Relationship Management and Major Gifts Toolkit

The most effective way to secure a significant gift is through a coordinated process of "relationship management." The size of what constitutes a "major gift" will vary from one Action Coalition to the next; some Action Coalitions may be regularly pursuing gifts from donors of $5,000 or $10,000, whereas others might consider $500 a major investment. Regardless of the dollar amount that the Action Coalition considers a major gift, the common thread is that these are gifts that typically result from a strong relationship with the donor or funder.

To succeed in major gifts fundraising, everyone who helps raise money for the Action Coalition must understand the basic principles of relationship management and coordinate their efforts. This toolkit provides a guide to key relationship management concepts and practices as well as worksheets and other resources to help develop personalized plans for building relationships with key prospects.

Guiding Principles

- The Action Coalition will develop a personalized, coordinated strategy for every prospective donor it believes is capable of and potentially interested in making a major gift.
- A gift to the Action Coalition must advance the Action Coalition's strategic priorities as well as the donor's specific values and giving interests.
- Each prospect will have a "relationship manager" who prepares individualized cultivation strategies for major gift prospects and tracks implementation of that strategy. For Action Coalitions with staff members who have responsibility for fundraising, this person may be the relationship manager even if they are not the primary person interacting with the prospect. For Action Coalitions without staff focused on fundraising, the relationship manager may often be the prospect's main contact.
- The Action Coalition will determine a target gift amount for each prospect that reflects the prospect's giving capacity and interest in the Action Coalition.
- The Action Coalition as a whole will embrace a "culture of philanthropy," through involvement in stewardship activities and by promoting opportunities to give generously in any of the Action Coalition's focus areas.

Donor-Centered Fundraising

The above principles reflect a "donor-centered" approach to fundraising that focuses on fostering a meaningful philanthropic relationship between the Action Coalition and each of its donors. The Action Coalition can advance these relationships through strategic and thoughtful interactions that respond to each donor's interests and priorities as well as by communicating the impact their gift will have in advancing the Action Coalition's key priorities.

Therefore, the Action Coalition's primary challenge will be to identify each prospective donor's unique philanthropic needs and interests and tailor its fundraising approach in response. Questions such as those below can guide the process of developing individually tailored cultivation strategies that ultimately motivate the most significant gifts:

- **Which of the Action Coalition's key areas for support will resonate most strongly with them?** Appealing to the donor's interests is essential for facilitating a productive conversation and securing the largest possible gift.
- **What might help them become more engaged**? The Action Coalition can plan cultivation activities that bring the prospect closer to the organization and its mission and build his or her interest in giving *(see volunteer engagement worksheet and events worksheet).*
- **Who do they respect?** The Action Coalition should involve staff and/or volunteers who are best positioned to connect with each individual and excite him or her about the vision for the Action Coalition.
- **How do they want to be recognized for their gift?** The Action Coalition must consider tailored recognition strategies that help donors achieve their desired philanthropic goals.

Who Constitutes a Major Gift Prospect?

One of the primary benefits of relationship management is that it can help focus fundraising activity on those prospects with the greatest likelihood of making a major gift. The identification and qualification worksheets later in this toolkit will help Action Coalitions determine the prospects who have the following three characteristics that signify major gift potential:

