Prospect Management
Presented by
David Lamb, Blackbaud Analytics Consultant
Prospect Management Defined

Planning, recording, and reporting significant moments in the relationship between the prospect and the nonprofit organization … …which lead toward a gift
You know you need a system when…

- You don’t know which development officer is working with which prospect
- You can’t predict when the gift will come in
- The prospects are confused about who is their contact at the organization
Who benefits and why?

- Fund raiser whose work is systematic and efficient
- Development managers who have benchmarks for performance and reliable ratings and giving forecasts
- The organization whose mission is strengthened by maximizing donor potential
- Donor whose relationship to the nonprofit is positive and rewarding
Caveat emptor!

- Your system will be worthless unless the chief development officer requires full participation from everyone.
- Prospect management systems add record keeping overhead to the already busy development office.
- Be sure to allocate appropriate resources to prospect management:
  - Development officer time
  - Software
  - Policy & procedures
  - Possibly one or more staff members to manage the system.
Goals of Prospect Management

- Accountability for development office
- Coordination of the development effort
- Management of prospects through the development cycle
- Creation of a historical record of donor and prospect relationships
Accountability

- Various audiences
  - Development Manager
  - Board
  - Constituency
  - Public

- Some nonprofits have a gravitational pull
  - Compelling mission
  - Loyal alumni
  - Affection for leadership

- Which gifts come from development activities?
- Distinction between hard work and good luck
- Distinction between hard work and effective fundraising
Coordination

- Prospect may have several areas of interest at the nonprofit
- Crossed wires risk offense and embarrassment
- The **Prospect Manager** is the development officer who coordinates all points of contact
- Donor/prospect sees a unified face to the institution
- Fundraising activities are coordinated and efficient
Whose gifts need to be managed?

- Management systems and techniques can apply to prospects of any capability
  - Each prospect has an ultimate gift capacity
  - Proper management should move the prospects toward their ultimate gift level over time
- Major gift prospects have a special need for systematic management
- This training is focused on major gift prospects
  - Major gift capacity
    - High score on TGR
    - Assets of at least $1MM identified
    - Other indicators of wealth
  - High likelihood to make a major gift
    - High score on MGL
    - Large gifts in the past
    - Large gifts to other orgs
    - High involvement
What needs to be managed?

- A prospect management system doesn’t track people, it tracks gifts
- People don’t have statuses like discovery, cultivation, solicitation, etc.
- Gift expectancies do
- One person may have several gift expectancies in different statuses
- Your prospect management system should show a record for every gift expectancy
  - Raiser’s Edge uses a Proposal to record any major gift expectancy
  - A Proposal may be formal or unformed
  - One prospect may have one or many Proposals
What needs to be managed?

- **A solicitation plan**
  - The plan states
    - The anticipated gift amount and purpose
    - Two or three steps toward that gift
  - Record a solicitation plan in the main database
  - Revise the solicitation plan after every action or as needed

- **Moves**
  - Planned activities that have the purpose and effect of
    - Educating the prospect about the organization or the project
    - Engaging the prospect with the organization or the project
    - Obtaining information useful in moving toward a gift
    - Bringing a prospect one step closer to making a gift
  - Moves are driven by the solicitation plan
  - Moves are recorded in contact reports
Record Keeping – Contact Reports

- Only substantive contacts reported in the official record
  - Correspondence, written and email
  - Phone calls
  - Personal interaction with the prospect that yields useful information or educates the prospect
  - Actions that engage the prospect with the organization
  - Actions that move the prospect closer to a gift
  - Anything that qualifies as a “move”

- Make each report acceptable for a wide audience
  - Factual information
  - Speculation limited to anticipation of gifts or activities that benefit the institution

- Contact reports should be periodically reviewed for appropriateness

- Contact reports should be kept in a central repository and available for viewing by qualified staff
The Prospect Pipeline

Potential Pool → Identification → Assignment → Discovery → Cultivation → Final Preparation → Solicitation → Stewardship

Management Stages
Create the prospect management record when …

- Major gift potential has been identified
- The prospect needs personal cultivation and solicitation
- The manager has been assigned
Assignment of the Prospect Manager

- Assignment defines who has the primary relationship management responsibilities
- How will assignment be granted?
  - Prospect management committee?
  - Prospect management administrator?
  - First come first served?
- Principles to consider when making assignments
  - The prospect may have interest in or connection with more than one area
  - Assignment should be driven by the prospect’s interests, not the institution’s needs
  - Assignment goes to the area or manager with the strongest relationship to the prospect
  - Consider the history of the prospect
  - Favor goes to those who file contact reports
More About the Prospect Manager

- The Prospect Manager does not necessarily have a lifelong lock on the prospect
- Proposals that go forward are those that maximize the prospect’s potential
- While a proposal is active, the prospect is off-limits to fundraising activities by other development officers
- “Normal and natural” contacts by unassigned staff are OK
- In a large staff at a multi-faceted organization, an opportunity to challenge an assignment must be allowed
Types of Prospect Managers

- Two types of assignment
  - Prospect Manager (PM)
  - Responsible Staff (RS)
- PM oversees total relationship of the prospect to the institution
- RS responsible for all details of an ask
  - Cultivation
  - Proposals
  - Volunteer management
- Most often PM and RS is the same person, so no need for the second designation
- There may be a separation of these tasks if the proposal is for an area for which the PM is not responsible
- Example:
  - Prospect graduated from Business School
  - The same prospect runs an engineering company
The Prospect Pipeline

