



# Prospect Management

Presented by

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## 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

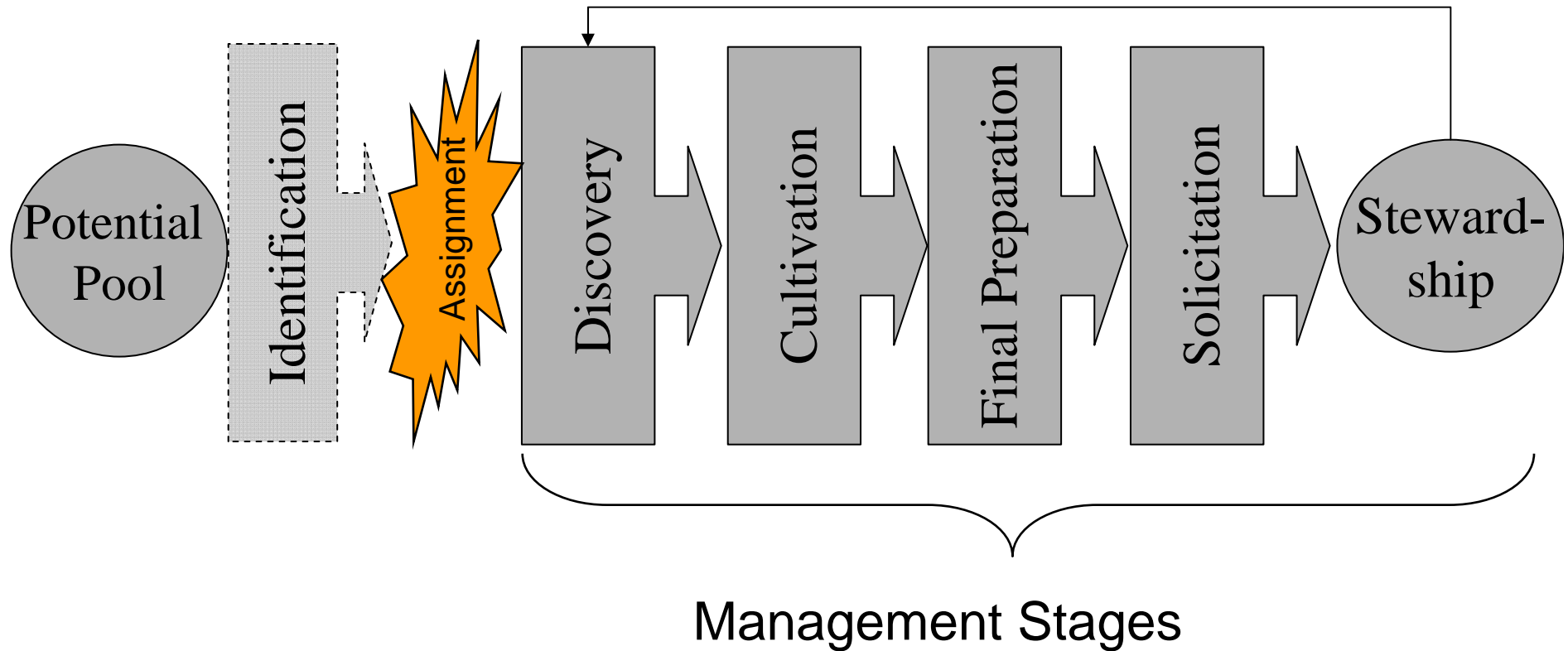
## What needs to be managed?

