Shared Enterprise and Apollo Fundraising
Individual Giving and Legacies – Workshop 3
Major Gifts

What is 'rich'?

What would you do if you had a spare £1million?

For many of us the idea of having £1million - let alone a spare £1million - seems unimaginable. However, there are some seriously wealthy individuals and families around, with the capacity to make very large donations to charities.

While 'rich' is an abstract term, there are broadly accepted definitions when it comes to classifying wealth:

- **High Net Worth Individual (HNWI)** – this is somebody with $1million[1]+ in investable assets (this is typically defined as disposable cash and other assets that can readily be converted into cash, excluding the primary residence)
- **Ultra High Net Worth Individual (UHNWI)** – this somebody with $30million+ in investable assets

Donating £1million

Being wealthy and being philanthropic are very different things. However, in 2015 (the last year for which we have accurate data) there were 2,197 gifts of $1m+ around the world, with 355 gifts of £1m+ in the UK alone[2]. This includes 46 gifts of £10m+, and 4 gifts of £30m+. For the UK, this represented a significant increase, both in the number of donations and the total value.

Perhaps the most surprising thing about the 2016 Million Dollar Donor Report for the UK was the fact that these 355 gifts were made by just 166 donors, meaning that donors were averaging more than two gifts of £1million or more in the same year. While there is a strong focus on London and the South East (74% of gifts originated in these areas), there were £1m+ gifts made in every part of the UK except for Northern Ireland.

You may be more surprised to learn that, on the league table of sectors receiving £1m+ donations, the Arts and Culture sector ranks 4th, with 37 gifts totalling £135m. This significantly out-performs sectors such as Health (14 gifts totalling £46m) and Animals (5 gifts totalling £14m) in terms of number of gifts, total value and, more impressively, size of average donation.

---

[1] This is not a typo – while English might be the language of business, its currency is dollars. You will find that most reports looking at, analysing and comparing wealth use dollars rather than pounds.
[2] This data comes from the annual Million Dollar Donors Report, produced by Coutts - http://philanthropy.coutts.com/

What is a Major Gift?

While donations of £1million or more could have a significant impact on your organisation, that is not necessarily the only way to define Major Gifts. A Major Gift is broadly defined as being a gift that is significantly larger than the average gift your organisation receives – often 10 to 20 times the average. I have worked for organisations where £1,000 is considered a Major Gift and those where the level is over £10,000.

However, a financial definition is not always the best one to use. For me, a Major Gift is one that is transformational. This could manifest itself in one of three ways:

- **Transformational for the Donor** – some donors can make gifts of £2,500 without thinking twice. However, for others this might represent a very significant. Whatever level you chose to define your Major Gift strategy you need to be mindful of the value each donor places on their gift, especially where their gift falls below your normal level for Major Donor stewardship
- **Transformation for the Organisation** – this is the level at which a gift can have a significant impact on your projects or campaigns and, by extension, your beneficiaries.
- **Transformational for both Donor and Organisation** - this is the Holy Grail. It is based on the donor having the deepest possible relationship with the organisation, based on their deepest needs and interests. The result is that they give at their highest capacity.

Major Gift Solicitation

While Collective Giving relies on lots of people giving smaller amounts, Major Gift fundraising is about developing highly personalised relationships with a smaller number of people with the aim of securing substantial gifts. There are five key stages in the supporter journey when you are building relationships with potential Major Donors. This process is called Solicitation. Major Gift solicitation can take a long time and it is a process that shouldn't be rushed. On average, it takes 3 years to get to build the relationship to a point where you can make an Ask.

Solicitation

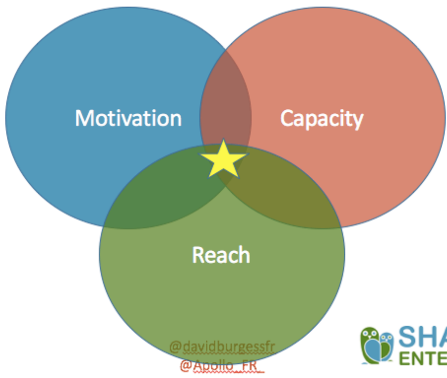
1. **Research**
2. **Plan**
3. **Cultivate**
4. **Ask**
5. **Steward**

How do you find Major Gift prospects?

