CHAPTER 1

Prospecting for Major Gifts

Pamela Gignac and Ken Wyman[1]

"Set your sights that much higher and remember that to have faith is to have wings, and to have wings is to be able to choose both the time and manner of your arrival."

—Patrick Walker, *Evening Standard,* London, England, March 21, 1994

INTRODUCTION

It is more important than ever to find out who our donors are, what their interests might be, and to match those interests to our projects and institutional goals. With the greater demand for funds and an increasingly competitive search for funding, it is crucial that we do our homework: we must line up the right person, in the right place, at the right time, with the right project.

Penelope Burk, president of Cygnus Applied Research, and leader in the area of donor-centered revolution states:

> *Many of us assume we know what motivates and appeals to donors but as donors are beginning to signal their desire for change, they are also revealing their willingness to give more money. Cygnus' research discovered that 70 percent of donors would increase their giving—even in times of economic restraint—if they got what they really needed instead of what charities* think *donors want.*[2]

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[1]Preparation for this chapter was aided by expert advice from Professor Ken Wyman, CFRE, program coordinator, Fundraising and Volunteer Management Postgraduate Program, School of Media Studies & Information Technology at the Humber College Institute of Technology & Advanced Learning in Toronto, Ontario, Canada (email: ken.wyman@humber.ca and www.humber.ca) and research professionals Amy Rotteau, Development Officer Research, Royal Ontario Museum Foundation, Toronto, Ontario, and Stephanie Jonescu, MLIS, director of stewardship, Hamilton Health Sciences Foundation, Hamilton, Ontario.

[2]Visit www.donorcentred.ca for more information on Penelope Burk, Cygnus research, and Penelope's publications on donor-centered fundraising.

Therefore, there is an increased need to have more and better information about a prospect's philanthropic interests to ensure that these are being matched by the work of the nonprofit itself. This is crucial to overall success as well as to eliminate inappropriate approaches and wasting anyone's time—yours or the prospect's. There are now new techniques in prospect research, donor development, moves management, database mining, the Internet as a two-way source, and strategic analysis and evaluation that can be implemented to enable this to happen. So, how do we implement these new and powerful resources into our fundraising?

PROSPECT RESEARCH: BACKGROUND AND KEY ELEMENTS

History of Prospect Research

Prospect research as a profession began at universities and colleges in the 1980s. It was largely an administrative or clerical position that commonly fell under "other duties as assigned." Over the last several years, the profession has grown to be recognized for what it is—an integral and crucial part of our success in building better relationships with our donors, prospects, and the community. Researchers can be central figures in fundraising, and invaluable participants when prospect strategy and development is discussed.

While many organizations have made great strides in raising the profile of this research, more can be done to ensure that it is a dynamic and vibrant component of all our fundraising activities, including its strategic value in the fundraising process. The profession has worked hard to ensure that the field remains strong and highly skilled through the Association of Professional Researchers for Advancement (APRA) and the Institute of Fundraising's Researchers in Fundraising group.

Definitions

R Read everything that you can get your hands on and more
E Evaluate all of the details discovered
S See people, listen, open up dialogues, and find out more
E Expand on information found and make it grow
A Approach those close and accessible
R Review on a regular basis
C Capture the information in an organized manner
H Hold to the ethics and best practice of the profession

Association of Fundraising Professionals' (AFP) Definitions *Prospect research,* according to the AFP, is the process of identifying, interviewing, and involving persons and organizations with the potential to become donors in your organization.

Prospect is a possible source of support whose philanthropic interests appear to be a match with your organization, but whose ability to give, interests, and linkages have not been qualified through research.

Qualified prospect is a prospect who continues to qualify throughout a research, evaluation, and cultivation process as a logical source of support for your organization.

Research Supports Fundraising More than ever, it is important that we do our homework to ensure our information on prospects and donors is both up to date and as comprehensive as possible. This can be a daunting task when you have tight budgets, numerous deadlines, limited resources, and never enough time. Nevertheless, the key to all of our success depends on effective prospect research.