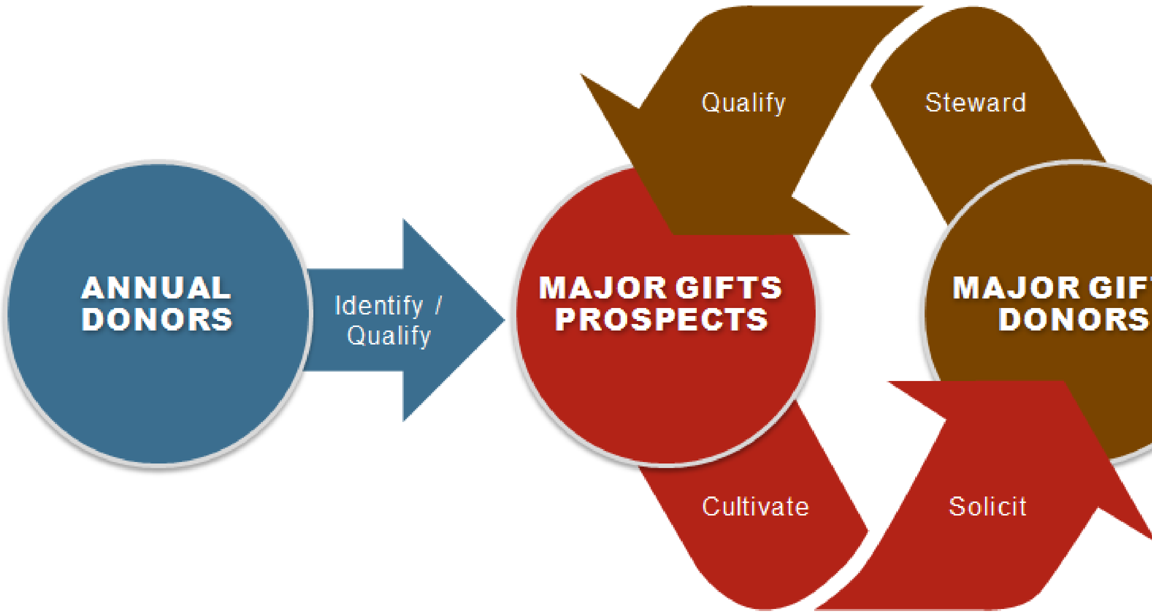
- **Linkage**: A connection to the Action Coalition, its staff or volunteers or one of its partner organizations
- **Interest**: A demonstration of interest in giving to support causes that align with the Action Coalition's goals, such as prior giving to support nursing education or community health initiatives
- **Capacity**: The ability to make a gift of sufficient size to constitute a major gift

Prospects who demonstrate all three of these characteristics represent the strongest potential major gift donors, though it is possible to build linkage where it does not already exist.

Major gift prospects can include individuals, corporations or foundations.

Relationship Management Cycle

(refer to Core Fundraising Premises document for an overview of the cycle)



Relationship “Moves” Management

A move is a meaningful and substantial interaction with a prospect creating a deeper relationship towards a possible major gift. A move is always a two-way and personal communication (not a mass communication of the sort used for a broader support base). Moves include face-to-face visits, solicitations and other meaningful and substantial interactions.

Even a series of phone calls or emails can be considered a move if they are substantive. If a contact meets any of these criteria, the Action Coalition can consider it a legitimate move:

- The move has built trust
- The move has enabled the donor to express his or her interests
- The move has educated the donor about the Action Coalition
- The donor has bonded to someone affiliated with the Action Coalition
- The donor understands the Action Coalition's needs better
- The donor is now more familiar with a staff member or volunteer
- The donor has been helped in some way important to them
- The donor is now more open to receiving communications or to meeting
- The donor feels more engaged

All of these things generally put the Action Coalition in a better position to ask for a major gift in the future. They should be strategically considered, planned and implemented.

Both the number and quality of moves are important to building major gift relationships. The Action Coalition should be careful not to fall into the following traps:

- Only making comfortable moves
- Collecting too many directionless moves with the same individual (a very common trap)
- Avoiding moves that require a lot of internal communications
- Only moving lower-capacity prospects
- Rushing solicitations before making a sufficient number of meaningful moves

Most fundraising success comes from careful and appropriate moves management and not from soliciting every prospect on every visit. In fact, for a prospect new to the Action Coalition, cultivating a major gift can take four, six or even eight moves over a period of six months or more before that prospect is sufficiently informed and connected and ready to be solicited for a major gift. Those familiar with the Action Coalition, especially who have given in the past, can often be moved toward solicitation much more quickly, but they too need personalized cultivation—and ample thanks for their prior support—before being asked to give again; a good rule of thumb is to make sure to thank a donor four times (through various avenues) before asking for a new gift.

