there will be many times where the moment has arrived for the ask or perhaps for some deeper conversations, and it will be necessary to have the executive director or a member of the board attend the meetings to help secure and steward the gift.

When you're in the midst of the cultivation process with an individual, you're seeking to provide the prospect with as much information as necessary about your program to motivate the person to make a gift. However, you're also looking to listen and understand what drives this particular person to give. All of this is essential for building trust and rapport in a relationship.

Pay attention to the clues that answer some of these questions:

- If you're speaking to someone who's a current donor, one of the most fundamental issues to understand is why he or she gives to you? How did they come to learn about your organization? What do they like about your group and why do they support your nonprofit?
- More broadly, what do they care about in their overall philanthropy? They probably have some guiding philosophy or reasons why they are philanthropic. Your job is to uncover those motivations. Remember, people make an emotional connection first and then rationalize their decisions.
- If they've been involved with your organization or a similar non-profit, what do they think of the programs? Where do they think there is room for improvement at your organization?



During the cultivation period, you'll want to remember that you're working a two-way street. You want prospects to get the information they need to help them give an impactful gift to you; however, you'll also want to understand what motivates them and where their passions and interests lie.

4. **Proposal:** Eventually you'll get to the point where you'll be preparing to make an ask for a gift. If you're asking for a few hundred dollars, you're not going to need a formal proposal; however, if you're asking for a substantial gift in the thousands of dollars, you're going to want to have a formal documented request. A proposal helps

you demonstrate to the donor that you're taking their donation very seriously, and candidly, that you've got your act together for a significant major gift ask.

Provided that your ask warrants a proposal, the following are the elements that you should include:



- If you're developing a program or are in need of a specific goal for a designated purpose, you may want to add a gift chart of donations. A gift table is typically done for capital campaigns or when there's a new initiative or significant effort underway.

- Whenever possible providing photographic images help ensure that your presentation is visually appealing and it paints a picture in the mind of your prospect. If you're looking to build a building, include renderings. If you're seeking to raise a specific amount for a new youth center, show some pictures of kids playing basketball or working on computers—whatever helps you convey what you're trying to represent. (Remember that when you're meeting with a prospect, you can walk through an ask with them using a tablet and showing them

photos of what they will be supporting. You can also make an elegant version of the same presentation inexpensively bound at a local Staples or Kinkos and in full color).

- If you're working to secure a specific goal from donors, you can list the names of others who are supporting your cause. Of course, before you publicly disclose any donor names, you will have had to have obtained permission.
- The case for support.
- The impact and how it will be measured.
- Finally, a **specific** ask amount. Aim high and expect to negotiate down.

A final note as you prepare to make a substantial ask. If you're going to ask someone for a considerable amount of money, could be \$2,500, \$5,000 or more, give them the courtesy of doing it in person.

5. **Appointment:** When you've completed your proposal and are ready for your face-to-face meeting, you'll want to schedule a time to speak. At this point, you will have created a relationship that you both enjoy. It is usually considered a best practice to have two people from the organization to attend the ask meeting. The team should be the fundraiser and the executive director or board member (to demonstrate the importance of the appointment and the discussion). Alternately, it can be the executive director and a board member. In this team approach to a solicitation, one person should feel comfortable making an actual ask for a specific amount. The team approach also allows the pair to play off each other. Whoever makes the ask should have a strong relationship with the prospect.

The scheduling is done (e.g. with their assistant or directly with the donor prospect), you will want to make certain the environment is private. It could be their office, home, or perhaps at a restaurant where there is enough space between tables for privacy.

By the time you get to this point, the donor is expecting to be asked for money, so don't be surprised if he or she

wants to dispense with the formality and pushes you a bit and wants to know what you want to speak about over the telephone. If this happens, deflect and inform the donor that you would like to meet with them in person about your program or organization.

6. **The Ask:** Before the appointed hour arrives, the two individuals from your organization who will be attending the meeting should have decided who will be making the ask (again, the person who asks should have a relationship with the donor). Depending on the amount and the prospect, the person who will be making the ask should have an idea if he or she will ask for a single gift or a pledge payment of some kind over a period. The two people from your non-profit who will attend the meeting should also have spoken about how they plan the conversation to proceed. Preparation is always a necessary ingredient for success.

As you prepare for the meeting and rehearse a bit, remember that you want to be clear about the measurable impact your organization will be making. The higher the gift amount, the more you want to be able to tie their financial support to the big impact.

