

# Start Your Plan Here: Implementing a Big-League Relationship Management Program for Your Small Shop

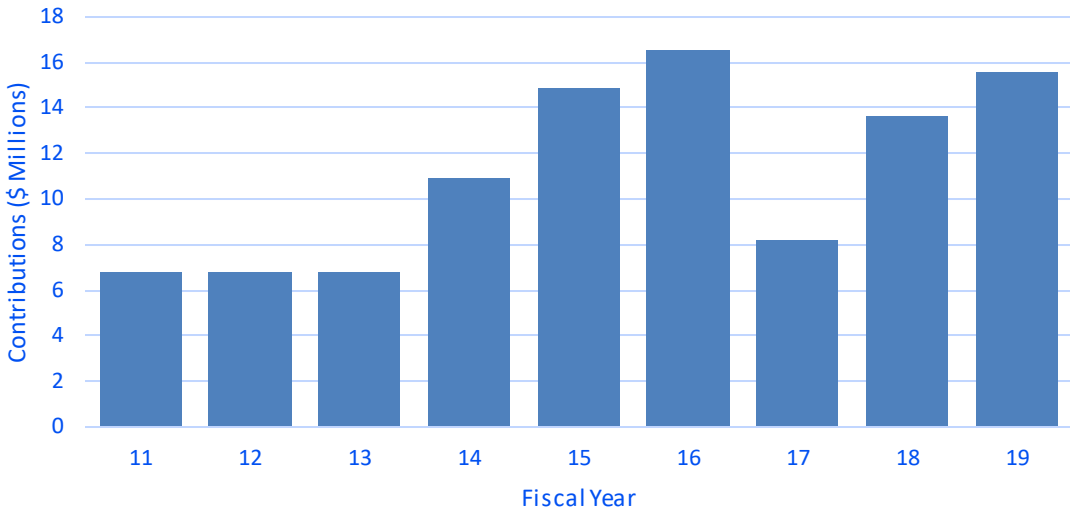
April 17, 2023

AFP ICON, New Orleans

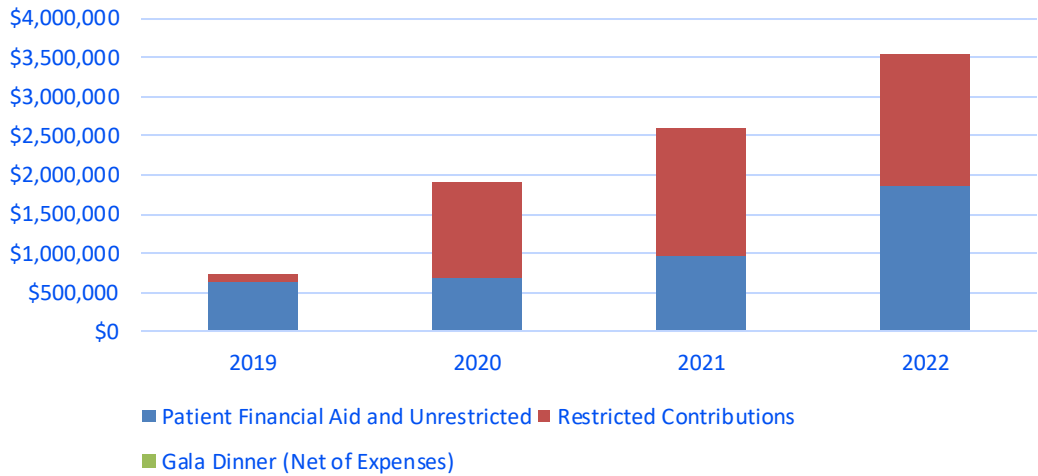
Timothy J. Dougherty  
Chief Advancement Officer