As with other types of fundraising, your best prospects for Major Gift fundraising are in the intersection of this Venn Diagram:

In the case of Major Gift fundraising your best prospects will have a deep and personal connection to the cause as well as the capacity to give at a high level. Ideally, they should also have a strong and loyal connection to your organisation.

Your best prospects...



Here are some of the approaches you can take to identify these prospects:

- **Frequency of Previous Gifts -** Who are the loyal supporters that give regularly to your organisation? Who supports every campaign you run?
- **Size of Previous Gifts –** Who has previously given the largest donations to your organisation in the past?
- **Supporters of Similar Causes –** Who supports similar causes at other organisations?
- **Network Mapping** – Who is in your existing network? Who can your board introduce you to? Who can your existing supporters introduce you to?
- **Trusts** – Many philanthropically-minded HNWIs will establish Trusts as a way of managing their charitable donations. What Individual or Family Trusts exist with an interest in your cause?

There are also companies that can provide bespoke research for you, usually based on your database. This includes:

- **Wealth Research** – Who in your database has the greatest capacity to give?
- **Prospect Research** – Who in your database is most likely to support your work, based on their previous giving?
- **Postcode/Mosaic Analysis** – What can you learn about the different groups in your database and their lifestyles?

However, a note of caution – the way you use your data for fundraising and prospect research is subject to Data Protection regulation. In recent months, charities have come under increasing scrutiny by the Information Commissioners Office for the way they have used data, which has led to significant fines for organisations found to have breached the law. You need to ensure that you are acting within the limits of Data Protection law and the Fundraising Regulator's Code of Practice.

From your research you are aiming to identify the 15 to 20 best prospects, with the deepest levels of engagement with your cause and the greatest capacity to give.

What do you need to Plan?

Having identified your best prospects, you now need to plan how you are going to engage them. Before you start building the relationship there are a number of things you need to consider:

- Based on their motivations, what part of your work are they most likely to be interested in supporting?
- Based on their capacity to give, what proposition(s) are best suited to each donor? (This is likely to include 3 or 4 options at different donation levels)
- Who is going to make the introduction? (You are more likely to be successful in getting a first meeting if the initial introduction comes from someone they know, rather than a cold approach)
- What information do you need from them? How will you get it?
- What information do they need from you? How will you ensure they get it?

You then need to plan the steps you have to take to go from first conversation through to making the ask. This is called "Moves Management". It is a way of ensuring that the process of building a relationship has structure and that you can ensure it is actually progressing.

Your Moves Management plan should include:

- A breakdown of the key steps needed
- The person responsible for each step
- The timeframe for completing each step
- The person responsible for ensuring each step has been completed
- The person responsible for sharing the outcomes with the rest of the team and planning the next step

While the purpose of setting out these steps during the planning phase is to ensure there is a clear structure to progress the relationships, you need to be able to update your plan in response to the conversations. You should ensure that every interaction is recorded, that the learning is shared with everybody involved and that you then set out appropriate next steps.

How do you build the relationship?

The process of building the relationship with potential supporters is called cultivation. It can also be called solicitation. The purpose is to understand whether the relationship is right for both parties, addressing the prospects' Hygiene Factors and linking your work to their Motivators. For you, cultivation means ensuring that you completely understand their motivations and their capacity to give. For the prospect, the aim is to get them to the stage where they are emotionally committed to the project you are asking them to support, as well as having a personal connection to the organisation.

This can take a number of forms, but it could include:

- Invitations to see your work first-hand and to meet the beneficiaries
- Opportunities for them to share their advice and expertise
- Special events
- Formal and informal meetings
- Personal emails and phone calls
- Personal notes and handwritten letters/cards

It is important that the relationship building is personalised to each prospect and that you are clear of the purpose of each interaction. Keeping sight of where you are trying to get to will help ensure that your cultivation remains strategic. Remember – it can take 2 to 3 years to build the relationship to the point where the prospect is ready to be asked.

How do you make the ask?

It is important to remember that, if you have successfully built the relationship and cultivated your prospect, they want to be asked. By this point they have an emotional commitment to the project. While we talk about asking them to give, you are actually giving **them** something – the opportunity to help.

