Approaching a Major-Gift Prospect?

and

Introducing FLIP the Philanthropist

Presented by

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Give & Gain Conference

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Qualifiers

Body of Knowledge

Styles

Generalizations

Models

Unique and the Same

1. Our organizations, and we ourselves, are unique in exactly who are we and how we raise funds. But . . .

2. When it comes to major gifts, we all want them and we want more of them.

What is a major gift?

Major to whom?

Paradigm Shift

Moving from an

Asking Hierarchy

to a

Gifting Hierarchy

Who is a philanthropist?

Meet FLIP !

the philanthropist

“Compartments of the Brain”

F L I P

F

L

I

P

F L I P

F	Friends	(or Family)	(or even Fun)
L	Leadership	(or Loyalty)	
I	Investment		
P	Posterity		

Philanthropic Investment

A philanthropic investment decision is made pretty-much like a for-profit investment decision

<u>Typical investor questions</u>

a. What do I really know about the firm?
b. What's its history? Its recent track record? Its history?
c. How does it stack up against its competitors?
d. Does it seem to be running well?
e. Making a profit? (not operating in the red)

Typical investor questions, continued:

f. Is it producing high quality goods and/or services? What's the evidence?

g. Does it have effective, ethical senior management in place?

h. Does it have a clear vision for its future; and a well-developed strategy for getting there?

i. What are its primary sources of revenue?

j. Do its expenditures seem reasonable?

k. Who are its major investors/contributors? Its board of directors?

Typical investor questions, continued:

l. What's its reputation, among both its customers/clients and key movers and shakers?

m. What would be a reasonable return on my investment, both short term and long term? How will I be able to measure that?

n. Do I feel the firm is being fully transparent and forthright with me; not just engaging in a sales pitch?

o. Am I really being invited to become a part owner or do I feel like I'm likely to be kept at arm's length?

Typical investor questions, continued:

p. (As this is my first time to consider making an investment-grade contribution to this organization,) how much am I willing to risk/venture initially?

q. Do I know and respect some of its recent investors?

Tips and Considerations

For when one is planning to approach a person about what s/he is likely to consider an investment-grade type of contribution

1. The same donor, who may make an "F" or "L" gift largely because s/he likes you, is unlikely to make what s/he considers an "I" gift for that reason.
2. Philanthropists tend to be nice, likable people. Don't confuse cordiality with that person leaning toward a major philanthropic investment.
3. You are not "asking for a gift" as much as you are "inviting (the prospect) to consider becoming an investor" in whatever.

Tips and Considerations, continued

4. Think like an entrepreneur putting together a new project and looking for persons who would consider it an attractive, or at least interesting, investment.

5. "Investment follows investment." An investor is likely to start modestly; then when pleased with the perceived ROI, consider investing larger amounts.

6. Regardless of the size of the initial investment/gift, immediate and ongoing excellent stewardship, including communications, is critically important.

7. Try to be a for-profit investor yourself, possibly as a member of an investment club.

My Philanthropy Inventory

on your flash drive

My Philanthropy

Quick inventory for my eyes only.
Most answers will be estimates.

1. To how many different organizations during the past year have I made one or more gifts?

2. How many were gifts for which I did not expect to receive a receipt (Salvation Army kettle, etc.)?

3. Other than to my church, or to fulfill a pledge to a capital campaign, the typical gift I tend to make is in the range of about: $______________ to $______________

4. The largest single gift I've made in the past few years was in the amount of $______________

5. I've made gifts over the past year from:

_____ Cash I had in my pocket at the time
_____ The account from which I routinely pay my bills
_____ Credit or debit card
_____ Automatic payments from bank account, card or paycheck
_____ Savings account
_____ Investments (stocks, bonds, etc.)
_____ Family foundation, trust, donor advised fund, etc.
_____ Property (e.g., real estate; valuable personal items; etc.)
_____ Other____

6. Over the past few years I have been influenced to make one or more gifts when - - -

_____ I received a solicitation via mail, email or telephone and I like the cause and/or organization or was simply impressed by the solicitation.

_____ A relative or friend asked me to give and/or is directly involved in the cause/organization.

_____ I know someone who has been impacted or helped by the cause/organization.

_____ I am currently, or was previously, associated with the organization.

_____ I am in a position of leadership with the organization.

_____ Someone I respect asked me to consider supporting the cause/organization with a gift larger than I usually make.

_____ An organization I like and support was taking-on a project or program that struck a positive chord with me and I dug deeper than usual to help fund it.

_____ Having liked and/or supported the organization for many years, I decided to extend that support by planning a gift via my estate.

_____ Other: ____

John Fettig, CFRE July 2015

What else?

Q & A

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July 2015