### Interlochen Center for the Arts

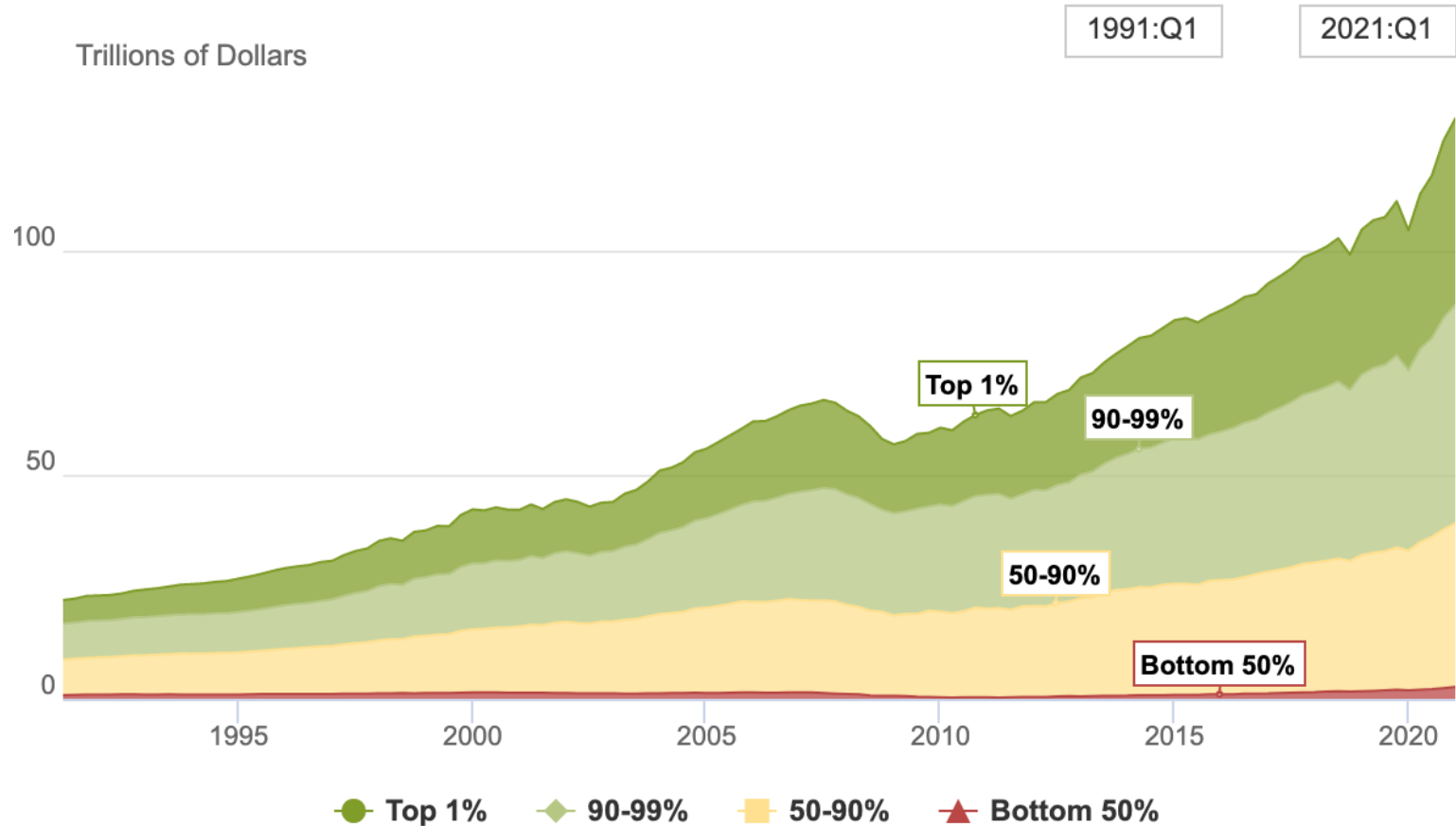


### Silver Hill Hospital



# Wealth Distribution in the U.S.