Research is the cornerstone of any fundraising operation. It:

- Leads to finding the right person, in the right place, at the right time, with the right approach
- Increases the probability of success by doing your homework
- Increases opportunities for cultivating positive responses
- Guides you to ensure that you focus in the right directions
- Assists you in building relationships with your known donors
- Targets new prospects
- Opens up new avenues and ways to turn prospects into supporters
- Matches prospects' interests with your work as connecting your donor to your mission is still key
- Builds confidence and trust through knowledge and information and adds a certain power to drive fundraising for all involved

The Role of Prospect Research

It is widely understood that research plays a significant role (some believe it can represent up to 80 percent) in the work involved in securing a gift. This applies to individuals, companies, and foundations. The fundamental success of research often depends on a well-developed relational fundraising database system and the procedures to manage the flow of information. As new donors are secured, new avenues to prospects are opened up. An effectively planned research program consists of a number of different tools besides a database. These include desk research, market research, Internet research, strategic targeting, and the preparation of background documents such as profiles, briefings, and approach strategies.

Exhaustive research leads to networking, which ensures that the right approaches are taken in the best way possible. This includes the ongoing input, maintenance, and updating of information held on a relational database, which is critical for targeting and analysis of prospective and current donors.

Consistent use of reporting systems and an infrastructure of two-way communication between all levels of your organization locally, regionally, and nationally, from staff to volunteers and board members is crucial. Collate the information captured as quickly as possible and remember that you are accountable for your research and the details entered on your database. These can include personal information such as a prospect's interests, or who knows whom, and how well (see Chapter 9, "Using Gathered Information Effectively within Your Staff and Volunteer Teams" as well as Chapter 10, "Moving from Prospect Identification to Making Friends for Life").

Case Study: The Campaign for the University of Toronto

The campaign for the University of Toronto (U of T) has been a tremendous achievement not only by Canadian but by American and British standards as well. In fact, the U of T reached a historic milestone, raising $1 billion since the launch of the campaign in 1997. The campaign for U of T has been the most ambitious fundraising effort in Canadian university history, and its billion-dollar goal was accomplished more than a year ahead of schedule.

The U of T embarked on its campaign in 1995 under the leadership of Dr. Jon S. Dellandrea, vice-president and chief advancement officer. Dr. Dellandrea's commitment to the U of T and his vision for fundraising clearly led the way for others to share in his successes and lessons learned. An integral part of the campaign's success came from Dr. Dellandrea's belief that research is a crucial part of fundraising for major gifts and well worth the investment.

> *Institutional advancement is a deeply personal process that requires in-depth understanding of our supporters, and the degree to which specific aspects of our own priorities reflect our donors' personal aspirations and interests. Prospect research is indispensable to this process and to identifying possible supporters from thousands of possible donors—it would have been impossible for the University of Toronto campaign to have succeeded in the absence of our investment in prospect research.*[3]

[3]Quote provided directly by Dr. Jon S. Dellandrea, former vice-president and chief advancement officer, University of Toronto, Ontario, Canada (to find out more visit www.utoronto.ca or www.giving.utoronto.ca/index.asp). Now the first ever development director, Oxford University, England.

The team, including Dr. Dellandrea himself, often brought back something to enhance the research and make for a successful ask–approach strategy.

Small Shop or Large Campaign: Anyone Can Do Research

Prospect research can be within anyone's reach, whether you are a small shop or a large campaign office. This can be achieved by using some of the ideas and techniques outlined in this book. Remember, it sometimes is better to take some risks, test out new ideas, and be creative rather than accept the cookie-cutter approach. While the level and depth of research are directly affected by budget size, some basics can be implemented in smaller shops through good planning.

For example, training all staff to be more creative in looking and finding out information about donors and prospects—such as reading local newspapers—helps to catch details about community individuals, business transactions, and philanthropic activities within your organization's reach. In addition, train volunteers, such as retirees, who already often go through every inch of their favorite newspaper, particularly the births and obituaries, in what can be useful information. In other words, share with others your need for information, and they will gladly respond because you have given them a purpose for their time spent reading.

It's not only vital to know how to retrieve information but also to make sure this knowledge remains central to organizational memory and that the foundation is set to have the ability to research prospects into the future.

