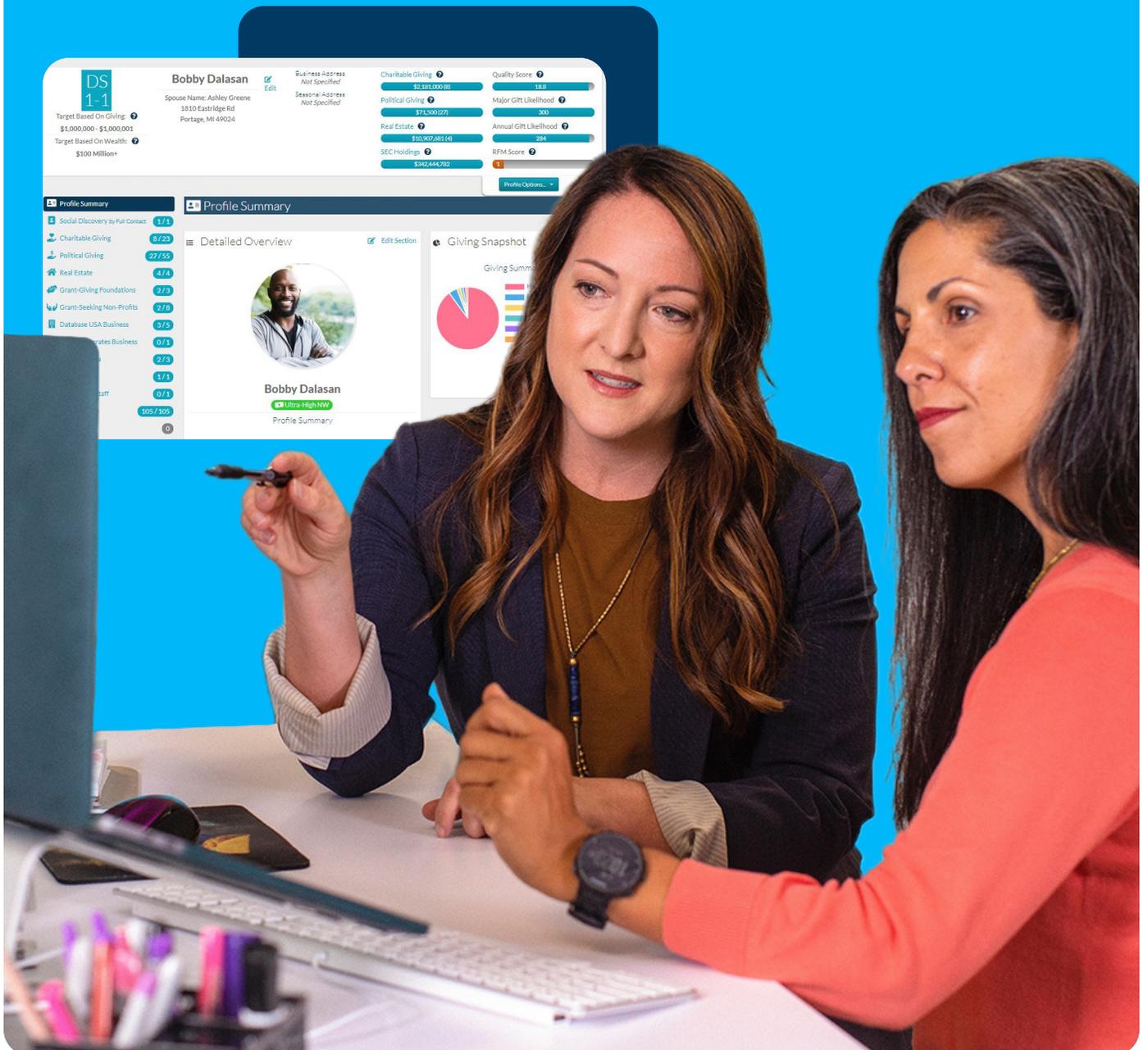


# 8 Best Practices for Major Giving



# Major giving: 8 best practices

“One major gift can be the difference between a nonprofit meeting its goal and that same organization coming up short. Successful nonprofits understand this fact and know the significance of running a top-tier program.”