The perfect ask has 6 components:

1. The right person asking…
2. …the right prospect…
3. …for the right amount…
4. …for the right project…
5. …at the right time…
6. …in the right way

As you can see, getting the ask right is reliant on building the relationship and getting the cultivation right. Only then will you know you have the right prospect, the right amount, the right project and the right time.

Who is the "right person" to ask?

The most successful asks are:

- **Peer-to-Peer** – the ask should come from someone with a personal connection to the prospect and, ideally someone that is on a peer level
- **Donor-to-Donor –** ideally, the ask should come from someone that has also donated. This doesn't have to be someone who has given at the level you are asking your prospect for. They just need to be able to say that they have given.

What is the "right way to ask"?

When it comes to asking for a major gift, the ask should be made face-to-face. This means that you need to be able to build rapport with people from different backgrounds.

What is Rapport?

The dictionary definition of rapport is:

"A close and harmonious relationship in which the people or groups concerned understand each other's feelings or ideas and communicate well"

As fundraisers we have to build relationships and communicate well on a daily basis. Building rapport with others is something most of us do naturally and subconsciously. However, understanding how we build rapport can help us in situations where we are struggling to make a connection or when things just don't 'click'.

What channels do we use to communicate?

In face-to-face situations we have three different channels we can use to communicate:
- Our body language
- Our voice
- Our words

When all three channels convey the same message we are able to communicate clearly. However, if one or more of the channels is in conflict we get "cognitive dissonance" and it becomes harder for other parties to understand our message. This can lead to them receiving very different messages to those we intended to convey.

Father of Communication Theory, Professor Albert Mehrabian, found fame through his research into the relative importance of the three channels when the messages being transmitted are 'inconsistent'[3]. In these situations, Mehrabian found the weighting of messages were as follows:
- 55% of meaning is derived from body language (including facial expressions)
- 38% is derived from the way that words are said
- 7% is derived from the words we use

Understanding how we convey messages is key to building rapport.

People Like People Like Us

A key principle of building rapport is that "people like people like us". We find it easier to build rapport with people we consider to be like us. Expert negotiators and influencers know this and are able to use this to their advantage, going to great lengths to position themselves as being as similar as possible to the person they are seeking to influence. During the workshop we looked at ways you can build rapport by **matching and pacing** the three channels of communication.

Matching requires you to fine-tune your senses to pick up on the messages being sent out by the people you are trying to influence. However, simply noticing these messages is not enough – it is the way you respond to these that messages that determines whether you are able to build rapport or not.

[3] It is important to note that Mehrabian's theory relates to communications where emotional content is significant. For example, messages relating to feelings, attitudes and motivations. This is clearly true of most conversations with supporters and prospects.

<u>Matching Body Language</u>
There are a number of physical behaviours and actions you can look for, including:

- Posture and Stance
- Movement
- Gestures
- Facial Expressions
- Blink Rate
- Breathing rate

By adopting a number of these physical behaviours yourself will help to subconsciously give the impression that you are "like them". During the workshop we demonstrated that copying absolutely everything (often called 'mimicking') was uncomfortable for both parties and should be avoided. The key is to pick one or two elements to match, prioritising the ones that are most natural for you and have the biggest impact of communicating similarity with the person with whom you are seeking to build rapport. For example, you might match their posture and adopt their gestures when you are speaking.

<u>Matching Voice</u>
There are situations when we can't rely on body language for communication - for example, when we are on the phone. In these situations the way we use our voice becomes even more important. People use their voices in different ways and, again, there are a number of things you can match:

- Speech rate – do they speak fast or slow?
- Timbre – what is the character of their voice?
- Volume – are they loud or softly spoken?
- Emotion - what emotion do they convey?
- Stress and cadence – what words to they emphasise? What inflection do they use?
- Range – how much their pitch vary?

Call Centre staff are often trained to find out what the person on the other end of the phone is doing so that they can adopt the same body position. This is because our voice changes with our posture and movement. Adopting the same position makes it easier to match the other person's voice.

<u>Matching Words</u>
People have different preferences when it comes to the language they use. At a basic level you will notice that they use specific words and phrases. You can build rapport by using the same words and phrases, rather than substituting them for your own preferences.