Some key points to consider are:

- Success is not only how to retrieve information but also where to store it.
- Adapt techniques, theories, and experiences from elsewhere and implement new ideas as appropriate to meet specific goals and resources, however limited or small they might be.
- Yes, you can and should start to implement some new ideas to capture information.
- Try out your own six degrees of separation to find out who knows whom, who can open doors for you, and who can provide you with advice.
- It will be a challenge to always perform the amount of research desired to fully capture the necessary information on prospects and donors. There will be times when you must move forward without doing all the homework or planning needed, but some research is always better than none at all.

PROSPECT RESEARCHERS AND FUNDRAISERS TOGETHER

What Makes a Good Researcher?

Good researchers can be so much more than profile producers; they are also strategic partners, managing the moves for the fundraisers, just like the fundraiser moves prospects.

The educational and experiential background of researchers is quite varied. Many researchers grew into their positions over time, some coming from a library and information sciences background and others having completed fundraising courses or earning diplomas in this field. We know good researchers have worked in journalism, sciences, geography, political sciences, human resources, and more.

The common thread among all good researchers is the ability to think critically, and analyze data effectively with a strong understanding of people as well as commitment. Good candidates for this position include people who are capable of backroom work as well as up-front management (people and strategy).

Fundraisers Are Researchers and Researchers Are Fundraisers

Fundraisers are researchers, often conducting field research and gathering knowledge essential to the donor relationship. Researchers are also fundraisers, contributing equally to the bottom line of the organization. All fundraisers do a large amount of research themselves on their donors and potential donors. Executives and board members can also do the same—they just need to know how to look, where to look, and what to look for, and then how to capture and assimilate this information into a central repository that can be accessible to all those who need it. This process can even be fun, as all of us like to be a wee bit nosey—but everyone should take gossip for what it is!

Researchers and Fundraisers Together Creating Strategic Partnerships

Fundraising is a process that involves five main stages in a continuous and ongoing cycle as follows:

1. Identification
2. Qualification
3. Cultivation
4. Solicitation
5. Stewardship

Researchers have a valuable contribution to add to each stage; however, traditionally research tends to be considered as stages 1 and 2, and fundraising, is the rest. The actual level of involvement will depend on resources, strategic plans, and goals as well as the experiences, skills, and interests of the staff. It also may take a little bit of vision and understanding to work together.

An understanding of the activities and benefits of research makes for better fundraisers. This is a fact that many instinctively know but not all outwardly recognize. Researchers and fundraisers working more closely together will only enhance and grow success and opportunities for building better relationships with donors and prospects as well as our communities and images overall.

In fact, research can have a positive impact on your organization as a whole and should be linked to operations rather than just development and fundraising. It has also a role to play in communications—to develop and then measure the positive image that your organization wants to portray.

Researchers are often separated from fundraisers. This is both physical, due to lack of office space, and ideological. Research is seen in some organizations as support of, rather than as partner to, development. It is more than time to break down the barriers and provide a forum for regular integration of research with fundraising. Researchers don't just read newspapers and surf the Internet, in the same way that fundraisers aren't always at events schmoozing and having fun.

Good Strategies for Integration Developing solid partnerships between research and fundraising starts by breaking down barriers of time, workload, poor communication, budget, and even proximity (separate offices, floors, or buildings). The most basic step is to educate each area of the organization about the type of work being conducted and how all of the functions in the organization impact each other.

The researcher should build relationships within fundraising like the relationship a fundraiser builds with a prospect. The researcher should conduct discovery meetings to learn about needs and projects, understand the case that the fundraiser is working to fund, and their database needs. The researcher can also create opportunities for fundraisers to locate information on their own, and ensure that they receive proper training and support as required.

This strategy serves to educate fundraisers about the type of information they can locate themselves and the amount of information they need to conduct a visit. It also frees up research time to focus on more complex requests for information.

Conversely, the researcher should be involved where possible in fundraising, such as attendance at key meetings where strategy is created and discussed. Further, they could be involved in events, participating with the purpose of gathering information. When possible, a researcher should participate on a fundraising call to get a sense of what actually occurs and how their work is utilized.

BIG GIFTS AND MAJOR GIFTS

How Big Is a "Big" Gift?