– DonorSearch’s Major Gift Officer Survival Guide

Want to know the secret to a successful major gift program? I’ll give you a hint. If you’ve clicked to download this e-book, you already know the answer.

## **The secret? Always look to improve**

Whether you’re in the early stages of building your major donor pipeline or you’ve been at it for years, that truth remains the same. It’s crucial to remember that your program is an evolving entity. The best programs get better with age, like a fine wine. Part of ensuring that you have an exquisite, full-bodied merlot of a major giving program should involve researching best practices and identifying potential pain points within your system. And that’s what this e-book is designed to help you accomplish!

Study up on these best practices to make the most of major giving at your organization.

## **The list of eight best practices for optimizing major giving includes:**

1. Perform a prospect screening
2. Create a major giving society
3. Hire a major gifts officer
4. Get help from your board
5. Host events for major donors
6. Offer volunteering opportunities
7. Track your performance
8. Emphasize return on investment

**Ready? Let’s go through each point individually.**

# 1. Perform a prospect screening

This is a good place to start, as it feeds directly into the major donor identification process. [As Jack Karako explains](#), "Prospect research can reveal a wealth of information about potential and existing donors. Your organization can learn more about prospects' past giving histories and business affiliations as well as addresses and employers."

**Prospect screenings investigate potential major donors with an eye for specific details such as:**

- Past giving to your nonprofit
- Past giving to other organizations
- Involvement in philanthropic work
- Real estate ownership
- Stock ownership
- Political giving
- And more

These traits all feed into your organization's holistic understanding of who qualifies as a major donor.

**Prospect screenings investigate potential major donors with an eye for specific details such as:**

- The prospect is willing to make a donation
- The prospect is able to make a major-gift-sized donation

Prospect research is an invaluable tool in the major gift process and should be an early priority. Whether you hire a screening company, bring in consultants, take on the task in-house or some combination thereof, it's going to be crucial to candidate identification.



## 2. Form a major giving society

Launching a major giving society is an excellent way to recognize and reward major donors while encouraging them to stick around and give again in the future. A giving society is an ongoing means of showing gratitude.

### Here are three main benefits to forming a giving society:

1. They give donors a clear benchmark. If the cut-off for your major giving society is \$10,000, a donor who was thinking of giving in the \$9,500 range is going to be more inclined to bump her gift up to \$10,000 when you have defined parameters and a giving society in place.
2. They are exclusive. Who doesn't love feeling a little special? By including your major donors in an elite society, you're giving them the public acknowledgement they deserve and the perks that come along with that recognition.
3. They open the door to high-quality stewardship. Grouping all of your major donors into one society makes communication and interaction easy. You can create society-specific mailings and drip-email streams, in addition to a whole list of great perks and opportunities. The society lets you personalize your stewardship for all your major donors at once!

The principle behind forming a [major giving society](#) is much like the principle behind starting a monthly giving program. You're taking donors on a direct path from one-time donors to lifetime donors.



# 3. Hire a major gifts officer

Nonprofits of all sizes should be actively seeking major gifts. And part of actively seeking major gifts should involve hiring a major gifts officer. Although smaller and/or newer organizations are going to be more limited in terms of resources, it is important, at the very least, to appoint someone from your fundraising team as the head of your major gift efforts. If you can hire an officer to solely focus on your major giving program, that's great. If not, work within your means to come up with the best solution, such as shifting around roles among your fundraisers.

**When you do get to the point where you're ready to hire someone, you'll be looking for a candidate who is suited to:**

- Plot the direction of your program
- Be a liaison between your prospects/donors and your nonprofit
- Take part in identification, cultivation, and solicitation
- Develop major donor stewardship plans

**There are many traits that make up an ideal major gifts officer, but just as with any position, you'll want to prioritize certain skills over others. Look for those who:**

- Have a deep background in fundraising
- Are top-notch communicators
- And, are outgoing go-getters

Major gift fundraising is not for the faint of heart. You need a leader who is ready to take charge, but sees the benefit in a collaborative effort. You need someone willing to ask for a specific amount and be open to changing as donor need dictates. Part of these qualities will come from experience and the other part will come from innate personality traits.