- ◆ 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



## 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 Manger

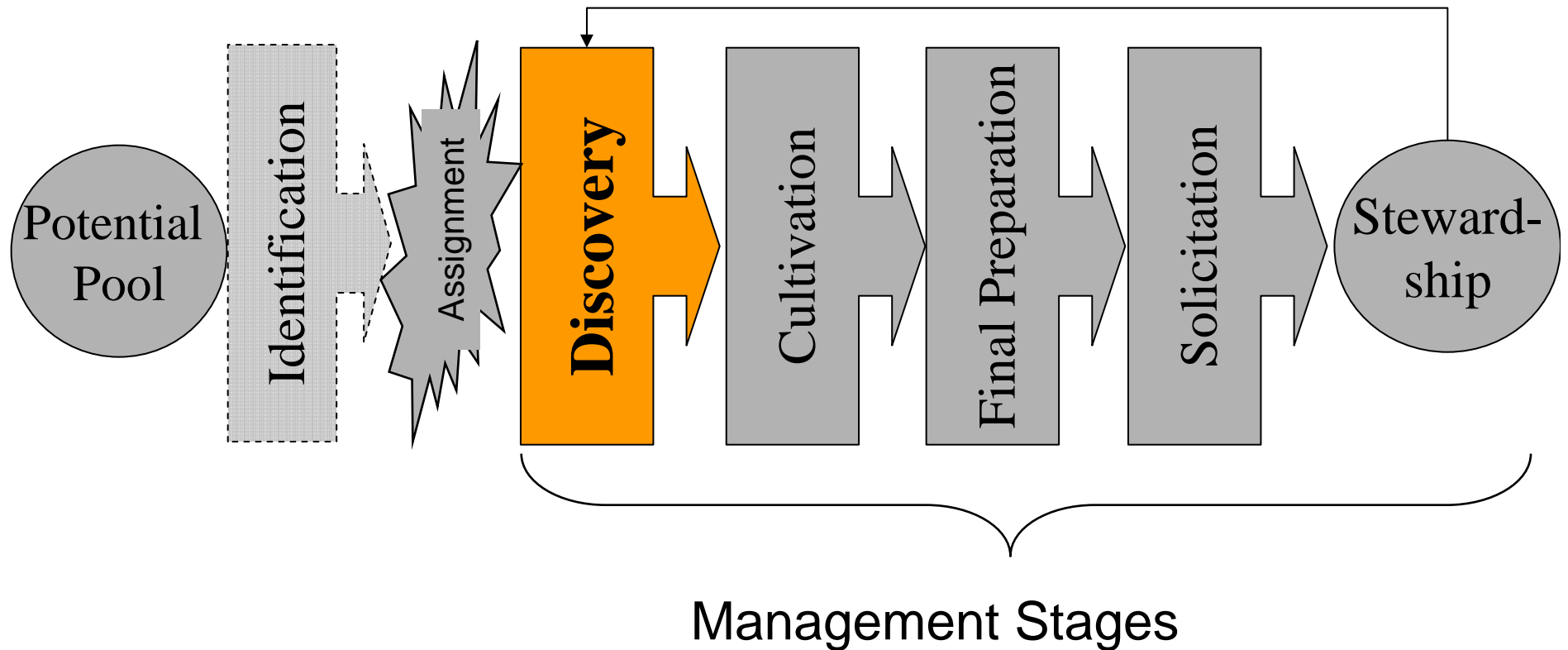
- ◆ The Prospect Manager does not necessarily have a lifelong lock on the prospect
- ◆ Proposals that go forward are those that maximize the prospect's potential
- ◆ While a proposal is active, the prospect is off-limits to fundraising activities by other development officers
- ◆ “Normal and natural” 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