Develop an Initial Prospect List

At the identification stage, the Action Coalition does not need to know that a prospective donor meets all three conditions of linkage, interest and capacity, but staff or volunteers must believe that s/he has the potential to warrant further research.

Use the following characteristics to develop a list of potential major gift prospects:

- The donor or funder has given to the Action Coalition in the past, including at least one gift of $____* in one of the last three years
- The donor or funder has given consistently to the Action Coalition for three or more consecutive years (or been a member of the Action Coalition)
- An individual is or has been a volunteer for the Action Coalition
- A staff member, volunteer or donor suggested the prospect *(see the tools provided in the Volunteer Engagement Toolkit for gathering suggestions)*
- The individual or institution has a known interest in healthcare and/or the nursing industry
- The individual or institution responds to cultivation, and with or without solicitation, increases or renews his/her giving
- An individual has established a family foundation or charitable fund or trust
- The individual or institution has a personal connection with the healthcare or nursing field that would suggest potential for a significant gift (such as a

*Amount will vary by Action Coalition but should represent approximately 25 percent of the threshold for a major gift. So, for an Action Coalition that considers $1,000 to be a major gift, donors who have given at least $250 in recent years would be considered potential major gift prospects.

Qualify Identified Prospects

The qualification visit is an in-person “no ask” meeting, with the goal of learning more about the prospect and his/her affinity for the Action Coalition. A qualification visit is an opportunity to thank a loyal donor, share recent news and generally get better acquainted. The prospect should understand at the outset the purpose of the visit (see below) and that the Action Coalition will not ask for a gift. Here are some tips for securing and preparing for a qualification visit:

Determine a Clear, Authentic Reason to Visit

A qualification visit may have one or more of the following purposes:

- Getting to know a new donor who has made a first-time gift
- Thanking donors for their support, whether new or longtime and explaining more about the impact their support has had on the Action Coalition
- Seeking feedback from existing donors on their experience as a supporter, including how they prefer to be communicated with and involved in the Action Coalition
- Informational visits to share updates on Action Coalition news or introduce a new prospect to the Action Coalition
- Feedback calls to discuss donors’ input or ideas on:
  - Case documents or other materials
  - Strategies for setting up cultivation events in the area/region

Setting Qualification Visits

Use the following steps to set qualification visits with identified prospects:

- If feasible, send an email or letter in advance of calling the prospect, as this can increase the likelihood of securing an initial meeting; this letter or email should:
  - Clearly state the purpose of the meeting
  - Include any materials on which the Action Coalition is seeking feedback or sharing updates
  - Include a P.S. that makes it clear this is a “no ask” meeting

- Call for the appointment:
  - Identify yourself
  - Break the ice with a few words of friendly conversation
  - Tell the donor why you would like to meet
  - Be prepared to handle objections (see Countering Resistance to a Meeting on the following page)
- Possible approaches for securing the visit
  - "I am calling at the request of (name of a mutual contact)"
  - Ask a mutual acquaintance to ”open the door” with a call
  - E-mail the request if they prefer this method of communication
  - Enlist the assistance of the secretary or assistant to the person you want to meet
- Reaffirm that the meeting is not a solicitation
- Have a few suggested dates and times to offer, but provide flexibility of meeting time and place

Preparing for the Visit

- Send a note to confirm meeting day, time and place
- Call the day before to confirm the meeting
- Review prospect research on the prospect, including indications of capacity you can attempt to confirm or revise based on what you learn during the visit (see *Prospect Research Resource Guide*)
- Bring materials you sent with the pre-approach letter
- Decide on what is the most and least important outcomes (learn more about interest areas, confirm capacity, thank donor, etc.) of the visit
- Prepare questions and talking points to help achieve the key outcomes

Know Your Prospect

- Personalize the approach as much as possible
- Know ahead of time what may be the objections to a visit and be prepared to handle them
- Be knowledgeable about and prepared to discuss:
  - Mission
  - Recent news
  - Highest needs for the Action Coalition

Countering Resistance to Scheduling a Meeting

- **My schedule is so busy right now. Can we just discuss it over the phone?**

  "This is really too important to discuss over the phone. We'd like to talk with you in person to (state purpose of meeting). Can you find 30 minutes to sit down with us?"

