THE FUTURE OF FUNDRAISING

2014 REEHER VISTA EXECUTIVE CONFERENCE

A Prescription for Prospect Management

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Reeher

What is Prospect Management?

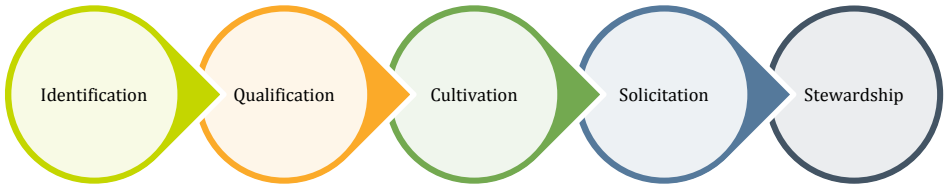
Prospect Management is the process of identifying prospects and cultivating prospects through a full solicitation cycle by moving them through stages. As a part of the process, documentation of the moves and strategy is included. Effective prospect management is vital to an efficient and well-run fundraising organization and benefits all parties involved. It allows an institution to understand a prospect's interests and motivation and to match that with their giving potential. Moving a prospect between stages within a relationship allows an institution to be informed on which officer(s) is working with which prospect, to estimate when gifts will come in and to maximize giving levels.

Done well, prospect management allows an institution to

- Have insight into their pipeline
- Provide better coaching to its major giving staff
- Improve teamwork
- Create a sense of accountability

This iteration of the prospect management process is meant to be one that can be generally applied across all higher education advancement programs. Within this description, we will identify key roles within the process, define terms that are useful when designing your process, describe key impactful activities and provide some Reeher recommended strategies.

This process is outlined in five key stages. As a relationship with the institution progresses, the prospect, or person identified as having capacity or interest in making a gift, should be moved from stage to stage.



Identification

Identification is the first stage in the prospect management process. During this stage a prospect is under review by the prospect managers and researchers to determine if they have capacity to make a major gift.

Key Roles in Identification

- **Prospect Researcher:** This role is responsible for the full research of prospects, providing information like capacity, philanthropic interests, hard asset screening verifications and demographic information. They have a role both in defining who is available for the prospect pool and further qualifying prospects as they are identified as having potential in major giving.
- **Prospect Manager:** The prospect manager can be compared to an air traffic controller. This role has insight into relationships university-wide and helps control access to prospects. The prospect manager reviews each relationship and verifies if assignment of a prospect is the right move. He or she will consider

the capacity, inclination, known interest or needs of the prospect and match him to the right area in advancement. All prospect assignments should be cleared through the prospect manager.

- **Gift Officer:** A gift officer is typically the individual responsible for the overall strategy surrounding a relationship between the prospect and the institution. This person typically handles the qualification and cultivation of a prospect that has been identified from the prospect pool. The gift officer also has opportunity to identify prospects for assignment and to take them to the prospect manager for approval.
- **Gift Officer Manager:** A gift officer manager is the person directly responsible for the management of a team of gift officers. This role provides coaching and accountability for the gift officer, meeting with them regularly to discuss opportunity and ensure that strategy is appropriately applied to each relationship.

  This person also has responsibility for the ultimate design of an officer's portfolio and what activities will be measured and reported. He or she will work with the prospect manager to determine appropriate size and make-up of an officer's portfolio.

Key Terms in Identification

- **Prospect:** A constituent who has been identified as potentially giving a major gift. This could be for several reasons. A prospect could have capacity, inclination or a special relationship to the institution. Prospects in the identification stage are in need of further qualification.
- **Prospect Pool:** A set of prospects who are available for assignment to a gift officer.
- **Prospect Rating:** A rating defined and assigned by the prospect research team to identify the approximate value of a major gift from a specific prospect.
- **Assignment:** Describes the relationship between a gift officer and a prospect. Those prospects who are assigned to a gift officer are being managed by that officer. Assignments can be initiated through the prospect manager as they build out portfolios or can be initiated through request by a gift officer. All assignments are approved by the prospect manager. There are two types of assignment.
  - **Primary Assignment:** Those assignments that are of first priority to an officer. An officer who has a primary assignment has full responsibility for the relationship between the prospect and the institution.
  - **Secondary Assignment:** Those assignments that officers have a stake in the relationship but not primary responsibility for it. This officer may be interested in the relationship for a particular solicitation cycle or may be responsible for some actions but not the full process.
- **Portfolio:** The portfolio is the set of prospects that is assigned to a gift officer.