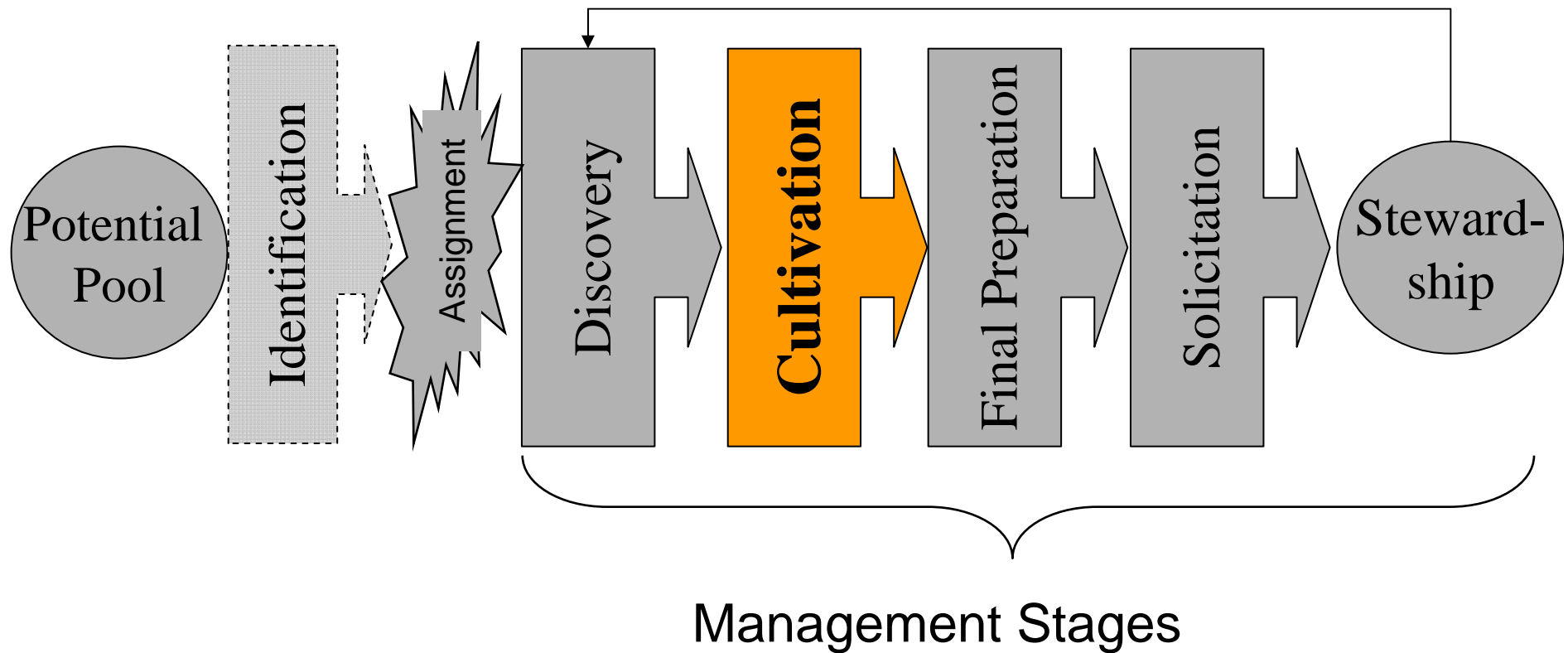
# The Prospect Pipeline



## 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



## 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

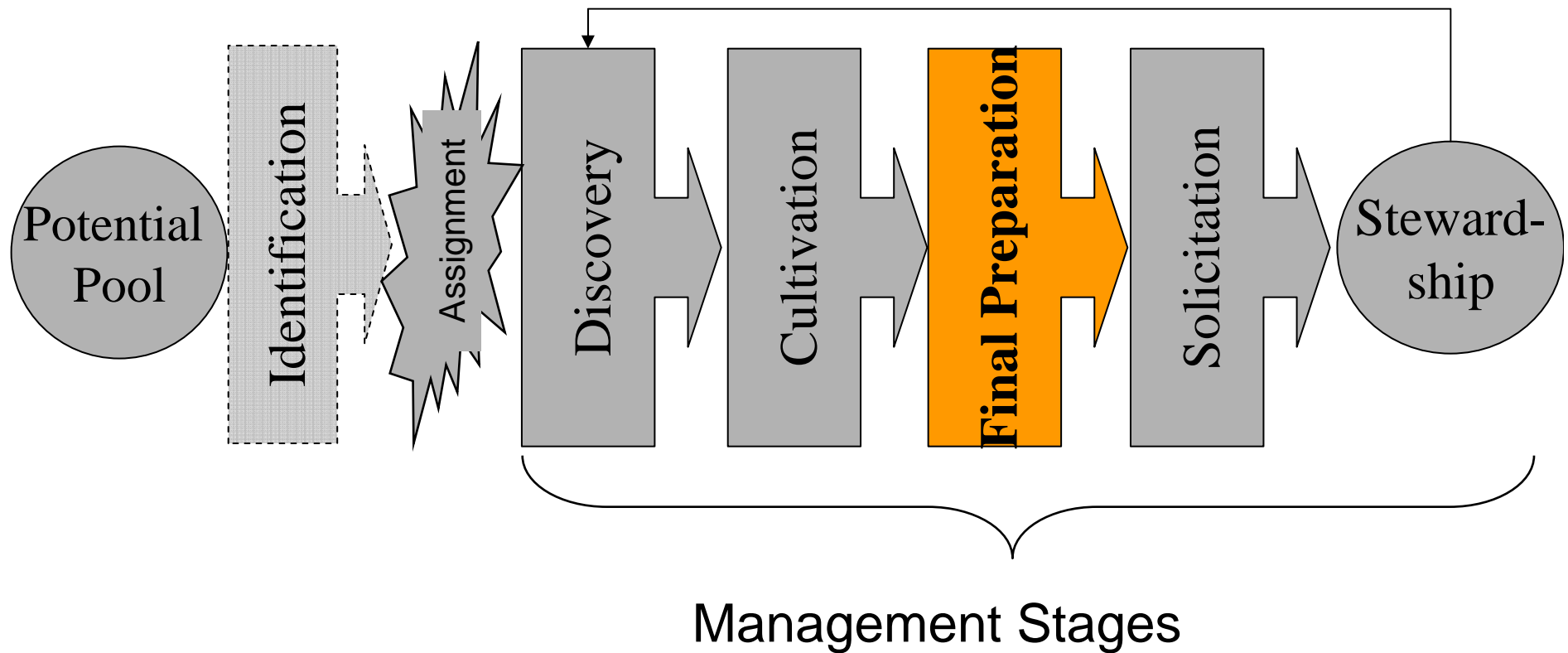
## Cultivation Time Limits

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



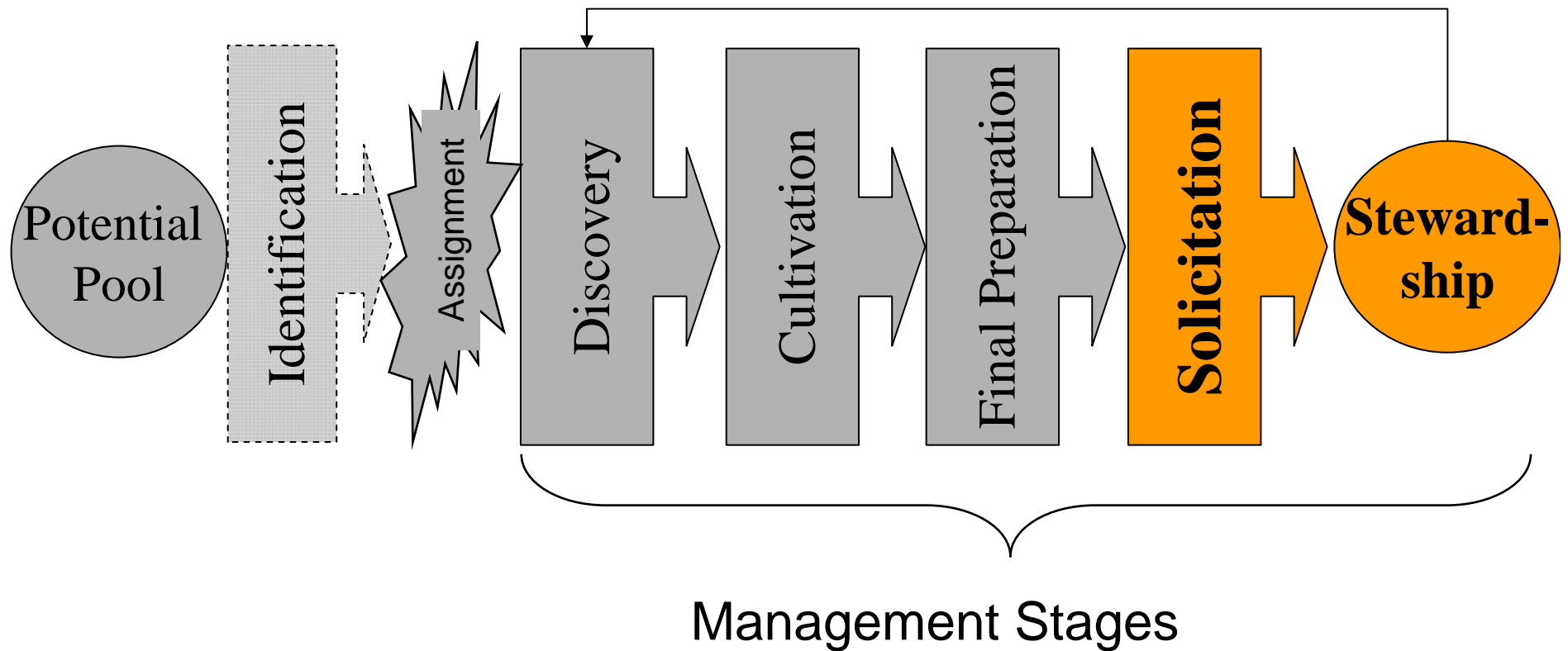
# The Prospect Pipeline



## 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



## 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

Solicitor		Start Time	Name/ID	Action Type	Action Priority	Detail
Date	Category	End Time	Contact	Action Status	Action Progress	Proposal
01/31/2007 <span style="float: right;">Page 1</span>						
<b>Open Actions This Year by Solicitor</b>						
<b>Allison E. Andrews</b>						
01/03/2007	Phone Call		All Track International Kevin Penn	Phone Call Open	Normal Not Completed	503-233-8335
<b>Attributes</b>						