- **I'm not planning to contribute to the Action Coalition, so there is really no reason to meet.**

  "There are a variety of ways to contribute, and only one is financial." (Note: other ways include offering advice, introducing potential donors, hosting an event and serving as a volunteer or advocate.) "We know you appreciate the Action Coalition's work, and it is for this reason that we want you to know more about our programs/plans. We would appreciate the opportunity to talk with you and hear your thoughts."

- **We are committed to other organizations and give a lot to those organizations. I'm afraid that we just can't take on another cause right now.**

  "I commend your generosity to those organizations. But before you cross the Action Coalition off the list, let me talk with you about it. Even if you decide not to participate, perhaps you can suggest others who could help or consider letting us be on your list for next year. Also, given your involvement with many organizations, we would appreciate any advice or "lessons learned" you could share regarding our mission and communications."

- **You don't have to sell me on the Action Coalition. We have contributed before, and I think it is great. Why don't you just send me the info, and I'll make a good gift.**

  "I'm delighted by your personal interest, and I appreciate your generosity. But I do hope that you will still consider allowing us an opportunity to share the Action Coalition's vision for the future. It's quite difficult to fully express our work and impact in a short letter."

Next Steps after a Visit

Follow Up

- Send a letter thanking the prospect/donor for the visit
- Write a brief recap of the meeting to share with staff and/or fundraising volunteers (See the Contact Report template at the end of this toolkit)
- Determine next steps (including who else to inform about the visit)

Template: Cultivation Strategy

Cultivation Strategy Brief

Prospect Name	
Relationship Manager and/or Key Contact	
Other Natural Partner(s)	

Objectives for Prospect *(such as gift, volunteer engagement, introductions to others):*

1.
2.

Major Gift Target

- Size:
- Date:
- Gift Designation (note: if the prospect has a particular area of interest that aligns with a specific pillar, they may respond well to a request in support of that area):

Interaction Plan (How will you engage this prospect in advance of the anticipated solicitation? Continue to update with next steps following each contact.):

Activity	Responsible Party	Timetable

BACKGROUND

Engagement and Gift History:

Indications of Prospect Gift Potential (from prospect research, information from others who know the prospect and information gleaned through qualification and cultivation visits)**:**

- Linkage
- Interest
- Capacity

Other Information (prospect's questions/concerns, connections, insights from contact reports, etc.)**:**

Cultivating Prospects

Cultivation can be a lengthy process, often taking anywhere from six to eight months (approximately four to six meetings) for a major gift. You can keep moving the process forward with each visit through the strategies below.

Develop a Strategy and Keep It Current

- Use the template from the prior section to develop a personalized strategy for engaging a prospect and moving them toward solicitation. This can be brief but should be reviewed following each cultivation contact to make any necessary updates.
- Use the contact report template at the end of this toolkit to capture conversation and outcomes from each cultivation contact. Information that impacts the strategy (such as indications of capacity or suggested next steps) should be carried into the cultivation strategy document.

Look for Opportunities for Meaningful Engagement

Cultivation can take many forms, including:

- An in-person meeting
- An invitation to an educational session or similar event showcasing the Action Coalition's work
- An invitation to a fundraising event that includes personal interaction during the event
- Substantive phone calls or email exchanges that help build and advance the relationship

Focus on Finding Common Ground

- Tell the story of the Action Coalition and its impact, focusing on pillars of particular interest to the prospect
- Ask what about the Action Coalition is of greatest interest to the prospect.
- Find out what other causes they support and why. What is rewarding to the prospect about supporting those causes? Explore where those interests align with the Action Coalition's goals.

