

USING DATA

*To Create and Optimize
Major Gift Portfolios*

PRESENTED BY: MARILYN FOSTER KIRK & DON SOUHRADA

DENTAL PHILANTHROPY NETWORK JULY 20, 2015

Learn more at www.twbfundraising.com

About the Presenters



Marilyn Foster Kirk

Adjunct Counsel, Special Projects

- More than 35 years' experience in the nonprofit sector including UIC, Northwestern, and more.
- Her expertise includes fundraising analysis, planning, and consultation.



Don Souhrada

Vice President

- Has over 20 years of Development experience including roles at University of Chicago Medical Center and Rehabilitation Institute of Chicago
- Specialist in evaluating institutional donor bases in anticipation of a major capital campaign

What is a Portfolio?

A specific set of suspects, prospects, and donors with whom we will interact so together, we may advance our organization.

An organization-level portfolio is a collection of donors and prospective donors selected for the purpose of raising funds for strategic priorities.



What is Portfolio Management?

The centralized management of one or more portfolios, which includes identifying, researching, cultivating, soliciting donors and their gifts in order to achieve specific organizational objectives.

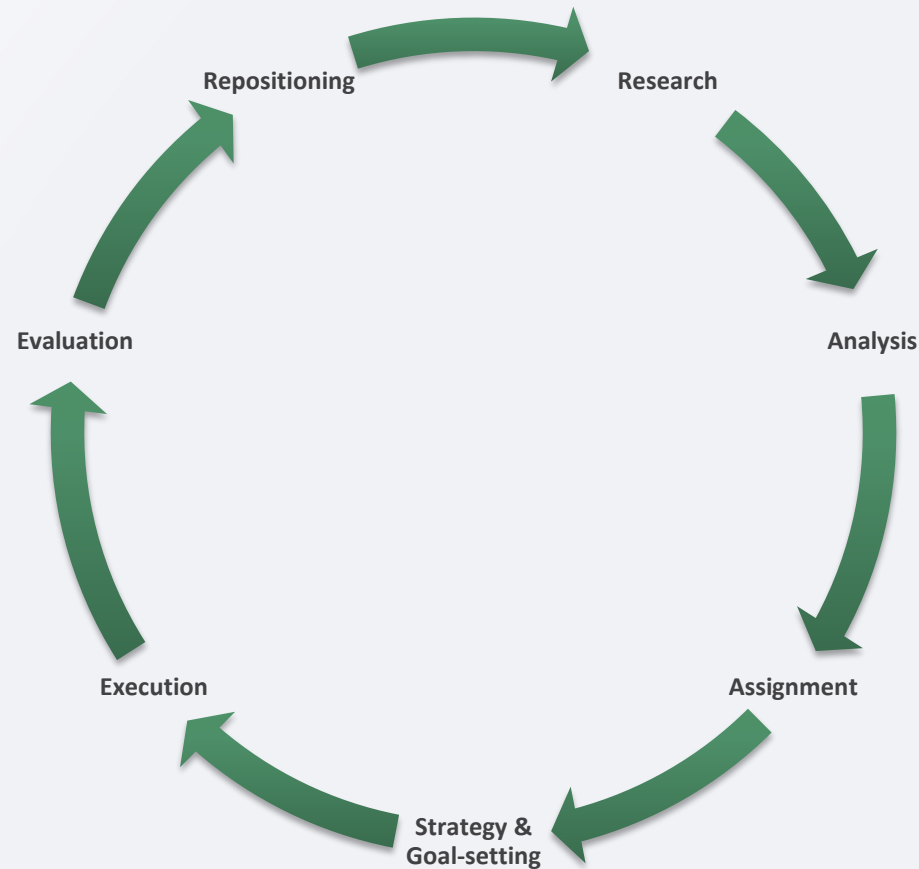


Typical Portfolio Criteria

- Wealth/Giving capacity and history
- Linkage/Engagement with cause and organization
- Likelihood of giving (motivation and philanthropic intent)
- Readiness



Portfolio Management Cycle





RESEARCH

Old School Analytics: RFM

Recency



Frequency



Money



Your Campaign

- Philanthropic or political?
- A charitable gift is like a vote
- Political campaigns use analytics
- On which doors should you knock?