<u>Attribute Category</u>		<u>Description</u>		<u>Short Desc.</u>	<u>Date</u>	<u>Comments</u>
Interest Generated?		No				
04/18/2007	Mailing		Dynamic Engineering	Letter Not Completed	Normal Not Completed	Quarterly Events
<b>Attributes</b>						
<u>Attribute Category</u>		<u>Description</u>		<u>Short Desc.</u>	<u>Date</u>	<u>Comments</u>
Interest Generated?		No				
04/18/2007	Mailing		United Broadcasting Company	Letter Pending	Normal Not Completed	Mission Statement
<b>Attributes</b>						
<u>Attribute Category</u>		<u>Description</u>		<u>Short Desc.</u>	<u>Date</u>	<u>Comments</u>
Interest Generated?		No				
04/29/2007	Email		David M. Korbin	Letter Open	Normal Not Completed	dkorbin@allouette.com
<b>Attributes</b>						
<u>Attribute Category</u>		<u>Description</u>		<u>Short Desc.</u>	<u>Date</u>	<u>Comments</u>
Interest Generated?		No				

# Outstanding Proposal Report – by Solicitor

01/31/2007							Page 1
Outstanding Proposal Report							
Constituent	Solicitor	Campaign Gift Type	Rating	Amount Asked	Amount Expected	Date Expected Date Asked	
Lajuan Wilson 184 River Street Savannah, GA 31419	Allison E. Andrews	PLAYGROUND Cash	Needs Cultivation	\$10,000.00		01/03/2005	#
Lajuan Wilson 184 River Street Savannah, GA 31419	Earl N. Hunter	PLAYGROUND Cash	Needs Cultivation	\$10,000.00		01/03/2005	#
Jason D. Campbell 911 Sycamore Drive Athens, GA 30606	Spencer Kovalak	PLANNED Planned Gift	Excellent Prospect	\$1,000,000.00		02/02/2005	
Gretchen N. Jones 215 Cotton Shore Lane Hanalei, HI 96714	David B. Murphy	PLANNED Planned Gift	Excellent Prospect	\$100,000.00	\$100,000.00	03/06/2004	
United Broadcasting Company Carl H. Lindner 8555 Shawnee Run Rd. Cincinnati, OH 45243	Mohammed Rahman Anne C. Sinclair	RELIEF Cash CAPITAL	Excellent Prospect	\$200,000.00	\$150,000.00	12/31/2006 11/01/2005	
5 constituent(s) listed				<b>Grand Total:</b>	<b>\$1,310,000.00</b>	<b>\$250,000.00</b>	
				<b>Difference:</b>		<b>\$1,060,000.00</b>	