## Wealth by wealth percentile group



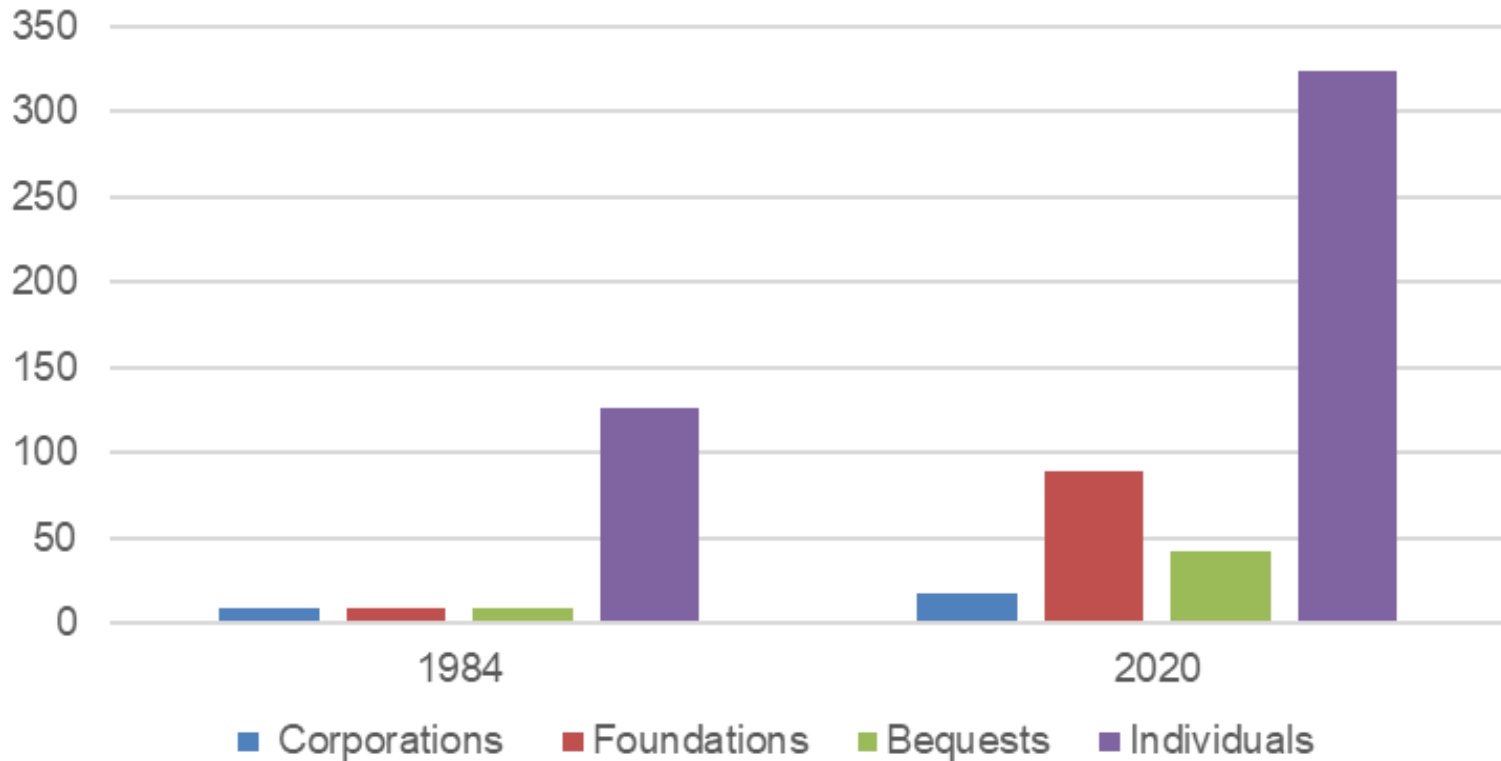
Source: Survey of Consumer Finances and Financial Accounts of the United States