On Which Door Should You Knock?

- No campaign will secure 100% of the vote
- 100% participation isn't necessary
- There are not enough resources to make it possible
- Where do you start?



Wealth Screening Vendors



How Do They Do it?

- Hard Assets: Real Estate, SEC Filings, Airplane Ownership, Boat Ownership
- Board Membership
- Political Contributions
- Philanthropic History
- Predictive Modeling



Benefits to Wealth Screening

- Identifies prospects to build gift pyramid
- Directs staff to actionable prospects
- Increases productivity
- Helps to discover prospects for cultivation



What Is Your Goal?

- Generate more major gift prospects
- Identify annual fund donors for upgrade
- Increase \$1,000 donors
- Populate a campaign prospect table?



Keeping It Real

- How many prospects can we mail, call or visit?
- How many prospects do we need to fill our portfolios?
- Are we using best practices in our annual fund and major gift programs?
- Are we actively cultivating the donors and prospects we have now?
- Do we evaluate the results of our current fundraising strategies?





ANALYSIS

Total Quality Prospect Research, Management & Analytics (TQPRMA)



Prospect Pool

Dental School	CONSTITUENCY			
MG Capacity	Alumni	Parents	Trustees	Grand Total
\$1,000,000+	14	13	8	35
\$500,000 - \$1,000,000	31	23	3	57
\$250,000 - \$500,000	79	104	5	188
\$100,000 - \$250,000	406	539	10	955
\$50,000 - \$100,000	822	1,046	12	1,880
\$25,001 - \$50,000	1,489	1,542	1	3,032
Under \$25,000	1,605	2,087		3,692
Not rated	8,085	4,538	19	12,642
Grand Total	12,531	9,892	58	22,481

5 Year Giving vs. Capacity

Lower Capacity Range	# of Prospects	FY10-FY14 Giving	Total Giving	Pool Capacity
Not Rated	12,642	\$32,062,705	\$73,811,867	NA
\$1	17	\$1,860	\$9,195	\$17
\$50	10	\$1,000	\$10,223	\$500
\$100	27	\$18,084	\$106,352	\$2,700
\$250	26	\$3,255	\$26,599	\$6,500
\$500	19	\$1,825	\$12,637	\$9,500
\$1,000	59	\$21,560	\$57,246	\$59,000
\$2,500	115	\$12,433	\$74,875	\$287,500
\$5,000	543	\$278,590	\$1,208,265	\$2,715,000
\$10,000	2,876	\$1,585,874	\$7,260,515	\$28,760,000
\$25,000	3,032	\$4,433,805	\$16,245,539	\$75,800,000
\$50,000	1,880	\$23,266,553	\$43,944,526	\$94,000,000
\$100,000	955	\$36,241,757	\$58,634,579	\$95,500,000
\$250,000	188	\$14,091,129	\$35,105,041	\$47,000,000
\$500,000	57	\$6,340,960	\$14,845,190	\$28,500,000
\$1,000,000	35	\$357,465,514	\$440,160,160	\$35,000,000
Grand Total	22,481	\$475,826,904	\$691,512,809	\$407,640,717

Assigned Prospects: Comparison by Internal & External Ratings

	MG Capacity							
Overall MG Rating	\$1M+	\$500K - \$1M	\$100K-\$500K	\$50K - \$100K	\$25K - \$50K	Under \$25K	Not Screened	Grand Total
\$10 million and up	6		4				1	11
\$5 million - \$10 million	4	4	2					10
\$1 million - \$5 million	12	9	18	6		1		46
\$500,000 - \$1 million	1	15	26	7	1	2	3	55
\$100,000 - \$500,000	1		178	31	6		5	221
\$50,000 - \$100,000			7	100	11	3	6	127
\$25,000 - \$50,000			2	6	56	7	3	74
\$0 - \$25,000					1	15	12	28
Unable to Rate							1	1
No Overall MG rating	3	3	107	110	74	38	328	663
Grand Total	27	31	344	260	149	66	359	1,236