# Denotes multiple solicitors

# Proposal Analysis Report

01/31/2007		Proposal Analysis Report						Page 1	
Constituent	Campaign	Fund	Purpose	Amount	Amount	Date Asked	Date Funded		
Proposal	Type of Gift	Solicitor	Contact	Asked	Funded	Difference	Date Expected	Days Open	
Davis & Johnson	PLAYGROUND	BUILDING	Current Restricted				07/09/2003 12:00:0	03/29/2004 12:00:0	
General Proposal	Cash	Allison E.		\$5,000.00	\$5,000.00	\$0.00	12/31/2003 12:00:0		264
Travis D. Inman	SCHOLAR	SBSF	Education -				11/24/2003 12:00:0	06/01/2005 12:00:0	
Scholarship Proposal	Cash	Allison E.		\$200,000.00	\$500,500.00	(\$300,500.00)	06/01/2005 12:00:0		555
Lorrel M. Justin	PLAYGROUND	PLAYGROUND	Current				02/13/2000 12:00:0	10/08/2000 12:00:0	
General Giving Prop	Cash	Earl N. Hunter Zachery J. Clover Allison E.		\$50,000.00	\$46,450.00	\$3,550.00	12/31/2004 12:00:0		238
Claudia L. Ivery	ANNUAL	2002ANNUAL	Research Current				06/27/2001 12:00:0	09/16/2002 12:00:0	
Medical Research P	Cash	Kathleen R.		\$5,000.00	\$2,500.00	\$2,500.00	08/01/2002 12:00:0		446
Lorrel M. Justin	PLAYGROUND	PLAYGROUND	Current				02/13/2000 12:00:0	10/08/2000 12:00:0	
General Giving Prop	Cash	Earl N. Hunter Zachery J. Clover Allison E.		\$50,000.00	\$46,450.00	\$3,550.00	12/31/2004 12:00:0		238
Kristy Graham	SCHOLAR	SBSF	Research				07/30/2002 12:00:0	05/15/2004 12:00:0	
Scholarship Proposal	Planned Gift	Ellen H.		\$10,000.00	\$10,000.00	\$0.00	05/15/2004 12:00:0		655
Lorrel M. Justin	PLAYGROUND	PLAYGROUND	Current				02/13/2000 12:00:0	10/08/2000 12:00:0	
General Giving Prop	Cash	Earl N. Hunter Zachery J. Clover Allison E.		\$50,000.00	\$46,450.00	\$3,550.00	12/31/2004 12:00:0		238
Jason D. Campbell	PLAYGROUND	BUILDING	Current Restricted				01/01/2004 12:00:0	04/03/2004 12:00:0	
General Proposal	Cash	Earl N. Hunter		\$2,000.00	\$2,000.00	\$0.00	06/30/2004 12:00:0		93
Senn A. Davenport	SCHOLAR	SBSF	Research				11/04/2000 12:00:0	02/01/2001 12:00:0	
Scholarship Proposal	Annuity	Spencer Kovalak		\$30,000.00	\$30,000.00	\$0.00	02/01/2001 12:00:0		89
Audrey I. Lorenz	ENDOW	ACQUISITION	Research				02/02/2000 12:00:0	07/04/2000 12:00:0	
General Giving Prop	Cash	Audrey I. Lorenz Spencer Kovalak Mary Beth Harris F. Sadler		\$40,000.00	\$36,100.00	\$3,900.00	12/31/2005 12:00:0		153
Audrey I. Lorenz	ENDOW	ACQUISITION	Research				02/02/2000 12:00:0	07/04/2000 12:00:0	