## 4. Get help from your board

Before you can seek help from your board, you'll want to make sure they see the value in your program and the resources you'll be allocating to it.

### Data talks:

With the right support, a major gift program can have a massive impact on your fundraising bottom line. Be very clear about communicating the specifics of that fact. Detail how the numbers are projected to play out in your situation.

**Other factors will enter the equation, but if you can offer concrete, data-backed reasons why a major giving initiative is a must, you'll be able to position yourself and your future program well**

Ask the board to take the lead with a major gift of their own. Major donors like to give where others have to. It makes them feel secure that their gift is going to a trusted organization. Plus, it makes the "ask" easier.

**"I gave a major gift to XYZ and here's why you should too!"**

Once your efforts are underway, you'll also be able to hopefully leverage their connections. Look into who your board members have ties to within the community, find the major gift prospects among the list, and ask those respective board members to get involved in cultivation. Cold outreach is tough across the board. That difficulty is compounded when you're talking about trying to make a valuable connection with a major gift prospect. The stakes are simply higher. However, nothing fosters trust quicker than an introduction from a mutual contact, who, in this case, will be a member of your board. Cultivation is largely about building trust with your donors. You get a leg up when the board helps facilitate your earliest interactions.



# 5. Host events for major donors

You should be actively seizing opportunities to get your major gift donors together in one room so that you can:

- Keep them apprised of key developments within your organization.
- Continue an ongoing major gifts dialogue.
- Speak to the impact of their donations.
- And above all else, acknowledge their work

[The events can be geared toward fundraising but don't necessarily have to be.](#) While there's obviously immense value in hosting something such as a gala, there's also immense value in inviting a few key prospects to a lunch-and-learn. As your program develops, so will your events calendar. Aim to strike a balance between gatherings meant to inform and gatherings meant to fundraise.

[Click here](#) to read the top 3 ways you can use prospect research for your next fundraising event!



## 6. Offer volunteering opportunities

Although this tip might seem counterintuitive, bear with me. Major donors value transparency. They want to see how your organization works, so they can make an informed decision about if they should contribute a large sum of money to your cause. Essentially, they want to know if their money is going to be put to good use. Give your prospects a window into your programs through volunteerism. It's a direct and impactful way of assuaging any concerns a prospect might have.

### **While volunteering, a major gift donor can:**

- Gain a better understanding of your nonprofit
- Learn more about your mission and what you do to fulfill it
- Get to know key members of your staff

And, arguably most importantly, the right volunteer experience gives a major donor a firsthand experience with all the amazing work you do. Just keep in mind, you'll want to curate your volunteer experiences according to what would best suit the prospects you're cultivating. For instance, during a capital campaign, you might decide to ask a major gift prospect to participate in your feasibility study.

They'll be assisting your organization, getting a better sense of your current projects, and learning more about your work as a whole. Everyone wins. (And if you're curious about capital campaigns and feasibility studies, check out this link: <http://www.donorsearch.net/capital-campaigns-guide/>) At the end of the day, there's one key takeaway. Engagement through volunteerism is about making memories. The memories a prospect makes when volunteering are sure to factor into his decision to give.



# 7. Track your performance

As you're surely well aware, your program does not exist in a vacuum. You cannot expect to grow your donor pool and improve results if your team doesn't occasionally take a step back and look at not only the big picture, but also what goes into the big picture.

## **What's the best way of doing that? Tracking your performance using success metrics!**

Luckily, there are plenty of well-explained performance indicators out there for your organization to begin tracking. But the bounty also means that you'll have to make some discerning choices when you begin to pick out which metrics you'll be putting the time and energy into tracking.

## **Let's look at a few suggestions that are especially beneficial for major gift analysis. Asks made:**

Tracking asks made boils down to a very simple premise: How can you secure gifts that you're not asking for? The major gift ask is intimidating. It is usually done in person. It is usually a request for a substantial amount of money. It is usually the culmination of a very long process. Due to factors like those, and plenty that aren't listed, major gift solicitation can feel overwhelming. It's far easier than you'd think to get all the way to the precipice of making the ask and then back down before charging ahead. In reality, after a prospect has gone through the cultivation process, your team needs to be making concrete major gift asks. And the surest way to guarantee that your organization is moving donors through the pipeline is to place an emphasis on monitoring asks made.