Source: US Federal Reserve



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## Giving by source in billions of current dollars

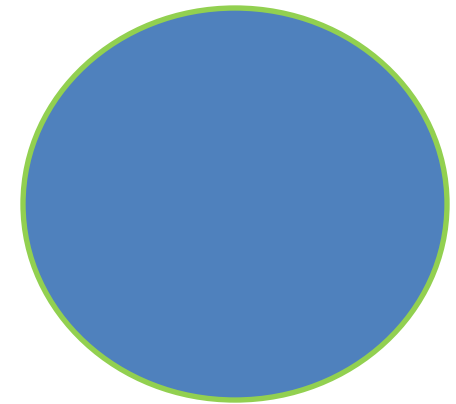
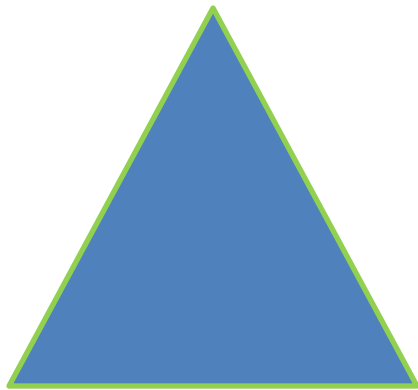


Source: Giving USA



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# BASIC FUND-RAISING PRINCIPLES