# Proposal Pipeline

01/31/2007		Proposal Pipeline Summary						
Solicitor	Closed	Cultivation	Follow-Up	Identification	Proposal	Research	Stewardship	
Allison E. Andrews	1	1	0	1	0	0	1	
Kathleen R. Bently	1	0	0	0	0	0	0	
Zachery J. Clover	0	0	0	0	0	0	0	
Ellen H. Crenshaw	0	0	0	0	0	0	0	
Earl N. Hunter	1	0	0	1	0	0	0	
Spencer Kovalak	0	0	0	0	0	1	0	
Audrey I. Lorenz	0	0	0	0	0	0	1	
David B. Murphy	0	0	1	0	0	0	0	
Mohammed Rahman	0	2	0	0	0	0	1	
Mary Beth Richardson	0	0	0	0	0	0	0	
Harris F. Sadler	0	0	0	0	0	0	0	
Anne C. Sinclair	0	0	0	0	0	0	0	
Max G. Taylor	0	0	0	0	0	0	0	
Nicholas Vincent	0	0	0	0	0	0	2	
<Unknown>	0	2	1	0	1	0	0	
<b>Total</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>5</b>	

15 Solicitor(s) listed

# Proposal Dashboards – Quick Mini-Reports on Status

**Dashboard - Sample Data** (Build Blackbaud D)

New Dashboard  Customize

**Expected Proposals Summary**

As of 12/14/2006 9:09:48 AM

Solicitor	Dec-2006			Jan-2007			Feb-2007	
	Asked	Expected	Funded	Asked	Expected	Funded	Asked	Exp
<a href="#">Anne Sinclair</a>		\$25,000.00						
<a href="#">Mohammed Rahman</a>		\$150,000.00						
		\$175,000.00						

**Proposal Status**

As of 12/14/2006 9:09:49 AM

Proposal	Constituent Name	Prospect Classification	Prospect Status	Solicitor Name	Ask Amount	Exp Am
Relief Proposal	<a href="#">Robert C. Hernandez</a>	Individual	Active	<a href="#">Mohammed Rahman</a>	\$200,000.00	\$200
					\$200,000.00	\$200

**Prospect List**

As of 12/14/2006 9:09:51 AM

Solicitor Name	No. of Prospects	Total Goal	Total Proposal Amount
<a href="#">Allison E. Andrews</a>	8	\$321,750.00	\$515,500.00
<a href="#">Kathleen R. Bently</a>	2	\$7,500.00	
<a href="#">Ellen H. Crenshaw</a>	6	\$20,750.00	
<a href="#">Angela Diresta</a>	1	\$10,000.00	\$30,000.00
<a href="#">Cole Hensley</a>	1	\$8,000.00	
<a href="#">Robert C. Hernandez</a>	4	\$5,600.00	
<a href="#">Earl N. Hunter</a>	3	\$22,050.00	\$2,000.00
<a href="#">Spencer Kovalak</a>	2	\$700.00	

**Prospect Pipeline**

As of 12/14/2006 9:09:53 AM

Solicitor Name	Accepted	Active	Cultivation	Pending	Rejected	Solic
<a href="#">Allison E. Andrews</a>		2				
<a href="#">Angela Diresta</a>			1			
<a href="#">Earl N. Hunter</a>			1			
<a href="#">Spencer Kovalak</a>			1			
<a href="#">Audrey I. Lorenz</a>		1				
<a href="#">David B. Murphy</a>						
<a href="#">Lane A. Pembroke</a>		1				
<a href="#">Mohammed Rahman</a>		1				

# Stage Aging Report

## Blackbaud Analytics Stage Aging report

Prospects Assigned to Allison Andrews

Report Date: 06/18/2007

Stage	Prospect Name	Days in Stage	Expectation
Cultivation	Marilyn A. Kessler	192	\$125,000.00
Qualification	Ryan K. Dorrión	119	\$25,000.00
	Max G. Taylor	0	\$25,000.00
	Susan E. McDonald	152	\$25,000.00
Stewardship	Travis D. Inman	747	\$200,000.00
	Davis & Johnson Pharmaceuticals	3,023	\$5,000.00