Once you're sitting in the room, as you begin your presentation, you may find that the prospect will ask you questions. Listen. If you have some nerves, that's okay. If you prepared beforehand, your partner is there to



support you, and he or she should help you keep the conversation going concerning energy and substance. As the moment gets closer to making an ask, you'll have hopefully arrived at a point (if you're nervous) where you're listening and exchanging ideas and thoughts more than actually presenting. The conversation alone will help you relax into the ask.

Once you've made the ask, if the prospect agrees to give you the gift you've requested, that's great. Genuinely thank the donor for the gift, inform them that you'll be sending them a letter that will include the payment schedule or acknowledgment. Be grateful and show them your sincerity. If, however, your donor deflects and suggests that he needs to speak to his financial advisor, schedule a time when you will follow-up within the next

week or so. If you are asking for a significant gift from a married couple, it is advisable to have both individuals present out of respect and also because it prevents them from using their spouse or partner as an excuse not to commit.

If you do not get a commitment during the meeting, you want to ensure that you maintain momentum and sense of urgency. Remain in the driver's seat so to speak, by saying that you will be the one to follow-up with them and not leave it to your prospect to follow up with you.

If the donor wants to give to your organization and is saying things that demonstrate that he or she would like to give, but perhaps at a lower level, you'll want to negotiate the gift. (Stay tuned at the [Funds2Orgs Free Resource Library](#) as we'll be publishing a paper soon all about the ask, which will describe how to negotiate a gift).

7. **Thank and Steward Your Donor:** Genuinely thank your donor. I can't tell you how many times I've experienced or heard stories of no acknowledgment, or even inadequate acknowledgment. For example, I once donated a substantial gift and received a generic letter, when I should have received a phone call and a personalized message. If you don't think donors don't see when you don't thank them the way they deserve, believe me, it gets noticed.

When your donor gives you a major gift, he or she expects to become part of the fabric of your story. Don't forget about them until the following year when you want more money. Instead, call them, meet with them and show them the good work that you're doing and the impact that their gift made at your nonprofit. Stewardship is essential for maintaining a solid relationship.

Remember, your major gifts program is an opportunity to develop lasting and relationships that provide your donor and you a chance to align your mutual interests. Good luck with your major gifts program and don't forget to check back on the [Funds2Orgs Free Resource Library](#) for more resources about nonprofit leadership, marketing, and fundraising.



### About the Author

Wayne Elsey has changed lives around the world. He is the founder and former CEO of Soles4Souls, a nonprofit that helped put over 20 million pairs of shoes on the feet of those in need in response to some of the world's largest natural disasters. He also grew this organization from zero to over \$74 million in fewer than 5 years. Today, his company, Elsey Enterprises, offers consulting, fundraising and business services for nonprofits, social enterprises and for-profit organizations looking to make a large social impact. He accomplishes this through the independent brands of Elsey Enterprises: str@tegic, Not Your Father's Charity, Funds2Orgs, Sneakers4Funds, Shoes With Heart, CELG Freight and SocialGoodU, an online education platform for learning all things related to the social sector.

A nationally recognized authority on nonprofit and social enterprise leadership and topics related to motivation, business and personal success, Wayne's life work is dedicated to business projects that have a humanitarian impact. He also seeks to educate and inform social sector organizations, philanthropists and entrepreneurs on the latest trends in the industry through public speaking, consulting and as an author. His network appearances include NBC Nightly News, Good Morning America, Today Show, & Fox News.

As a thought leader, all of Wayne's books (available for cost on [Amazon](#)) dissect various business principles and teach readers that much of what is learned across multiple disciplines can be applied strategically and thoughtfully to the social sector. In his first best seller, *Almost Isn't Good Enough*, Wayne shows readers how to be successful in the social sector and not suffer financial hardship. His philanthropic ethos is to go from surviving to thriving.

With his subsequent *Not Your Father's Charity* book series, Wayne touches on the most important topics and issues based on his years of experience and success in the social sector. Books published to date include topics related to marketing, fundraising, leadership and the state of overall philanthropy. Wayne also published a motivational book, *Get Off the Couch: Grip & Rip and Break the Barriers Holding You Back in Life*, which is a resource of practical and no-nonsense advice and counsel for those who want to overcome obstacles that seem to be in the way of reaching their full potential. Were you aware that the most generous segment in philanthropy are individuals? Yet, one of the most challenging areas for nonprofits and charities is to develop and grow is a thriving major gifts program.