Unassigned Prospects

MG Rating/Overall MG Rating	# of Prospects	Lifetime Total Giving	Last 5 Years- FY10-FY14 Giving	5-yr Potential Giving
\$1,000,000+	8	\$2,284,067	\$2,264,542	\$8,000,000
A. \$10M+	1	\$2,250,000	\$2,250,000	\$1,000,000
C. \$1M - \$5M	2	\$9,900	\$1,500	\$2,000,000
No Overall MG Rating	5	\$24,167	\$13,042	\$5,000,000
\$500,000- \$1,000,000	26	\$2,572,452	\$586,955	\$69,600,000
B. \$5M - \$10M	1	\$5,000	\$5,000	\$100,000
C. \$1M - \$5M	2	\$986,609	\$147,549	\$15,000,000
D. \$500K - \$1M	8	\$5	\$5	\$100,000
No Overall MG Rating	15	\$3,796	\$100	\$100,000
\$250,000 - \$500,000	103	\$1,577,042	\$434,301	\$54,300,000
C. \$1M - \$5M	1	\$2,834,288	\$211,902	\$25,750,000
D. \$500K - \$1M	2	\$7,795	\$0	\$250,000
E. \$100K- \$500K	24	\$4,000	\$0	\$500,000
H. \$0 - \$25,000	1	\$336,844	\$40,516	\$6,000,000
No Overall MG Rating	75	\$513	\$513	\$250,000
\$100,000 - \$250,000	696	\$2,485,136	\$170,873	\$18,750,000
D. \$500K - \$1M	1	\$151,688	\$26,350	\$13,000,000
E. \$100K- \$500K	150	\$4,425	\$0	\$500,000
F. \$50K- \$100K	1	\$4,155	\$0	\$1,000,000
G. \$25K- \$50K	1	\$65,793	\$19,250	\$4,000,000
No Overall MG Rating	543	\$77,315	\$7,100	\$7,500,000
Grand Total	833	\$7,842,495	\$3,089,749	\$116,350,000



3 ASSIGN *your* PORTFOLIOS

Portfolio Review

Prospect Manager	# of Managed Prospects
Other Prospect Managers	61
D01	135
D02	175
D03	85
D04	201
D05	129
D06	36
D07	179
D08	235
Grand Total	1,236

Team 1- Prospect Ratings

Based on team ratings, Team 1 can meet its FY15 team goals. The full FY15 potential is \$35.6M compared with \$21.5M team goal.

The Campaign fundraising potential from the Team 1 prospect pool is \$178M.