Once a prospect is identified by prospect research and cleared by a prospect manager in the identification stage, he is assigned to an officer and move to the qualification stage.

Key Activities in Identification

- **Screening:** Prospect Research reviews constituents in the database and screens them for capacity to make a major gift based on thresholds set forth by the institution. These prospects will make up the prospect pool and are ready for assignment and then qualification by an officer. Prospect ratings are assigned to prospects during screening.
- **Assigning:** Assignments can happen in two different ways.
    - Prospect managers assign identified prospects to an officer's portfolio.
    - Officers request a prospect is assigned to them. In this case the prospect manager approves or denies the assignment request based on portfolio make-up, interest of prospect and any other conflicting interest at the institution.

Qualification

Those prospects in qualification stage are ready to be contacted by an officer. The goal of this stage is to qualify or disqualify prospects regarding their combined capacity and inclination to give a major gift to an institution.

Key Roles in Qualification

- **Prospect Manager:** In qualification the prospect manager has assigned identified prospects to the officer's portfolio or has cleared a prospect for assignment to an officer's portfolio.
- **Gift Officer:** In qualification, the gift officer is responsible for the contacts and outreach to newly assigned prospects to further qualify or disqualify them for major giving.

Key Terms in Qualification

- **Contact:** A contact is an outreach of some kind to a prospect. Contacts can be phone calls, letters, emails or face-to-face visits. These contacts are categorized into two different types:
    - **Measured Contacts:** Meaningful outreach consisting of rich interaction between an officer and a prospect that counts toward the metrics an institution has in place for an officer.
    - **Unmeasured Contacts:** Interaction between an officer and a prospect that is not counted toward the metrics an institution has in place for an officer.
- **Contact Purpose:** The goal or reason behind the contact.
    - **Inquiry:** A contact to secure a qualification visit.
    - **Qualification:** A first visit that serves to determine if a prospect is qualified or disqualified.

- **Metrics:** Measurements of activities by an officer that are aligned with the goals an institution has set for that officer.
- **Qualify:** To determine, through contacts with a prospect, if he or she is qualified to make a major gift to the institution.
- **Disqualify:** To determine, through contacts with a prospect, if he or she is not qualified to make a major gift to the institution.

Key Activities in Qualification

- **Contacting:** Officers contact assigned prospects through any means to secure a face-to-face qualification visit.
- **Qualifying:** Officers meet with assigned prospects to learn more about their inclination, interests and capacity. From these preliminary qualification conversations, an officer can determine if the prospect is qualified or disqualified.

Cultivation

Cultivation is the stage within prospect management where an officer uncovers the interests of a prospect and what obstacles may be in the way of securing a major gift. The gift officer is actively working with the prospect to get to know what is important to him or her. Through this work, the officer can identify other internal partners who can help facilitate securing a gift.

This stage is typically the longest stage in the process and involves a lot of personal interaction with the prospect.

Cultivation marks the beginning of a solicitation cycle. To get to this stage, a prospect has been identified and qualified as a high-potential major giver and has expressed interest in making a gift. From this point, a strategy should be defined, tracked and documented. This should be done through the use of proposals.

Key Terms in Cultivation

- **Proposal:** The documentation of the strategy around a solicitation cycle.
    - **Purpose:** Statement defining the goal of the solicitation cycle.
    - **Designation:** Defines how the money will be restricted for use by the institution.
    - **Target Ask Date:** The date that the officer plans to formally ask the prospect for the gift.
    - **Target Ask Amount:** The amount for which the officer plans to ask the prospect.
    - **Ask Date:** The date the officer formally asks the prospect for the gift.
    - **Ask Amount:** The amount for which the officer asks the prospect.
    - **Granted Date:** The date the prospect approves the proposal.
    - **Granted Amount:** The amount the prospect agrees to give the institution.

    - **Declined Date:** The date the prospect refuses the proposal.
- **Pipeline:** An outlook into what proposals may close in a specific timeframe, typically broken out by month.
- **Contact Purpose:** The goal of the contact.
    - **Cultivation:** Contacts with the purpose of cultivating a prospect through the solicitation cycle.
    - **Strategy:** A plan detailing how to move a prospect forward within the solicitation cycle.

Key Roles in Cultivation

- **Prospect Researcher:** Performs in-depth research on the prospect to provide to the gift officer for use in creating a proposal strategy.
- **Prospect Manager:** Helps identify other areas within the institution that may be helpful in moving the prospect through the solicitation cycle.
- **Gift Officer:** Responsible for the design of the strategy surrounding the solicitation cycle as well as for the negotiation and partnership with the prospect.
- **Gift Officer Manager:** Responsible for assistance and approval of the overall strategy surrounding the solicitation cycle. Also works to coach the gift officer through the cycle as needed and identify next steps.

Key Actions in Cultivation

- **Continued Contacts**: As the officer works with the prospect through cultivation, more and more interaction and contacts will take place to get a true understanding of the needs and interests of the prospect. These contacts should be of a wide range and may involve other team members like executives and academic partners, as well. In this stage, the purposes for contact would be classified as cultivation or strategy.
- **Strategize**: Gift officers, prospect managers and gift officer managers work together to determine the best strategy to secure a major gift from the prospect.
- **Document**: The gift officer is responsible for documenting the strategy and moving the prospect through the solicitation cycle through the use of proposals.

Solicitation

The solicitation stage is where the prospect is officially asked for the gift. This is typically done through the formal presentation of a written proposal documenting the purpose, designation, amount, timeline and any other legal requirements needed for the gift to be granted.

Key Terms in Solicitation

- **Ask:** The formal, detailed proposal from the gift officer to the prospect.

- **Negotiation:** The process of reviewing the proposal and reaching an agreement on the specific terms.
- **Granted:** A proposal approved by the prospect.
- **Contact Purpose:** The goal or reason behind the contact.
    - **Solicitation:** Contacts used to officially ask the prospect for a major gift.
    - **Negotiation:** Contacts used to negotiate the terms of the major gift.

Key Roles in Solicitation

- **Gift Officer:** Responsible for the official presentation of the proposal to the prospect.

Key Actions in Solicitation

- **Proposal Creation:** An officer will work with an internal team to create the official proposal outlining the purpose, restrictions and legal requirements of the gift.
- **Solicitation Contact:** A gift officer will meet with a prospect to present the formal proposal.
- **Negotiation Contact:** A gift officer will meet with a prospect to discuss changes to the proposal needed to secure the gift.
- **Documentation:** The officer will document all activities around the solicitation and mark which actions are required next.

Stewardship

Stewardship is the careful management on behalf of the donor of how the major gift will be used in compliance with the granted proposal. In the stewardship stage an institution will demonstrate proper stewardship to the donor.

Key Terms in Stewardship

- **Permanent Stewardship:** The classification of permanent stewardship occurs when a donor has given their last lifetime donation to the institution.
- **Temporary Stewardship:** The classification of temporary stewardship is used when a donor has recently given a major gift but is eligible to give another in the future. A timeline around temporary stewardship should be used to determine when the prospect should move back into the available prospect pool or to an earlier stage of prospect management.
- **Contact Purpose:** The goal or reason behind the contact.
    - **Stewardship:** Contacts used to demonstrate how the gift is being used and stewarded.

Key Roles in Stewardship

- **Gift Officer:** An assigned gift officer or stewardship team is responsible for stewarding a donor appropriately.

Reeher Recommended Practices in Prospect Management

The Reeher Platform offers many different tools in support of prospect management. This section will outline how to apply those tools so that you can track and manage your prospects effectively and efficiently.

Prioritize the Prospect Pool

Use the Reeher Predictive Models to narrow the focus of the prospect researchers and officers to those that have both inclination and capacity versus those with just capacity. Specific to major giving is the Major Giving Expected Value Index (MG EVI) score. This is a rank order of all relationships to the institution based on a combination of capacity and inclination. Focusing on those prospects with a MG EVI score of 95 and a net worth rating of $1 million or more narrows the prospect pool to those in the top 5% of prospects. There will be people with scores lower than 95 that give a major gift; the use of the 95+ rule is a rule of thumb. A clearance policy should be used and managed by the prospect manager to determine if other prospects take priority for assignment.

> **Reeher Pro-Tip ➔ Within Targeter use MG EVI, Net Worth Rating, Gift Officer Assignment as filters.**

Use the Relationship Profile for Qualification Visits

The Relationship Profile provided within the Platform gives enough information for an initial qualifying visit. This allows an officer to get in front of a prospect without the bottleneck of waiting for a complete research profile to be completed. The relationship profile includes:

- **Demographic Information:** Name, employment, marital status, age, gender, relationship network, contact information and contact restrictions.
- **School of Graduation Information:** Year of graduation, degree, affiliations, NCAA athletic participation, and participation history.
- **Prospect Information:** Reeher Predictive Models for annual giving and major giving, net worth rating, prospect rating, assigned gift officers, assigned volunteers, and related prospects.
- **Donation History:** Complete donation history including information on designations, donation timeline and joint credit.
- **Activities:** Comprehensive information about contact reports.
- **Proposals:** Access to past and current proposal information.

> **Reeher Pro-Tip ➔ Use Relationship Profile for initial qualification.**

Portfolio Hygiene

Use the Platform, predictive models and the number of days since last contact to maintain good portfolio hygiene.

- Limit portfolios to a manageable number of prospects that allows a good visits-to-assignment coverage ratio. A good rule of thumb is between 120 to 150 prospects per officer.
- Set timeframes around the length of time a prospect can remain in Qualification without being contacted. If a prospect needing to be qualified has gone without contact for more than that amount of time, consider reassignment.
- Conduct regular portfolio meetings to evaluate the health and progress made in the portfolio. These meetings should include the gift officer, the prospect manager and the gift officer manager to discuss the strategy and next steps around assignments. It is important to have a group of high value unassigned prospects that can be used as replacements for those that are not moving forward or who have been disqualified.

Reeher Pro-Tip ➔ Within Prospect Assignments, use Days Since Last Contact, MG EVI, Net Worth Rating and Gift Officer Assignment columns.

Evaluate High Value Unassigned Prospects

Using the Platform you can identify those prospects who are of high value but who have not yet been assigned. As officers churn through their qualification visits, use these prospect to refill their portfolios with qualification prospects, setting them up for future success.

For those that have already been qualified but still fall into the high value qualification, use prospect classification to identify their status.

Reeher Pro-Tip ➔ Use MG EVI, Gift Officer Assignment, Net Worth Rating, Prospect Classification to examine high value prospects.

Stay Informed on Key Happenings with Your Prospects

Use the Platform to inform you of changes that happen within your portfolio. Users can identify key events by running Targeter queries and subscribing to them. Once subscribed, if a prospect meets the appropriate criteria, a notification email can be sent to the officer. Some examples of using subscriptions include notifying an officer when his or her assigned prospect makes any type of gift to the institution.

Reeher Pro-Tip ➔ In Targeter, select the queries to which you would like to subscribe.

Be Alerted of Prospect Life Events

Use the Platform to be alerted of specific events happening during your relationship with prospects. With Activity Center you can be alerted of birthdays, donation anniversaries, or receive gift notifications.

Reeher Pro-Tip ➔ In Activity Center, go to Settings to be alerted of Touchpoints for prospects assigned to an officer.

Reporting on Contacts

Within the Platform, an officer can stay abreast of what has happened with his or her prospect in previous calls and enter new reports easily while the information is fresh. Prior to a meeting, you can review a contact report from your smartphone or tablet. After a meeting, you can directly enter the notes through that same method.

An officer can also enter planned contact reports for anticipated future activities. Once completed, an officer can simply convert it to a completed status and enter in the notes from the meeting, reducing the barriers to report entry.

> **Reeher Pro-Tip ➔ In Activities, review prior contact report details; in Activity Center, enter in new contact reports or planned reports.**

Reeher Recommended Officer Metrics

Setting goals and measuring activity results through identified metrics is an important way to drive active officer management. Through research of activities and results across the Reeher Community, we have identified six metrics that drive performance:

1) **Total # of Visits Made by Officer:** This can be found in the Visits by Month viewport in the Major Giving Layer.
2) **Total # of Discovery (First Time) Visits:** This can be found in the Visit Frequency viewport in the Major Giving Layer.
3) **Total # of First Time Major Gifts:** This can be found in the First Time Major Donors by Month viewport in the Advancement Layer.
4) **Total # of Proposals Made:** This can be found in the Total # of Submitted and Granted Proposals by month viewport in the Major Giving Layer.
5) **Total # of Proposals Granted:** This can be found in the Total # of Submitted and Granted Proposals by month viewport in the Major Giving Layer.
6) **Participation Rate of Portfolio:** This can be found in the Portfolio Giving by Officer Viewport in the Advancement Layer.