People also have different three 'modes' for receiving, processing and recalling information. While these are not exclusive, most people have a dominant or preferred mode. Being able to match communicate in this 'mode' will increase your chances of being able to influence them. The three modes are:

Visual
People with a preference for the Visual mode will use phrases such as:

- "I **see** what you mean"
- "I will take a **look**"
- "I can **picture** that"
- "Let's **zoom in** on the problem"

In general, Visual people are more likely to:

- Look up when thinking or recalling information
- Speak quickly
- Be neat and orderly
- Use writing as a tool for remembering information

Diagrams and flowcharts are useful tools for sharing information with Visual people.

Auditory

People with a preference for the Auditory mode will use phrases such as:

- "I **hear** what you saying"
- "It **sounds** like we need to act now"
- "Let me **spell** this out"
- "We need to **articulate** this"

Auditory people are also more likely to:

- Look laterally when thinking or recalling information
- Speak melodically with varying tone
- Move their lips when reading
- Be good with numbers

Using stories, particularly framed from the point of view of the beneficiaries, are useful tools for sharing information with Auditory people.

Kinaesthetic

People with a preference for the Kinaesthetic mode will use phrases such as:

- "This **feels** right"
- "Let's keep in **touch**"
- "You seem to have a good **grasp** of this"
- "What **impact** will this have?"

Kinaesthetic people are also more likely to:

- Look down when thinking or recalling information
- Speak slowly, with gaps
- Gesture a lot
- Learn by doing or experiencing

Focusing on the emotional impact is a good way of sharing information with Kinaesthetic people.

Other things you can match

Matching is not limited to the three communication channels. Rapport can be built by matching:

- Interests
- Beliefs and Values
- Experiences

However, this has to be based on a genuine desire to understand the other person's perspectives.

Pacing and Leading

The process of building rapport through matching is called pacing. You need to have built rapport before you can start influencing. One way to test whether you have built up enough rapport is to try changing your posture and to observe what the other person does. If they also change you know you are in a position when you can lead. If they don't you probably need to pace some more. Experts in this field say that, as a rule of thumb, you should do twice as much pacing as leading.

When it comes to leading, a large change in topic can risk breaking rapport. You can move from one topic to your desired topic in a smoother, more elegant way by 'chunking' information. Chunking works by finding an overlap between the two topics by chunking down (focusing on specific details), chunking up (focusing on a global level) or chunking laterally (focusing on type).

What happens next?

While it might sound strange, you don't want the prospect to say 'yes' straight away when you make the ask. If they can say 'yes' straight away, the only thing you know if that you didn't ask them for the right amount. Ideally, you want the prospect to go away and think about it. If this happens, you need to continue to work with the prospect to get an agreement. This might include a written agreement, outlining the amount to be donated, the payment method, number and timing of instalments and any conditions or benefits attached to the gift.

It goes without saying that, on receiving a major gift, thanking and stewarding is even more important than the previous stages of building the relationship. In fact, it can also double as the cultivation for future gifts. As with cultivation, the stewardship of a gift should be personal to each supporter, reflecting their interests and the gift they have made. There are some key things you need to do:

- **Thank Promptly** – you should ensure the supporter is thanked as soon as possible. This should highlight the work that is being made possible thanks to their gift and remind them of the impact they will have for your beneficiaries.
- **Thank Plurally** – the initial thank you might need to come from someone within the organisation to ensure you can send the thank you promptly. However, there might be other people that should also thank the supporter, such as the Chief Executive, the Chairman or the person that made the initial introduction. You should then continue to find appropriate ways to thank the supporter for their gift.
- **Show the Impact** – Most major gifts are made to achieve a change and have significant impact. You need to ensure that you are showing the supporter how their gift is changing things and benefiting your beneficiaries.

The better the stewardship, the easier it is to discuss future gifts with the supporter.

About Apollo Fundraising

Apollo Fundraising provides consultancy, training and support to help arts and culture organisations to improve their fundraising.

Our areas of expertise include developing fundraising strategies, building individual giving and legacy programmes and helping organisations to identify their best prospects.

Our experience includes raising funds for a wide range of arts and culture organisations, including opera houses, historic buildings, theatres, orchestras, music festivals, museums and art galleries.

Contact David today to find out more about our work and to discuss how Apollo Fundraising could help you and your organisation:

www.apollofundraising.com
david.burgess@apollofundraising.com
@davidburgessfr @Apollo_FR_