



UP NEXT MONTH:

The Art of Effective Stewardship



CONVERSATION STARTERS IN 15 MINUTES

Don't forget: Prospect research is about real people with real interests, family and beliefs. While the development staff will brief board members about a prospect's capacity (financial), propensity (charitable history and intent) and readiness (relationship with the nonprofit), it's always helpful for board members, themselves, to do a quick 15-minute search before visiting with a prospect.

Consider searching:

- Google
- LinkedIn
- Facebook
- Newspapers
- Who's Who

Insight gleaned from a quick search can help establish a new relationship or strengthen an existing one. Knowledge of those personal milestones and achievements keeps things personal.



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Discovering Great Donors

Executives sitting on nonprofit boards play a key role in identifying donor prospects, but that's just the beginning of donor prospect strategy

by Richard Tollefson

► *Narrow and arbitrary.* These terms are best reserved for the Southwest's meandering streams and deep-cut canyons — not a nonprofit's donor prospect strategy. And yet many organizations think in narrow and arbitrary terms when it comes to prospect research, screening and qualification.

Some nonprofits incorrectly assume wealthy donors are the only donors. They also limit their prospects geographically. Other times they seek only the support of board members, alumni and staff, completely overlooking their volunteers and failing to analyze the current donor base. What's more, they frequently fail to consider how their organization's cause may appeal to much broader and influential audiences.

"It's all about aligning what you're trying to do as an institution with the prospects' interests and what they want as a legacy," says Santiago Almaguer-Delgado, director of advancement strategies and services for Los Angeles, Calif.-based University of LaVerne. His team stresses the importance of connecting institutional mission to donor affinity, and using data to inform prospect strategy. Identifying the best donor prospects is *never* about guessing.

And that's where board members play a crucial role. "They help identify prospects and qualify the prospect's affinities," says Almaguer-Delgado. Sometimes the reverse is true: The development staff identifies high-potential prospects, then, with leadership staff, selects a board member with the best connections to champion the relationship.

In all cases, collaboration is the key. A savvy board member won't make the ask without first consulting the development staff, who has assessed the potential donor — assets, investments, business affiliations, family issues or demands, philanthropic interests — and developed appropriate cultivation and solicitation strategies and timing. "When collaboration and planning doesn't occur, mistakes can be made that can't easily be corrected," says Almaguer-Delgado.

This collaboration also extends internally at LaVerne, where Grace Casian, director of leadership annual giving, works hand in hand with Almaguer-Delgado's team. "Annual giving is one of the foundations of donor prospecting," she says, citing the ability of staff to analyze, over time, which donors give consistently and may have additional interest or ability to become major gift prospects. "Because my team runs a calling center, and sends emails and solicitations, we also receive updated donor contact information and personal data that we share with Santiago's team." Her group also works campus-wide to share the institution's annual giving strategy. "We meet with every single department, asking for their goals for the upcoming year to see how we can work together to accomplish that vision." Faculty and staff often identify partnerships and prospects during these meetings, which the development staff then researches using various data tools.

Most nonprofits can start with their own internal data



mining — by capturing the right information and analyzing trends in giving: Did the donor increase her gift each year? How long has she been a donor? Is she giving unrestricted gifts and to special initiatives?

Peer screening is also helpful in identifying high-potential prospects. In a confidential, respectful manner, leadership staff and board members share information — objective *and* subjective — about prospects and their giving capacity, propensity and readiness.

When possible, Almaguer-Delgado recommends investing in data systems as well:

- **Wealth screening tools** qualify prospects based on publicly available wealth indicators/data. Some common vendors include Blackbaud's WealthPoint, WealthEngine, DonorScape and DonorSearch.
- Custom modeling through **predictive analytics** provides fundraisers with information about a prospect's likelihood to give to an organization. The best predictive statistical models analyze every person in a database — not just those with wealth profiles or giving histories. Nonprofits can focus appeals on those most likely to contribute, saving time and money. Common resources include Blackbaud's Target Analytics, Reeher and Ruffalo Noel Levitz.
- **Data aggregators** summarize information about particular demographic groups. Common aggregator tools include LexisNexis for Development Professionals, Blackbaud's Research Point and iWave.

The board member's understanding of the role of data, research and strategy in donor prospecting cannot be overlooked. Nor can the importance of a good working relationship and a level of trust between board members and development staff, says Almaguer-Delgado.

Casian suggests that nonprofits assign a development staff member to each board member, who can serve as a fundraising and information resource. The end result of such collaboration and data/information analysis could equate to donor acquisition, retention and increased giving. ■



The Millionaire Next Door? Lavish lifestyles and material possessions, alone, are not good indicators of wealth, as individuals oftentimes live beyond their means, using credit cards and other vehicles to support luxurious lifestyles. Learn more: *The Millionaire Next Door: The Surprising Secrets of America's Wealthy* by Thomas J. Stanley and William D. Danko.



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