# Donor “Pyramid” is now a Witch’s Hat

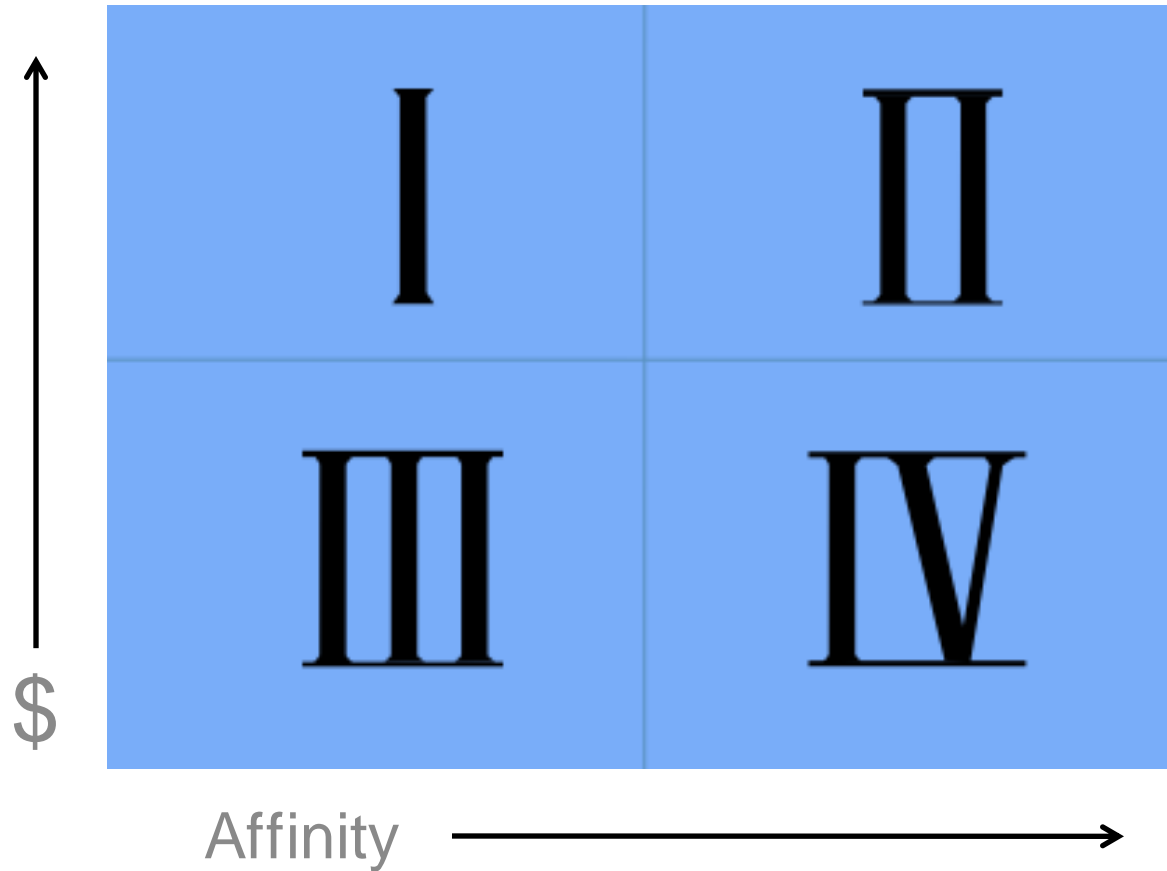
Dollars

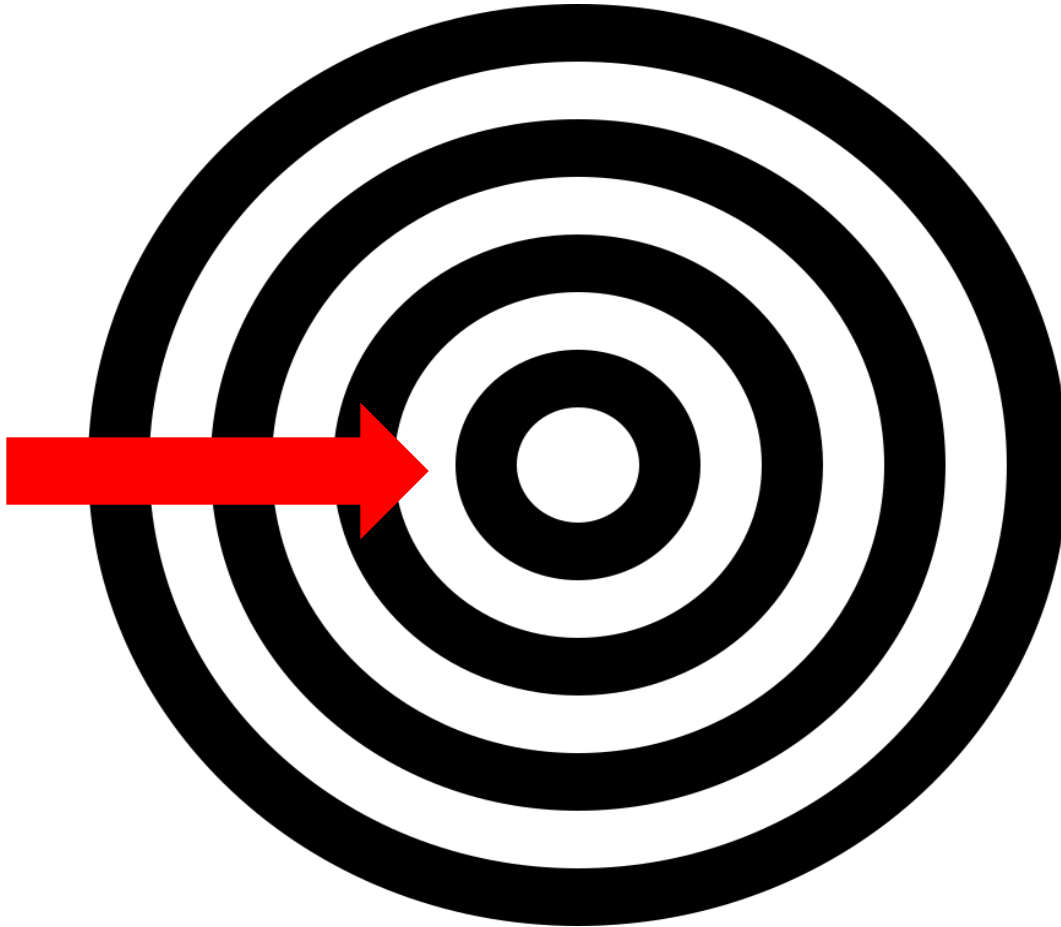


# of Donors



# Affinity, Propensity and Capacity





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# The Secret of Success in Fundraising