Ken Wyman, a well-known fundraiser and trainer says:

> *How big is a "big" gift? For some groups, such as universities and hospitals, nothing below $100,000 is a "major gift"—and many receive multimillion dollar contributions. For other nonprofit groups $100 would be huge. For many of us, the definition remains open—whatever your group would consider a breakthrough. However, many of the techniques require a considerable investment of time and money, and that can only be justified by a comparable return on investment.*

Also, the Institute of Fundraising's (IOF) Major Donor and Major Donor Fundraising Code of Practice (www.institute-of-fundraising.org.uk) states that a major donor is one who has:

> *[T]he potential to make or procure a gift which would have a significant impact on the work being conducted, who is approached and/or cultivated using personal relationship development fundraising techniques for the mutual benefit of the organization and the donor. The gift may be of capital, revenue, time, or influence.*

Annual versus Major Donor

The definition of an annual gift prospect versus a major gift prospect differs according to the size and needs of an organization. Today's annual donors are good prospects for future major gifts. Keep them on your list to be further researched in the future.

Integrating Major Gifts Fundraising

Our fundraising success depends on the right approach, to the right person, with the right project—all at the right time! It is based on building relationships with key selected donors and prospects (see Exhibit 1.1). Strength lies in utilizing the assistance of peer-to-peer contacts and the orbit or spheres of influence and network of contacts that surround each

Major Gifts Fundraising
"Peer to Peer"
The Major Gift
$$$$

↑↓

↑↓

Networking → → → **Constituencies (Who)**

Lead contacts — Individuals

Relationships — Companies

In person — Foundations

↑ ↑↓ ↓

Research

↑ ↑↓ ↓

Personal Intelligence Gathering (P.I.G.) — **Donor Development (who and what)**

Confirmation of details — Current donors

New and additional info — Donor base segmentation

Who knows whom — **Prospects—finding new ones**

Seeking advice — Online searches

Door opening/exploring fits ↑↓ Matching donor and prospect interests

↑ ↓

↑ ← **Information** ← ↓

In-depth prospect research

Profiles/briefings

Lists (e.g., contacts needed) and progress reports

Approach strategies

EXHIBIT 1.1 Relationship Management Cycle—Research Is the Foundation of Major Gifts Fundraising. Created by Pamela Gignac.

of them by asking for their help as door openers and gatekeepers. Look to them for advice as well as a gift.

Gifts can be a donor's personal gift as well as those from companies and foundations and can include gifts in kind, cash, and stock. An approach strategy should be developed for each prospect that includes who will ask, what to ask for, and when to ask. At all times it is important to be respectful of both contacts and prospects and to manage the process in a highly professional manner. All approaches should be coordinated and planned out carefully in advance.

Approaches to companies and foundations should be planned to meet the specific criteria required for each one—integrating annual giving with major giving where appropriate. As part of a corporate approach, look at all the avenues of potential support including alliances, partnerships, or sponsorships as well as its community donations program, employee fundraising, employee volunteering, and matching gifts programs. This approach may or may not involve specific applications or contracts with each one. Foundations, on the other hand, usually involve a more straightforward application procedure and a specific process that needs to be followed.

PROSPECTING

What Is a Prospect?

What is a prospect? Someone you think *might* support your work. Not just because they might have money but because their interests match those of your organization.

Can donors be prospects? Yes, they are your best prospects.

Where to start? Start with current donors and close friends. Then go to others who support similar work.

Potential prospects could include any of the following:

- Prospects with stated interests that match your work
- Past and current donors and supporters including board members and volunteers
- Donors and supporters to similar campaigns and charities
- Major corporate and community donors
- Wealthy individuals and high-profile individuals
- Companies, organizations, and individuals who have been approached without success in the past
- Suppliers to your organization
- Clients/alumni/audience

11 Steps That Lead to Prospecting Success

Step 1. Resources required to support an effective research program include press articles, directories, the Internet, subscriptions to online databases, and in-house files (paper and electronic).

Step 2. The fundraising database acts as an anchor for information capture and flow. A good relational database for research and analysis makes all this more efficient, effective, and *easier!*

Step 3. Analyze your database and the Internet for information to build strategies to meet both short-term and long-term fundraising objectives.

Step 4. Identify prospects starting with your own donors, research their background, and find ways to approach them.

Step 5. Manage and regularly update your information to be able to coordinate, facilitate, and search for links through relationships for prospects and donors as well as to avoid blind duplicate approaches.

Step 6. Grow relationships with donors and develop their support.