Find a Reason to Follow Up

- Find out what more the prospect needs or wants to know about the Action Coalition's plans. If you don't have an answer to a question, that's okay. Tell the prospect you fill find out and follow up.

Preparing for a Solicitation

When is the Right Time to Make the Ask?

- You are hearing "gifting" noises
  - Direct indications or subtle "clues" that the donor is ready to give to the Action Coalition
  - A clear passion for the Action Coalition's cause or for a specific pillar of its work
  - Discussion about other gifts the donor has made (a message about their interests and priorities)
  - Hints about a desire for recognition
- When you run out of cultivation tasks
- When the donor asks you about his/her gift
- A volunteer indicates the donor is ready
- Donor liquidity becomes obvious (such as the sale of a business)

Write a Strategy Memo to Visualize the Ask

- Review cultivation strategy and outcomes of cultivation process as well as all other available information to help answer the following questions:
  - What are the donor's values and motivations for supporting the Action Coalition?
  - What is the donor's giving and volunteer history with the Action Coalition?
  - What questions might the donor ask?
  - What funding level is appropriate but will still challenge the donor?
  - How should the Action Coalition present the case for giving to this specific funding opportunity?

Prepare a Written Proposal

- The proposal needs to be personalized to reinforce a win-win ask. You don't have to present the proposal, but it will help prepare the solicitation team.
- The (no more than two-page) letter should:
  - State the ask amount
  - Articulate the impact of the donor's gift on the nursing field, community's health, etc. (tailored based on prospect's interests)

  - Offer and point out flexible payment options
  - Reflect the cultivation and solicitation strategy and speak to the donor’s values

Prepare the Solicitation Team

- For high-dollar asks in particular, consider inviting the natural partners who have played a part in the prospect’s cultivation
- Rehearse the ask with all who will be involved (rehearsals are critical!)
- Discuss roles, including who will make the ask

Soliciting a Gift

While it is important to be fully prepared with a script and proposal, a major gift solicitation will not necessarily always follow the script. **The exact wording of the responses is not as important as the spirit and tone.** The following is a step–by-step guide for a solicitation conversation.

Step 1: The Opening

- Establish a rapport
- State the purpose of the visit; reference why you are in front of the prospect today. Likely this meeting is a "next step" from a previous cultivation meeting or prior encounter at a special event or program.
- Thank the prospect for agreeing to meet and for his/her ongoing support of the Action Coalition (if a current donor)
- Be enthusiastic and positive; update the prospect on how his/her prior gift has been "put to use" or boast successes at the Action Coalition (news, events, etc.).

Step 2: The Involvement

- Ask questions
- Listen actively
- Follow-up with questions, as appropriate
- Explore the prospect's interests and philanthropic priorities

Step 3: The Discussion

- Describe the case for support/need
- Describe how people will benefit from your work
- Present the case elements of most interest to the donor along with specific funding opportunities corresponding to the case area (if unrestricted funding to the entire mission is not an option).
- Listen
- Answer questions and address concerns
- Listen

Step 4: The Ask

- Look the individual in the eye
- Ask for the gift: “We would like you to consider making a commitment of $XXX (be specific) over X years (if asking for a pledged gift) to support the Action Coalition.” For a volunteer, it can be effective to say, “I have personally invested in the Action Coalition and would like to invite you to join me with a commitment of $XXX over X years.”
- Give time for the donor to respond
- Answer any objections
- Try to “close”

Step 5: Follow-up

- If the donor says “yes” – Thank him/her and get the information from them that you will need for a gift agreement
- If the donor says “not yet” – Schedule a return appointment (often by phone) within a week to 10 days if they need more time to consider the request
- If the donor says “no” – Determine the reasons and the next steps (*See Countering Prospect Resistance below to address other questions or objections that arise during a solicitation*)
- Thank the prospect
- Record outcome in the form of a gift record or contact report

Countering Prospect Resistance

Even the most experienced solicitors can encounter resistance when seeking contributions. While the case for supporting the Action Coalition is compelling, some individuals may not respond favorably to a solicitation upon first request. Rather than assuming a hesitation or negative remark means a definitive “no,” use this opportunity to discuss the donor’s concerns. Such a discussion often points to solutions, or at least keeps the door open for a later call.