## **Gifts secured:**

So your team gets a donor to the precipice of the ask and moves forward with the request. That's great news. But now it's time to track how many of those asks are converting into secured gifts. Why? Well, it's important on two fronts (both of which you might already suspect): On a micro level, it tells you how successful your cultivation process is when you can compare your data on asks made to your data on gifts secured.

On a macro level, it gives a good read on how your program growth is going. From tracking period to tracking period, see how gifts secured changes. In terms of the latter reason, securing fewer gifts is not necessarily a bad thing. You might, for instance, have secured a smaller number of major gifts. at a higher amount. With that being said, it's important to take the data from your tracking of gifts. secured and consider the information's role in the bigger picture.



## Average major gift size:

Think of average major gift size as a temperature check. It's not necessarily going to tell you what your program's problem is, but it can certainly signal that something has gone awry. Once you've been given that signal, it's time to delve into your other metrics to troubleshoot the problem. This is a metric you'll want to study over time. The hope is that with successful implementation of these eight strategies and other industry best practices, you'll see your average steadily increase.

## Major donor retention rate:

Major gift cultivation requires a serious expense of time and resources. Then you make that investment back if your carefully cultivated prospect becomes a major donor. While any organization seeking major gifts has to accept the investment it takes to be successful on the front end of things, that doesn't negate the value in optimizing the process.

One such means of optimizing? Placing a heavy emphasis on retaining major donors. Past giving is the greatest indicator of future giving. It's been statistically proven. If you can improve major donor retention rate, you'll not only be able to secure more gifts over time, but you'll be able to secure them through a more efficient process.

## The first step in understanding ways to improve retention is to actually study up on your own retention rate

These four metrics work well when it comes to major giving. But they're not the only items on the list. We recommend that you review the specific goals of your major giving program and decide which performance indicators will carry the most weight within your program.



## 8. Emphasize return on investment

You likely track [return on investment for your own fundraising activities](#), prospects are inclined to track it as well.

**Here's the bottom line: donors want to know what their money will not only be going toward, but also what it can accomplish**

The larger the gift gets, the truer that statement becomes. That's not to say that donors of all kinds don't all want to get a sense for what their gift will be doing. Rather, it's to say that donors who give substantial gifts have an especially vested interest in understanding their return on investment. Tell them!

**To the best of your organization's ability, be as transparent as possible about the path your donor's funds are taking from contribution to action.**

The more specific you can be, the better. You'll also want to let what you've learned about your prospect during the cultivation process influence your actions. In other words, design a path for their money that gives them a return on investment that you know they'd be happy to receive. For example, imagine you work in advancement at a university.

If your prospect has been very open about her interest in helping your engineering department, you should match your pitch accordingly. You might ask for funds for a new research lab, but you wouldn't bring up artificial turf for the football stadium. Once you've matched the right project to the right major gift prospect, you'll have to present the options in a solicitation meeting.



**During your solicitation meeting, make sure you convey:**

- How much money the project needs
- The specifics of what their money would fund
- What you expect the end result to be

The decision to donate a major gift will not be made lightly. Make the choice easier by removing as much ambiguity as possible from the situation.

**There you have it! Eight major giving best practices:**

Running a major gift program will never be an exact science. It's an art form. And just like Michelangelo didn't paint the Sistine Chapel overnight, you won't be able to create a masterful major giving program in a short period of time relying solely on eight best practices. Instead, take this advice, seek plenty of other resources, hone your craft, and put in the time.

## A COMPLETE MAJOR DONOR SOLUTION:

Together with partners Jeffrey Byrne + Associates, and DonorSearch, DonorPerfect provides a complete solution for generating major gifts: a process and technology designed to help you target, communicate, and develop major donors.

**LEARN MORE**

**Learn how to manage major gifts with DonorPerfect Fundraising Software and DonorSearch on our website, or call (800) 220-8111.**