Step 7. Devote time to find new prospects beyond your donors.

Step 8. Match prospect interests with your own.

Step 9. Use personal intelligence gathering (PIG) and experience to confirm your research and find out new details and names.

Step 10. Always look for the best ask—right person, right place, right time, with the right project.

Step 11. Maintain reports, including contact reports, prospect progress reports, campaign reports, and so on. These are vital for sharing, revising, and analyzing information from all of the previous steps.

RESEARCH TECHNIQUES AND INFORMATION SOURCES

Key Words Can Help You Focus

Key words, as in the same ones used on Google or Yahoo! when surfing the Internet, are helpful not only for searching for information but also as a way to get others to understand what you are trying to achieve. Asking volunteers, board members, program staff, donors, and colleagues what key words they think of when they think of your organization not only gets them involved but often excited and can generate ideas.

Develop an organizational key word list through the following:

- Establish a list of key words based on your organization such as health, research, disability, a particular location or region, and so on.
- Use the case for support and mission to find them, including themes and specific projects.
- Ask your volunteers and board members what words come to mind for them.

- Put together words that would match a prospect's interest with your work.
- Keep these words in mind when doing research and put together a list of key prospects.
- Always look for any mention of a person or company's name with the dollar or monetary sign and amount next to it.

Seeking Answers to Questions

It is important to line up all approaches as close to a match as possible. The right person, at the right level, usually makes the most successful match at the right time. That's why it is vital to spend so much time and effort on careful planning and research.

Coordination of all approaches is crucial for not only your sake but also because the reputation of your volunteers depends on it. They rely on you for top-quality and accurate research information. In order to achieve this, it is extremely helpful to compile a list of questions to be answered when researching prospects:

- Are they new prospects or current donors?
- If they are current donors, then look at these questions:
  - Patterns of giving—has the gift size increased?
  - Are we as an organization meeting their needs?
  - Are they board members, senior staff, or volunteers?
  - Are they high-end users of your services?
  - Do you have volunteers that can leverage the gift?
- To find or explore new prospects or to add to what you know about your current donors, look at these questions:
  - What companies or foundations have an easily identified interest in our type of organization? Or our projects and programs?
  - How closely do we match with their known interests and criteria?
  - Do we need to find out more about them?
  - If we do have a good match and the right contact, could we go for a larger gift or support package?
  - What would be our best approach strategy?
  - On a first approach, which source (or sources) would we seek support from?:
    - Personal wealth
    - Corporate gift and/or sponsorship
    - Foundation grant
  - What type of individuals would be interested in our work? For example, corporate executives, directors, entrepreneurs, self-employed, younger, older, local, etc.

- Who have they given to in the past? Who do they currently support?
- What is their range of giving? The average gift size? Largest known gift given and to whom?
- What are their donations' policies? What are their restrictions?
- When do we apply and what is their application procedure?
- Do we hold out for the right approach? Is it potentially worth our while to do so and if so, how long do we wait? Three months? Six months? One year or longer?
- If we make preliminary approaches, which "home team" member or partner should make the approach and at what level can contact be made (e.g., chief executive, corporate affairs, marketing)?

Information Sources

Identify and select sources of information that are most suitable for your organizational goals, resources, and budget. Check the following:

- Personal contacts—valuable information can be gained from:
  - Personal conversations and interviews with prospects and donors as well as their peers, friends, and family.
  - Donor surveys.
  - Conversations at events.
  - Remember to beware of gossip and maintain caution regarding privacy rights, confidentiality, and other issues.
- Using technology and paper sources of information:
  - Interrogate your database and check in-house files, lists for attendees and program participants who might become donors through research and further cultivation and solicitation.
  - Check public sources of information, including newspapers, magazines, books, directories, and media as well as a wide variety of sites and information that can be found on the Internet.
  - Use Internet sources and online searches, and corporate/foundation searches through key words.
  - Search local, regional, national, and international sources for press, business, professional and trade journals, social directories, and magazines.
- Annual reports for companies include:
  - Philanthropic and community involvement.
  - Financial statements including proxy statements for top director salary disclosures.
- Salary information—disclosure lists online for government positions and proxy statements for public companies as well as salaries mentioned in press articles.

- Other nonprofit sources of information:
  - Annual reports.
  - Newsletters.
  - Special event brochures and programs.
- External research providers:
  - Identification and research services to provide electronic screening.
  - Specialized services such as online prospect research databases.

Six Degrees of Donor Development (Relationship Management and Spheres of Influence)

The probability of success increases by sharing researched names with people and finding out about their personal contacts and their six degrees of friends, family, and colleagues. Sharing a list is better than a blanket question (e.g., Who do you know?), as it gives them something to focus on. It will generate comments more easily and show them the scope of what you are trying to achieve. Ask for their advice and look for answers to these questions:

Are there any prospects within their reach?

Do they have any additional information?

Can they open doors?

Is it appropriate to be directly involved in the approach?

Contacts are important. Ken Wyman explains why:

- Donors sometimes bend the rules when the right person asks.
- Some donations are made because of who asked and not what the nonprofit does.
- Some supporters can open doors if you find the right ones.
- Anything less and you are just another little-known group in a large pile.
- Corporate employees can often get matching gifts for nonprofits they support with time or money.
- It's harder for a company to say no to a customer asking for support.
- Service clubs and unions often respond to members and their interests.

How do you find connections? Ken Wyman suggests the following:

- Ask those closest to you, such as your board members, volunteers, staff, family, friends, donors, members, and clients, for their advice and information. Try getting them to fill in a survey about where they work and live, clubs they belong to, where they worship, and their hobbies.

- Ask selective donors if they can suggest others with similar interests such as companies, foundations, or groups. Find out if they would be willing to open the door and offer advice on securing support from them.
- At events and public gatherings, ask people if they would drop off their business cards, perhaps to win a prize. Or fill in raffle forms that ask for email addresses as well as their names, phone numbers, and addresses.
- Create your own business council and ask it to raise funds from peers. Include business owners, managers, and franchisees. Don't ask them to attend committee meetings. Their job is to give and get others to give.
- Ask for assistance in finding contacts from your own peers and another or larger nonprofit organization.
- Set up a speakers' bureau and talk to potential donor groups such as service clubs, churches, schools, and so on. Collect business cards and names of people you meet and talk to about your nonprofit and its work. Set up information sessions about the work of your nonprofit for a local company and their employees.
- Choose the companies with the largest number of employees in your area (you should be able to get a list from your local government or other publications). Call them to ask the name, position, and contact information for the person responsible for donations and community support. Don't approach them yet. Confirm the spelling and any information you might already have. Develop and implement a file of information on the company to be used as a guide in making an approach.
- If you can't find any contact information, a cold call might be necessary. Although it will be less successful, it could still turn out to be worthwhile.

Calling to Find Out More

A one-on-one call will need to be made to a prospect sooner or later. You will need to call to find out information, confirm or update your research, or determine their current status on giving. For example, they may have already made all their commitments for the year and you need to find that out and decide if you should apply next year. If you don't call as a researcher, you will certainly need to as a fundraiser.

Prepare yourself:

- Who are you calling? Is it a company or foundation?
- Why are you calling? Application deadline looming? Information to prepare for an upcoming meeting or presentation? Or has an employee, friend, or relative given you an introduction to them?
- What do you need before you make the actual call?
  - Information found through your research including a list of sources and dates.
  - A telephone script based on your research and a discussion with your fundraiser.
  - A brief discussion with your fundraiser (if it's not you) to:
    - Determine the scope of your conversation.
    - Find out what the initial approach might be.
    - Explore how much info you should give them.
    - Determine any possible follow-up, who should be involved, etc.
    - Find out what other, if any, contact has been made.

Who you should talk to is not always necessarily who you will get access to. A lot depends on the organization, but it could be any one or more of the following:

- Donations person
- Application secretary
- Marketing person
- Public relations person
- Main receptionist
- Chief executive or other director's assistant
- Human Resources

How much should you tell them?

- State clearly who you are and why you are calling.
- Speak clearly and avoid jargon as much as possible.
- Assume that they are very busy people and that they likely know little about you (unless they are a donor who is close to you already).

What can happen?

- They will give you the information you are looking for such as:
  - A person's name, giving policies, and application details.
  - They will ask you to send in a formal application and/or want to set up a meeting.

- You may have some inaccurate information and they will want to know where you got it. Deal with this courteously and try not to blame your sources, but ask if you should pass on the correct information.
- They may not have the time or inclination to talk to you. Deal with this courteously.
- They may offer a donation immediately.
- They may tell you they will not donate to you.

Prospecting Lists

As a rule, there are two types of lists used to share your prospect names. One is often called a circle of friends and is usually a basic list drawn from your database. These names have had little or no research to refine them and are typically your current or lapsed donors. Expect to see between 250 and 500 major gifts prospects or around 10–20% of your database or more. In this case, you have contact with them and need research to determine an approach strategy.

The other list is known as a contacts needed list. This contains more in-depth research information on current donors and new prospects. This list needs to be kept to a manageable size relative to the target and number of gifts you are trying to secure; a typical list will consist of 100 to 250 names. Any more than that is too difficult to manage and tiresome for your volunteers to review.

In this case, you have the research basics but you need the contact to determine the right approach strategy. This might include donors with known interests in your area but, no known past with you.

Both lists support your strategic program to build relationships; these are the donors to concentrate on. The ultimate purpose is to increase gifts from current donors and/or to secure new, larger gifts from new prospects.

These tools and other techniques are also discussed in Chapter 9, "Using Gathered Information," as well as Chapter 10, "Moving from Prospect Identification to Making Friends for Life."

Prospect Qualification

The three main components of prospect qualification are:

1. How likely is it they will give (if all was in the right place, how likely is it that they would support you)?
2. How close are they to you?
3. How close do you match their interests?

Unlike the United States, many countries have limited access to information regarding wealth, ownership of property, and financial holdings. While certain sources will provide some detail (e.g., proxy circulars, inside trades), overall this type of information is unavailable for the typical prospect. We have developed other ways to evaluate or qualify a prospect; one major Toronto advancement shop relies on a prospect's giving to other institutions to understand gift capacities and comfort. This information, put together with a rating system that determines connections and affinity to the organization, is a good tool to qualify prospects.

When the information is available, it is important to consider other factors—number and age of children, financial commitments that are not always detectable, and generally how the industry in which that individual is working is performing. Understanding this type of information can help determine whether the prospect is feeling rich or poor.

A rating system should be simple and easy to understand. It should measure affiliation and the monetary value of a potential gift. It does not have to measure capacity, as capacity will have little bearing on an actual gift if the affiliation to the organization does not exist. Coding prospects using an alphanumeric structure, wherein A/B/C etc. equals affiliation and 1/2/3 etc. equals the projected gift size, can assist in segmenting the database. This information, coupled with other data tracked on the database (lifetime giving, frequency of giving, and participation in activities with the organization), can go a long way in determining the right person making the right ask at the right time.

WHERE DO WE GO FROM HERE?

Taking what has been discussed here and elsewhere in this book, determine what is appropriate for your organization, including your goals, resources, and budgets. Plan your steps, needs, and responsibilities including internal and external communication. Decide on the criteria to identify top prospects, establish procedures, and set guidelines to serve privacy and accountability. Make sure that research is addressed in your fundraising planning, and design individualized approach strategies.

Implement research and personal intelligence gathering (PIG) to share information with others in a confidential manner and revise your approach strategy accordingly. Use the information you have gathered in a respectful, responsible, and accountable manner.

Overall, review, plan, coordinate, execute, evaluate, report, record, inform, communicate, and go out and ask—and do it all over again and again! Most of all, do it.

CONCLUSION

Research is an invaluable activity for any organization. It ensures that you are not wasting your time and that of the donor or prospect. Any investment made in research for major gifts, individuals, companies, and foundations will enhance and support your fundraising activities; time and money spent on research will be recouped as more successful approaches are made. But research only works when organizations make the commitment to do it effectively and responsibly.

It takes practice to know where and how to look, and it can be a challenge to make it interesting for those doing it. It is also important to ensure that colleagues and others are enthusiastic about its relevance. So plan on investing time and money before you get proficient at research, and remember that your own knowledge will grow and so will the possibilities of where it can take you. You will develop an instinct about where to look and when to stop based on experience.

Remember that doing good research allows you to do good works for your community. Yes, you, too, make a difference through your dedication and efforts; you really do.

Happy prospecting and fundraising!