That’s a lot of money. I don’t know if I can make that kind of commitment.
I understand how you feel. We are asking you to consider this important program/initiative and contribute at a level that is meaningful to you personally. *(If asking for a pledged gift:)* Please remember we are asking you to make the gift over X years, and hopefully that makes it seem possible.

This isn’t a good time for me OR The market has hit us particularly hard.
We’d really love to have you be a part of the Action Coalition. If you’re interested you could:

- Set up your gift to make a smaller payment this year and larger payments in later years
- Pledge now, and begin payments next year
- (or) Is there a better time for us to come back to visit with you?

I'll consider this, but I need more time to decide.
Of course. This is a major commitment that would make a great difference for the Action Coalition. When should I follow up with you? Is there more information I can share in the meantime?

Other Tips for Success

- **Do not solicit over the phone.** Inform the prospect of the purpose of your meeting, but be sure to make the request in person.
- **Be sincere**. A canned sales pitch is never as effective as your own words.
- **Be patient.** A gift made in haste tends to be minimal.
- **Ask for a specific amount.** Most people want to know what you have in mind for them and what others are giving. Have this information ready and WAIT for a response after the ask.
- **Remember that people are not offended if you ask for too much.** People are usually not offended if you ask for a gift that is larger than they are able to make, if the request is made respectfully. In fact, people are often a bit flattered that you think they are capable of making a somewhat larger gift.
- **Remember to thank each individual (or couple) for their time, their interest, and their gift!**
- **Be persistent.** Don't be discouraged if your prospect is not too receptive at first. It may take even the most impassioned prospective donor some time to embrace a stretch gift. Take the time to guide your prospect's enthusiasm and propensity upward.

Stewarding Donors

Recognizing and stewarding donors will encourage their continued giving and help make philanthropy highly visible among the Action Coalition's supporters. Stewardship steps include:

- Thanking the donor, as many as four times throughout the year, through personal contacts from members of the relationship management team and others as needed. The Action Coalition should send a thank you note and gift receipt within 24 hours of receiving the gift and, for larger gifts or when appropriate with certain donors, make thank you phone calls.
- Emphasizing the value and impact of each donor's gift throughout the stewardship process.
- Keeping the donor engaged through a variety of activities, such as events and personal contacts that are targeted to his or her interests and connections at the Action Coalition.
- Gauging the donor's ongoing giving interests and potential readiness for future gifts. The relationship manager should note the donor's other giving activity and consider whether this giving suggests that s/he may be ready to make another gift to the Action Coalition.
- Re-qualifying the donor for a future gift. If it appears that the donor may be ready to make another gift, s/he should be re-categorized as an identified prospect to be qualified for a future gift.

Stewardship Meetings

Like qualification and cultivation visits, stewardship meetings are an important way to continue building a relationship with a donor. They help keep the Action Coalition top-of-mind and offer opportunities for the Action Coalition to thank the donor and demonstrate the impact of his/her gift. Questions to ask during a stewardship meeting might include:

- Do you feel recognized appropriately by the Action Coalition?
- Do you feel the Action Coalition keeps you informed properly of news and updates? What else would you like to know/see?
- What's the best way to communicate with you (phone, e-mail, etc. – make sure to get most recent contact information)?
- Are there other ways you would like to be involved?

Template: Contact Report

PROSPECT NAME:____

YOUR NAME(S): ____

DATE OF INTERACTION: ____

CONTACT METHOD (in person, telephone, etc.):

DETAILED SUMMARY OF INTERACTION:

FOLLOW-UP/ACTION/NEXT STEPS: