21 actions to improve the major donor experience

Project 09. Major Donors

Angela Cluff, March 2017
Reviewed by Di Flatt

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Major Donors

The original brief

High net worth individuals are increasingly addressed by charities as a distinctly different group of donors requiring individually tailor-made cultivation and development plans. This project will look at what’s cutting edge in major donor development with a view to capturing these lessons and where appropriate suggesting how major donor experiences might be applied to other groups of donors too.

For senior management and trustee boards, this project will:

- Show why major donors should be seen as partners in a shared mission and not just funders. They should be clear on what a major donor is to their organisation.
- Help them decide on whether major donor fundraising is right for their organisation.
- Recognise that major donors may want to have relationships with them and other non-fundraising staff and volunteers. Boards and senior management need to demonstrate leadership and ensure that people are aligned on organisational direction, strategy and priorities.
- Show why it is crucial to invest in staff retention to minimise major donor fundraising staff turn-over.

For donors, this project will:

- Increase the quality of approaches they receive from charity’s and make them feel partners in the mission.
- Show how their story fits with the organisation they plan to support.
- Increase the gratitude and recognition (as appropriate) they feel as a result of making a gift.
- Make them feel respected and valued through the establishment of authentic relationships. These will acknowledge the donor’s preferred style and method of communication.
Conclusions

Implicit in the project description is the idea that major donor fundraising is by its very nature donor centric – and therefore can offer learning for other areas of fundraising, especially mass market fundraising.

The first – and possibly challenging – conclusion of this project is that the donor experience, even for major donors, is not universally good. While there are brilliant examples of exceptional experiences, I have also heard many examples of experiences that have left major donors disappointed, disillusioned and, in a few cases, angry. Of course, major donors, like all donors, share both their positive and negative experiences of charities with their friends and peers.

Major donor fundraisers have been willing to talk confidentially about these, although they are generally unwilling to write about them, mainly because they do not want to publicly criticise or be seen to criticise their current or past organisations.

However, it is clear that there is a need to improve the major donor experience alongside improving all donor experiences.

I have identified three fundamentals that underpin exceptional major donor experiences:

1. Mindset – major donor-centric organisations are those that have genuinely switched from a mindset of major donors as funders of the organisation’s mission to one of major donors as partners in a shared mission. Poor major donor experiences result when the organisation’s mindset is ‘We need major donors to fund our programme and we’d prefer them to let us get on with our work’. If that is your organisation’s mindset, then major donors may not be right for you.

2. Major donor fundraising is about the relationship between the donor and the organisation – the whole organisation. The nature of being partners in a shared mission means that major donors will have and want to have relationships with staff in many parts of the organisation – from the Board to the CEO and leadership team to programme or project delivery staff to fundraisers and support staff. That is why major donor fundraising requires a whole organisation approach where people are aligned on direction, strategy and priorities. Without this, your major donor experience will be weak.

3. Building a long-term relationship and providing an exceptional donor experience is nigh on impossible if the relationship manager changes very frequently. So to improve the major donor experience, you must solve the problem of high major donor fundraising staff turn-over.

The project conclusions support the premise in the project description that good major donor fundraising can offer suggestions on how to improve the donor experience more generally. A number of the recommendations that follow – such as seeking out the donor’s story, seeing the relationship from the point of view of the donor, making the relationship personal and authentic – will improve the experience of all donors. The challenge for fundraisers is how to apply these principles cost effectively at financial levels below major donors. Major donor fundraisers can and should contribute alongside their individual giving colleagues to answering this ‘how’ question.

Major donors offer transformational opportunities for organisations to make a step change in both their income and impact. Without the three fundamentals above, it is extremely difficult to create an exceptional major donor experience and to turn that opportunity into reality. Major donor fundraising is not difficult, at least in theory, but it is incredibly difficult to do exceptionally well in practice and on a consistent basis. Even organisations that have had success do not always continue to hold on to that success.
The project outline asks what is ‘cutting edge’ in major donor fundraising. Research and interviews for the project suggest there are a number of external trends that are, and will continue to, directly impacting major donor fundraising. These include:

- The changing and uncertain regulatory environment
- The changing nature of (major) donors, including generational differences in attitudes to both wealth and philanthropy
- The emergence of alternative and/or new approaches to philanthropy, including venture philanthropy, impact investing and social enterprise, especially by ‘mega’ donors creating their own philanthropic vehicles
- The role of financial and philanthropic advisers as intermediaries between donors and the causes/organisations they support
- More general trends that impact all fundraising, such as the digital revolution

Each of these is influencing how major donor fundraisers can and need to operate. Understanding and responding to these trends is an important part of the major donor fundraiser’s approach, strategies and toolbox. Most contributors do not regard them – at least yet – as key to ensuring an exceptional donor experience. For this reason, they are not explored within the project.

Rather, the project focuses on the relationship elements that do ensure an exceptional donor experience. The key message here is exceptional major donor experiences result from implementing tried and tested approaches to very high standards. A truly donor-centric approach that builds genuine, authentic relationships consistently over time is what puts organisations at the cutting edge of major donor fundraising.

**Summary guidance**

The project reached three key conclusions

1. An exceptional donor experience, built on a genuine and authentic relationship between donor and organisation, is at the heart of effective major donor fundraising practice. For this reason, major donor fundraising can offer learning on how to improve the general donor experience. Major donor fundraisers are well placed to help other fundraisers think about how major donor fundraising approaches and techniques can be provided for other donor groups in a cost-effective way.

   However, the major donor experience is not universally good, and there is much that can be done to improve it. There are also strong indications that improving the major donor experience could unlock significantly more major donor support to a wide range of causes and organisations.

2. Three fundamentals underpin exceptional major donor experiences:

   2.1. An organisational mindset that major donors are partners with the organisation in a shared mission, not funders of the organisation’s work to be held at arm’s length.

   2.2. Working with major donors to achieve this shared mission requires a whole organisation approach. In practical terms, this means the donor will have and want relationships with people in many parts of the organisation – the Board, the CEO and leadership team, programme and project delivery staff, in addition to fundraisers and support staff – and these need to be aligned over direction, strategy and priorities.

   2.3. The relationship manager (major donor fundraiser) is fundamental to creating an exceptional donor experience and building the long-term relationship between donor and organisation – they choreograph the elements and components.
There are a number of external trends – including the changing nature and needs of major donors – currently affecting major donor fundraising practice. While these are an important part of major donor fundraising, most contributors do not regard them as fundamental to an exceptional major donor experience. Rather, an exceptional major donor experience is built from the nature of the relationship between donor and organisation. The cutting edge of major donor fundraising is creating genuine, authentic relationships consistently over time.

The project has identified 21 actions/recommendations to improve the major donor experience. They are listed and summarised below, grouped under 10 principles/themes.

1. **Being really clear about what a major donor to your organisation actually is**

   ‘Never measure your generosity by what you give, but rather by what you have left.’

   *Bishop Fulton J. Sheen, Roman Catholic bishop, broadcaster and author*

   The term ‘major donor’ has a wide range of definitions across different organisations. The project has concluded that this is natural and appropriate. There can be no simple ‘one size fits all’ definition of a major donor.

   The most donor-centric definition of a major gift is a gift or contribution that is personally significant to the donor. Although this creates practical challenges (my major gift may be below the threshold that an organisation considers a gift to be ‘major’), it does offer a way to shift thinking – to see major donors as those making an extraordinary commitment for them to a cause and organisation.

   Three recommendations follow:

   **Recommendation 1.1** – fundraisers should create a culture that notices and responds to major donors as those who make an extraordinary commitment for them.

   **Recommendation 1.2** – fundraisers should carefully define a major donor, taking into account their organisation’s unique circumstances and by considering: current and potential giving, financial and non-financial support, and whether to include foundation and corporate gifts.

   **Recommendation 1.3** – if, as is the case in many organisations, the chosen definition includes a wide range of financial levels and other types of support, fundraisers should create tiered approaches to the donor experience that are explicit to other stakeholders in the organisation.

   The definition of a major donor is a significant question, which is discussed fully in the main body of the report.

2. **Deciding whether major donor fundraising is really right for your organisation**

   ‘To fully explore this income stream our entire organisation needs to understand the degree of commitment required, needs to make the necessary commitment and needs to then deliver on that commitment.’

   *Sharon Jackson, Consultant*

   Major donors increasingly want to give more than money. Many want to write cheques, but they also want deep involvement with the causes and organisations they support.

   Not every organisation values or wants such involvement. If your organisation is one that does not, there is a real decision to make as to whether this is the right income stream for you.

   Get it right and you can grow transformational income. Get it wrong and you miss out – and you may also negatively impact the sector more broadly, as major donors will not receive the donor experience they need to inspire their giving.
Recommendation 2.1 – organisations should make a conscious decision about whether major donor fundraising is right for them and only pursue if they want the involvement major donors want, and they are prepared to meet the needs and interests of their major donors.

3. Seeking out the donor’s story

‘When you bring together the donor’s story with the story of the problem he will solve, you’ll create a new story. That story will be one of impact and of hope.’

Richard Perry and Jeff Schreifels, The Veritus Group

Major donors usually have a story about how and why they came – or want – to support a particular cause and organisation. Very often this is not about the need of the organisation, but about the donor’s personal and professional background and passion.

David Harding, founder of Winton Capital Management, gave £5m to the Science Museum in London (the organisation’s largest ever single gift) to create Mathematics: The Winton Gallery that opened in 2016. The why of his story? A combination of his business success being built on mathematics and a love of the Science Museum from spending happy hours ‘pressing buttons’ as a child.

The challenge is that over time donor stories get lost, especially when fundraisers move. If the donor’s story gets lost, it is easy for the donor to feel unappreciated and the relationship to flounder.

So a key to improving the donor experience is valuing and celebrating the donor stories that link donors and organisations – and ensuring they are held in the organisation, even when the major donor fundraiser moves on.

Recommendation 3.1 – fundraisers should build a culture where donor stories – the why underpinning a donor’s support for an organisation – are actively discovered, curated and celebrated.

Recommendation 3.2 – fundraisers should embed donor relationships into their organisations, building multiple contact points for the donor with relevant key staff across the organisation. This will help ensure that donor stories are not lost when the major donor fundraiser moves on.

Recommendation 3.3 – fundraisers should create effective ‘handover’ processes when relationship managers need to change. Ideally, the departing staff member will introduce the new contact personally. This may not always be practically possible – but implementing Recommendation 3.2 will help enable creative options when it is not.

4. Seeing the relationship from the donor’s point of view

‘I’d run a mile if I thought an organisation was trying to moves manage me!’

Ken Burnett, author of Relationship Fundraising

Most major donor fundraisers use a ‘step’ process or moves management system – a series of actions over time focused on the objective of securing a gift – to progress a donor relationship.

The challenge is that these models can encourage the fundraiser to focus too narrowly on the gift as the end result.

An alternative – and more donor-focused approach – is to think about the next step in matching the donor’s needs, interests and passions to the issues your organisation works on. If major gift fundraisers shift their thinking to making the next move according to what the donor might want and enjoy, the gift will result. The donor experience will be better and the gift may well be larger.

Putting the donor experience at the heart of major donor fundraising is leading some organisations, especially in the USA, to consider rebadging their major donor fundraisers as philanthropy advisers.
Recommendation 4.1 – fundraisers should reframe their major donor fundraising process to see it from the donor’s perspective. Here are some examples of how that might look:

- At the involvement stage: at each encounter the charity’s understanding of the donors aspirations, interests and passions is growing; and the donor’s trust of what can be achieved together is building.

- At the ask stage: the charity makes an offer that matches the donor’s vision and excitement for how they can make a difference.

- At the acknowledgement and stewardship stage: the donor feels genuinely and personally thanked for his or her gift and feels an equal stakeholder in the project, on the inside track, even if it is not going according to plan.

5. Making the relationship personal and authentic

‘But the best experiences are normally the special “money can’t buy” ones – for example, my wife was invited to sit and watch a ballet at the Opera House from the wings, which is a very special experience if you’re a supporter and love ballet.’

Lloyd Dorfman CBE, The Dorfman Foundation and founder of Travelex

Major donor fundraising succeeds when relationships are authentic and personal.

Recommendation 5.1 – fundraisers should treat major donors with the courtesy and respect they would a friend, while remembering that they are the face of the organisation’s relationship. As noted in Recommendation 3.1, fundraisers are responsible for building multiple contact points with relevant people across the organisation.

Recommendation 5.2 – fundraisers should carefully match staff members to individual donors and prospects. In doing this, they should consider the wide range of factors that will result in the most effective ‘fit’ and the all-important ‘chemistry’ between individuals.

Recommendation 5.3 – fundraisers should find out and respond to the donor’s preferred style and methods of communication. For one donor, a formal evaluation report might be preferred; for another, a visit with an opportunity to talk to project beneficiaries. One donor might prefer immediate news by email; another might prefer a face-to-face visit each quarter.

6. Building major donors’ support over time

‘When I started out, there was a generally accepted model for “intelligent giving” which involved a three-year funding cycle: in year 1 you give, let’s say, £100,000, year 2 you give £50,000, year 3 you give £25,000, and year 4 you’re out. That was supposed to be intelligent, sustainable funding because you’re out and the charity’s still going. But we now do the precise opposite to that. We’d probably start off with the £25,000 or £50,000 grant and then give more as the partnership develops. For example, we started off giving the Duke of Edinburgh’s Award £20,000 but we gradually increased our support over 13 or 14 years and we are now giving £350,000 a year. In fact, we’ve given them close to £2.5m in total. It’s interesting how that’s come about and it proves that we aren’t using terms like “relationships” and “partnerships” as jargon – we mean it.’

Trevor Pears, Pears Foundation

Major donors rarely give their biggest major gift first. They ‘try out’ working with an organisation to explore the fit between them and the organisation. So the right donor experience can make a significant contribution to growing a major donor’s support over time.
In this way, the donor solicitation process is best thought of as a cycle: delivering on the organisation’s promises to the donor is the last step of the first gift, and the first step of the next gift. Put simply, a happy donor is more likely to give again and probably to give more. So the donor experience of gift management, personal acknowledgement, public recognition, and financial and impact reporting are critical to building support over time.

Recommendation 6.1 – fundraisers and organisations should focus on the long-term potential of the donor rather than short-term income.

Recommendation 6.2 – fundraisers should offer a range of public recognition opportunities, but make sure they are not seen as ‘one-size-fits-all’. Instead, public recognition should be tailored to what is valued by the donor.

Recommendation 6.3 – fundraisers should ensure the organisation delivers on its promise to donors through regular reporting on how the gift was spent and demonstrating the impact and difference the gift has made.

7. Handling things well when they go wrong

“Most major donors have made money in business and understand that you have to try a lot of things, and that sometimes things work and sometimes they don’t.”… “As a major donor, I want a bit of honesty. If it failed, I just want to know that it failed.”

Nick Jenkins, founder of Moonpig.com, ‘dragon’ on Dragons’ Den

Even in the best circumstances, things happen that can lead to donor relationships going wrong. If or when they do, you need to proactively fix them. Just as in other spheres of life, a problem handled well can add to, not damage, the overall donor experience and may ultimately create a stronger advocate for your organisation.

From the research and interviews for this project, the most common reason things go wrong is when there are significant changes to projects or programmes that donors are funding, and organisations fail to communicate with and involve the donor.

Recommendation 7.1 – fundraisers should build the organisational culture that sees donors as project stakeholders who should be consulted and informed if or when things go wrong.

Recommendation 7.2 – organisations should learn from donor relationships that do go wrong to put in place systems and processes to prevent future problems.

8. Looking and behaving like one organisation

‘They [major donors] appreciate the skill of fundraisers, but would rather interact with leadership and front-line staff’.

Beth Breeze and Theresa Lloyd, authors of Richer Lives: Why rich people give

Major donor fundraising – more than any other type of fundraising – involves the whole organisation looking like and behaving as one organisation.

Major donors will have, and want to have, contacts at many levels and across the organisation. All of those staff members should be aligned behind a common message about the organisation’s ambition, strategy and priorities.

Recommendation 8.1 – fundraisers should build a strong understanding of major donor fundraising among colleagues across the organisation who will be involved in relationship building. As part of this, they will need to comprehensively brief colleagues on their role in each individual relationship.

Recommendation 8.2 – fundraisers and others should make sure they never make a promise to a donor they or the organisation cannot deliver.
9. Retaining your major donor fundraisers

‘Some of the people that come to see me from time to time are what I like to call “professional money-slingers”. They start off very rapidly, giving their case. They don’t allow any time for a colloquy between themselves and the donor. You know, there’s a time when a sale is made and some people don’t know it.’

*William Whipple, American philanthropist*

Major donor fundraisers are in high demand from organisations large and small, and it is hard to recruit and retain major donor fundraising talent and experience. There are numerous opportunities for frontline major donor fundraisers to move up the career ladder.

That then creates a significant challenge: it is very hard to build long term, personal relationships when major donor fundraiser turnover is high. The most successful organisations are responding to this challenge and so improving the major donor experience.

**Recommendation 9.1** – organisations should recruit fundraisers with the right characteristics – those who are passionate about the cause and genuinely curious about what makes people tick.

**Recommendation 9.2** – organisations should invest in ‘on-boarding’ – immersing new recruits in the organisation to inspire their passion in the work and organisation.

**Recommendation 9.3** – organisations should explore and apply the retention and reward mechanisms that are becoming common in the higher education section, so that experienced major donor fundraisers can remain in frontline roles and experience career progression in terms of status and salary.

10. Learning from success stories

‘The biggest gifts are made to charities that are prepared to work alongside donors to craft exciting propositions.’

*Matthew Ferguson and Gemma Peters, Directors of Principal Gifts King’s College London & King’s Health Partners*

Successful major donor fundraising organisations, including many in the higher education sector and exemplified by the recent King’s College London fundraising campaign, are highly responsive to the opportunities that working together with major donors offer.

They genuinely see major donors as partners in their mission – which brings us full circle to **Recommendation 10.1**. Only pursue major donors if they are right for your organisation.