Management Stages
Discovery Stage

- Key goals for discovery stage
  - Explore and verify inclination to give
  - Explore and verify capacity to give

- Record discovery contact in a call report

- Exit routes from discovery stage
  - Capacity and/or inclination are not supported or…
  - Lack of contact – back to prospect pool or reassignment to another development officer
  - Contact that leads to discovery - move on to Cultivation Stage
The Prospect Pipeline

Potential Pool
 Identification
 Assignment
 Discovery
 Cultivation
 Final Preparation
 Solicitation
 Stewardship

Management Stages
Cultivation Stage

- After discovery, manager writes a plan for cultivation that states:
  - Likely gift purposes
  - Solicitors
  - Timing
  - Strategies

- Manager uses prospect research and personal contact to refine understanding of the prospect’s:
  - Capacity
  - Linkage
  - Interest

- Timeframe of this stage varies by readiness of the prospect – benchmark timeframe is 18-24 months
Cultivation Outcomes

- Strengthen natural ties
- Increase involvement
- Ascertain 4 ½ rights
  - Right purpose
  - Right amount
  - Right person
  - Right time
  - Relevant factors
- Move prospect closer to a gift
Cultivation – managing moves

- Goal: one “move” every month for each prospect
  - With a portfolio of 75 prospects, that’s 2+ moves per day
  - Not every prospect needs a move every month
    - Prospects in early to mid cultivation
    - Prospects with lower priority/likelihood/capacity
  - Prospects near the end of the cultivation/solicitation cycle need more frequent contact

- Minimum contact: once every 6 months

- Prioritize activities on high capacity/high inclination prospects

- Update moves management plan as needed
  - Ideally, after every move
  - At least annually
Cultivation Time Limits

Prospects are reassigned or disqualified when

- No contact has been made for 6 months
- Prospect has been cultivated for two years with no ask – exceptions can be made
- Insufficient progress has been made during annual portfolio review
The Prospect Pipeline

Management Stages

Potential Pool

Identification

Assignment

Discovery

Cultivation

Final Preparation

Solicitation

Stewardship
Final Preparation Stage

- Zero to six months from ask
- 4 ½ rights pinned down
- Refine and refresh research data
- Increased level of contact
- Prepare the prospect
The Prospect Pipeline

Management Stages

Potential Pool

Identification

Assignment

Discovery

Cultivation

Final Preparation

Solicitation

Stewardship
Solicitation & Stewardship Stages

- Solicitation can involve a period of negotiation or “fermentation”
  - Sometimes the solicitation stage is instantaneous
- Stewardship
  - Ensure the prospect of your gratitude and esteem
  - Maintain relationship forged through cultivation
  - Annual contact
  - Prepare for the next ask
Relationship Management Benchmarks

- 30-50 moves per month
- 10 – 18 face-to-face visits per month
- 100-160 visits per year
- 25 proposals submitted each year
- Portfolio size: 75 - 150 active pre-stewardship prospects
  - Discovery – 25%
  - Cultivation – 50%
  - Solicitation – 25%
- Portfolio size influenced by
  - Ask amount
  - Geography
  - Job responsibilities
Appendix

- Key Principles
- Reports
Key Principles

✓ Clearance system managed by director of relationship management
✓ Clear and specific procedures and criteria for establishing an assignment
✓ Assignment to a development area is driven by donor interest
✓ One Prospect Manager per prospect
✓ Adult members of the same household are considered one prospect (gift expectancy)
Key Principles

✓ Potential and inclination established through prospect research
✓ Prospect Manager qualifies the prospect by a combination of methods
✓ Prospect Managers can nominate prospects on their own, but assignment must be validated by director of prospect management
✓ Prospect Manager controls and monitors contact with the prospect
Key Principles

- Solicitors may be other than Prospect Manager
- “Dropped assignments” or “disqualified” prospects must be explained and the rationale recorded in the prospect’s file
- Meaningful reports
- System for succession of assignments
- Contact reports are mandatory
- Clear definitions of “moves”
Recommended forms and reports

- Cultivation Plan
- Contact Report
- Stage Aging Report
- Tickler Report
- Action Detail Report
- Action Summary Report
- Proposal Canned Reports in RE (excluding Proposal Follow-up Report)
- Proposal and Solicitors Dashboards in RE (can be created per user)
Tickler Report to track actions by solicitor

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<th>End Time</th>
<th>Name/ID</th>
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Grand Total: $1,330,000.00
Difference: $1,060,000.00

# Denotes multiple solicitors
## Proposal Analysis Report

**01/31/2007**

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## Proposal Pipeline Summary

### 01/31/2007

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**Total:** 3, 5, 2, 1, 1, 1, 1, 5

15 Solicitor(s) listed
Proposal Dashboards – Quick Mini-Reports on Status
# Stage Aging Report

## Blackbaud Analytics Stage Aging report

**Prospects Assigned to Allison Andrews**  
**Report Date: 06/18/2007**

<table>
<thead>
<tr>
<th>Stage</th>
<th>Prospect Name</th>
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<th>Expectation</th>
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