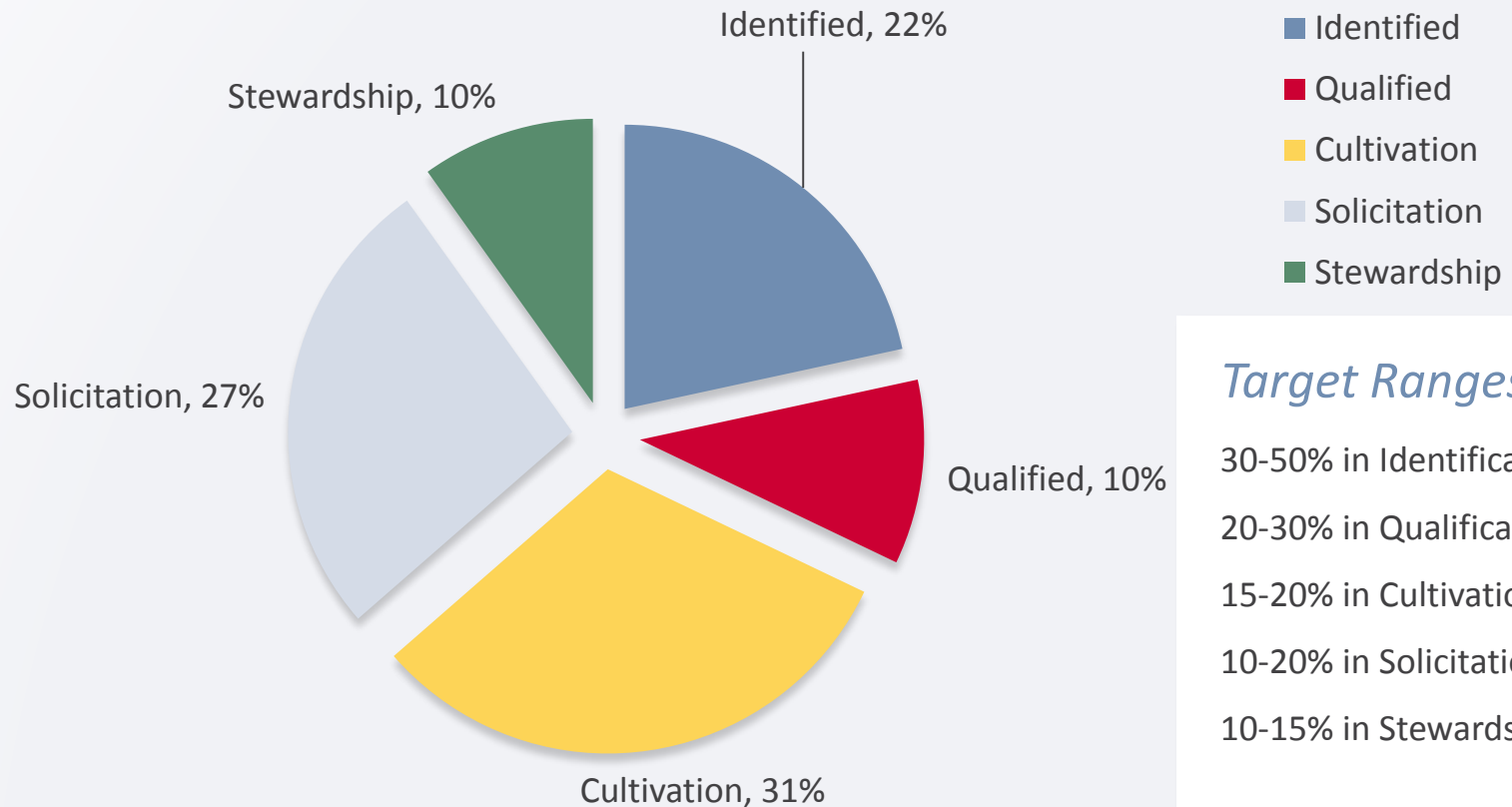
Fundraiser Name	\$100M+	\$50M-\$99.9M	\$25M-\$49.9M	\$10M-\$24.9M	\$5M-\$9.9M	\$1M-\$4.9M	\$500K-\$999.9K	\$100K-\$499.9K	Under \$100K	N/A for Orgs	TBQ	Total Portfolio	FY15 Goal (\$Million)	Adjusted Value Annual Giving Potential (\$Million)	Adjusted Value Campaign Giving Potential (\$Million)
DO1		1		4	4	15	2	5	5		24	60	\$5.00	\$13.02	\$65.10
DO2					1	5		1	3	10	40	60	\$7.50	\$1.35	\$6.76
DO3	1		3	4	3	11	4	11	10	1	28	76	\$9.00	\$21.22	\$106.12
Team Total	1	1	3	8	8	31	6	17	18	11	92	196	\$21.50	\$35.60	\$177.98

DO1's Portfolio Potential

Fundraiser Name	\$100M+	\$50M-\$99.9M	\$25M-\$49.9M	\$10M-\$24.9M	\$5M-\$9.9M	\$1M-\$4.9M	\$500K-\$999.9K	\$100K-\$499.9K	Under \$100K	N/A for Orgs	TBQ	Total Portfolio	FY15 Goal (\$Million)	AV Annual Giving Potential (\$Million)	AV Campaign Giving Potential (\$Million)
DO1		1		4	4	15	2	5	5		24	60	\$5.00	\$13.02	\$65.10

- Potential: \$13M/ year. FY15 Goal: \$5M-----OK, but look at the stages and inclination
- The 60 Prospects gave \$395M to University, out of which \$8.5M was to School.
- Capacity to add more prospects?
- 40 prospects have a Team strategy in database. For 20 Prospects the team strategy is TBD.
- They gave \$480K in FY15 to School.
- They have \$840K in outstanding Pledges
- 31 (52%) prospects are rated at \$100K+ level. 5 (8%) rated under \$100K.

Portfolio Stages



4



STRATEGY *and* GOAL-SETTING

Donor Strategy Development

- What additional information do I need to discover in order to move the donor to the next stage?
- What actions do I need to take to move the donor to the next stage?
- Who else do I need to involve?
- What is the timeframe?
- What response am I seeking from the donor?



Performance Goals

- Clear and transparent metrics for all
- What Metrics:
 - # of visits
 - # of substantive actions
 - # of solicitations
 - Total value of asks
 - Yield/closure targets met

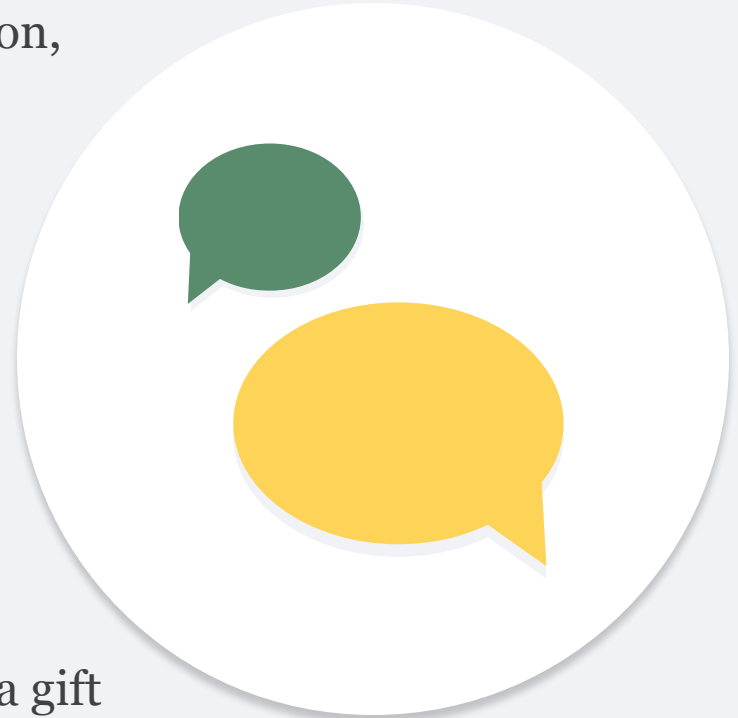




EXECUTION

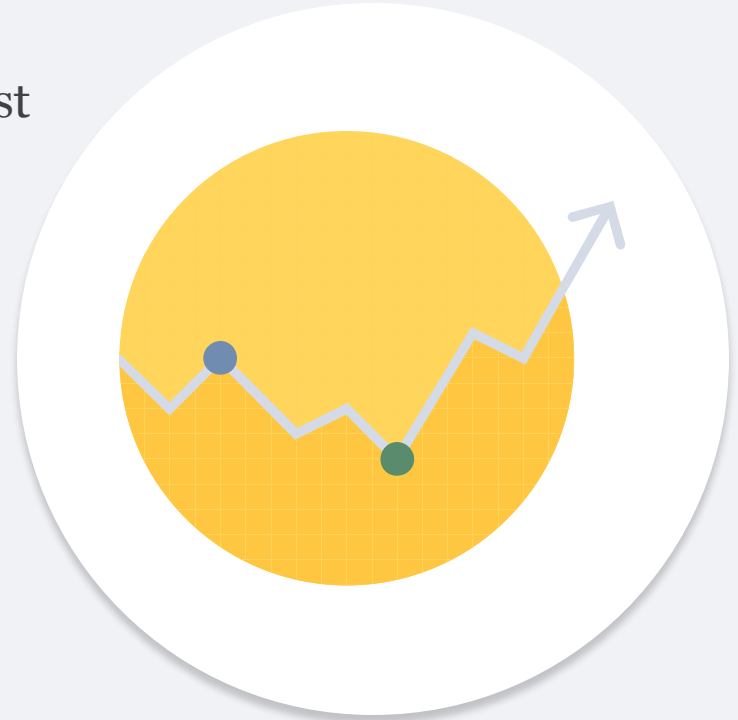
Visits (aka Person to Person Engagement)

- Visits are the gold standard for performance
- A visit or engagement takes place in person, by phone, or electronically and when the exchange is substantive.
- The engagement is substantive when you learn more information about:
 - Capacity
 - Readiness
 - Philanthropic priority
 - Organizational interest
 - Expected impact of gift
 - Who might influence desire to make a gift
 - Who else might be involved in decision
 - Commitment level/timing



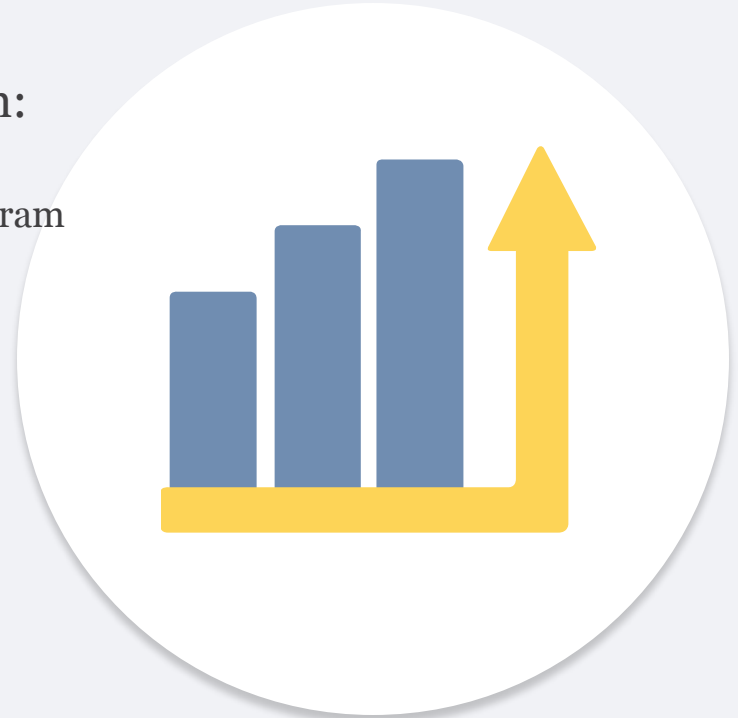
Plan Your Moves—and Execute!

- Focus on top prospects first
- Set dates for each move
- Create and complete a monthly “to do” list
- Reserve time *every day* execute appropriate moves
- “Touch” every donor in the portfolio
- Document every conversation and move you complete



Performance Benchmarks

- Set internal baselines and benchmarks
- Determine internal benchmarks based on:
 - Organizational culture of philanthropy
 - Maturity and sophistication of fundraising program
 - Staff experience and tenure
 - Size of prospect pool
 - Knowledge of prospect pool





EVALUATION

Review FY Projections

FY14 - Projections

	Actual	Projected				Total FY14 End	FY15 Goals	Estimated % Goal
		Paperwork in House	Carryover solicitations	Asked/Oral Pledge - Discounted by 2/3	Not Yet Submitted			
Principal Gifts								
Baseline Gifts								
Annual Funds								
Memorials and Other Gifts								
Bequests								
Non-Federal Grants								
Total (without PG)								
Total (with PG)								

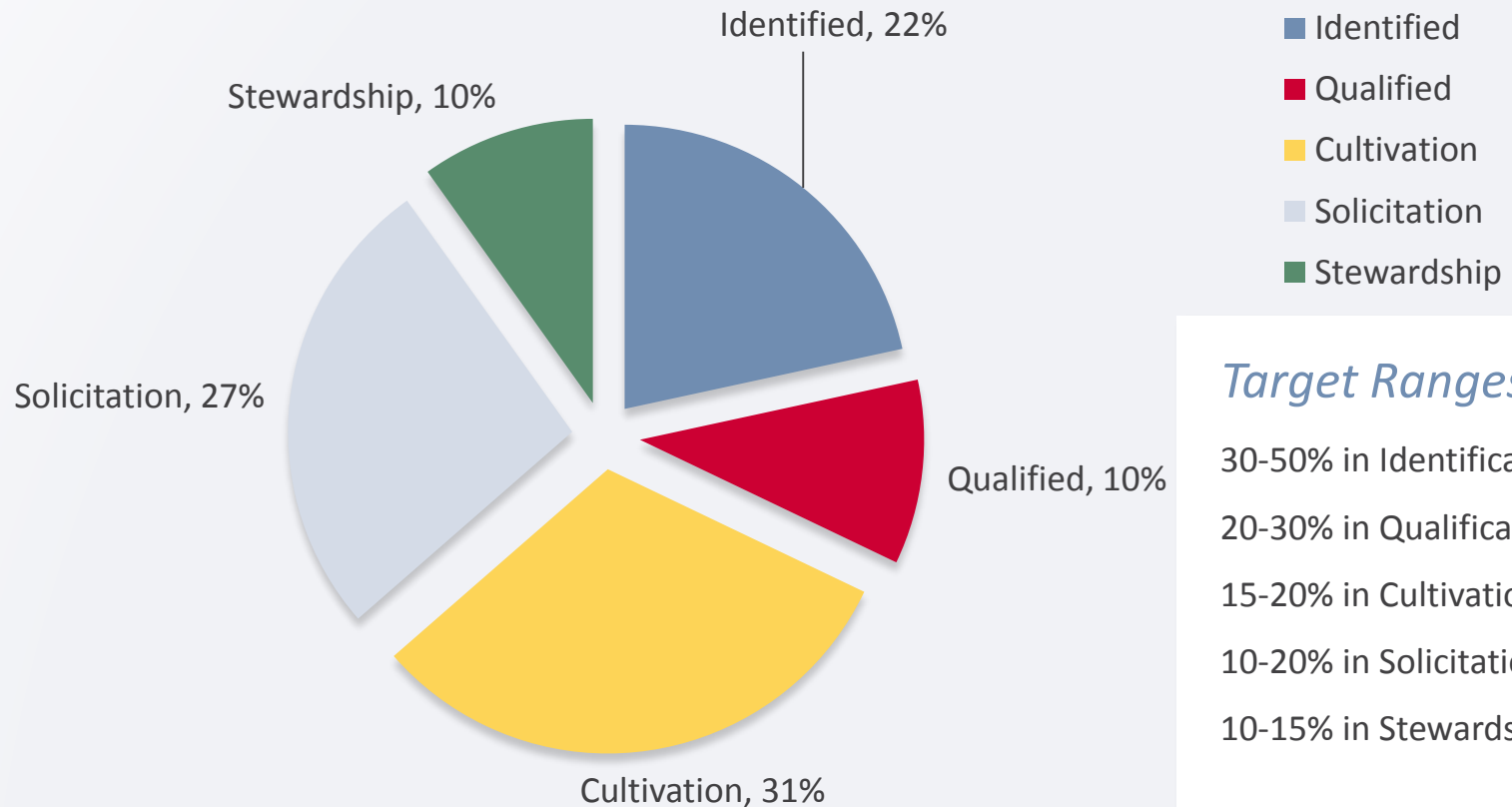
Analyze Your Performance to Goals

- *Key Performance Indicators: Actual visits, asks and closures completed as well as dollar value of commitments received; are you on track to meet/exceed year-end goals?*
- *Strategy Effectiveness: Strategies executed, outcomes, implied or explicit next steps*
- *Donor Knowledge: What did you learn about individual donors and about your donors as a group that will position you to achieve more with each donor in the future?*
- *Professional Improvement: What did you do well? What do you want to improve going forward?*



REPOSITIONING

Portfolio Stages



Review donor status and relationships

- *Evaluate each donor in your portfolio:*
 - Who should be advanced to a different stage, e.g. from identification to qualification?
 - Who should be removed from your portfolio, either permanently or temporarily and why?
 - How do you need to modify the strategies for those you've met?
 - What are the logical next steps to further the donor's relationship with your organization?
 - Are there some donors who should be referred to a different development officer because of the donor's preferred area of interest?
 - Do you need to add new names to replace prospects who do not respond to your repeated requests for visits, or who have indicated that they are not interested, or donors who have had life-changing events that change their status with your organization, etc.?

Right-Sizing Your Portfolio

- *Did you complete at least one substantive touch with each name in your portfolio?*
- *Did you find you were spending a greater percentage of your time trying to get visits than completing visits?*
- *Did you find that some prospects/donors were demanding more of your time than you initially anticipated?*
- *Were you able to execute all of your planned strategies?*
- *Did you “run out” of responsive prospects or donors?*
- *Bottom Line: Is your portfolio too big, too small, out-of-balance, or just right in order for you to be highly productive?*

What Comes Next?

- TW&B has the tools to help
 - Wealth Screening
 - Grateful Patient Screening
 - Analytics
 - Portfolio Development
 - Strategic Planning



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