- 1. Optimize Your Activities**  
to focus on those with greatest  
Affinity, Capacity and Propensity
2. Bring donors in & up the pyramid
3. Engage in a genuine relationship  
to bring them into the inner circle
4. Ask them for money!!!!



# The Relationship Manager's Job

1. Know more about them, and their interactions with your organization, than anyone else at the organization
2. PROACTIVELY facilitate the strengthening of their relationship to your organization, including the solicitation and stewarding of their contributions.



# Three Important Relationship Management Guidelines

1. ONLY FRONTLINE FUNDRAISING STAFF CAN SERVE AS A RELATIONSHIP MANAGER (RM), THOUGH OTHERS CAN INTERACT OR BE OUT FRONT
2. ONE FULL-TIME RM CAN MANAGE ABOUT 120 DONOR HOUSEHOLDS, NOT MORE
3. EACH OF YOUR TOP PROSPECTS MUST HAVE AN RM



# Who Are Your Top Prospects?

1. Remember, LINKAGE, INTEREST AND ABILITY
2. About 15% of our donors are “tracked.” We use A, B, C to distinguish
  - A. \$1M prospect
  - B. \$100,000 prospect
  - C. \$50,000/\$10k annual gift prospect
3. We focus most of our time, attention and energy on these individuals



## Giving by Adv Track

Adv Track	# Donors	Amount	Percent of Total
A	16	\$1,699,500	66%
B	29	\$381,088	15%
C	23	\$153,609	6%
None	259	\$344,970	13%
<b>TOTAL</b>	<b>327</b>	<b>\$2,579,268</b>	<b>100%</b>



What are you going to do  
with your top prospects?

BRING THEM INTO THE CIRCLE and  
MOVE THEM UP THE PYRAMID

Let's Brainstorm – what are some  
good ways to "bring people into  
the circle?"



# Let's Start Your Plan

My Advice:

1. Identify Your Top Prospects
2. Assign a relationship manager
3. Think through/ map out how to “bring them into the circle” and “move them up the pyramid.”

***LET'S START WITH TWO OR THREE  
OF YOUR DONORS RIGHT NOW!***



Extra Slides follow

For reference only, i.e., not a planned part of presentation



## The Major Gift Pipeline: The Process

- Reach out to prospective donors with linkage and ability  
- determine interest
- If interested, engage, involve and invite  
regular (1x) support
- Steward gifts, demonstrate impact, deepen relationship
- Seek special (10x) gifts timed to institutional needs
- Ultimate (1000x) gifts timed to factors in donor's life



## The Major Gift Pipeline: The Numbers

- One FTE MGO can qualify 300/ year
- Estimate 20% will be interested
- One FTE MGO can manage 120 donors
- Portfolio in thirds: cultivation, solicitation, stewardship
- One third of solicitations will be successful



## Key Ingredients for Success in Major Gift Fundraising

1. Carefully nurtured relationships with "qualified" prospective major donors
2. Ability to show donors that their gifts have had an impact and been well used
3. Clear, compelling direction & aspirations, ideally with alignment across the organization
4. Infrastructure to support the fundraising process (staff, systems, processes)



## Once at Altitude...

- Ultimately, marginal ROI for an experienced major gift officer will be more than 10x
- 1x for operations will cover marginal expense
- 9x will be for restricted gifts: plant, new programming, or endowment
- Non-frontline positions will diminish overall ROI, but are essential to enable success, e.g. operations director, stewardship coordinator, database administrator

