



RELATEPARTNERS

Major Donor Personal Engagement Specialists

Conversations
with major donors[®]

MAJOR DONORS TELL WHY THEY GIVE

Major Donors Tell Why They Give

CONTEXT

Major donors are highly prized by Not for Profit (NFP) organisations. Across the third sector many NFP's are frustrated in their endeavours to realise the potential of contributions from major donors.

A discrepancy exists between how major donors desire to contribute and how NFP's solicit their contribution. This discrepancy causes frustration to both parties, ultimately, and impacts the effective and efficient meeting of the needs that each seek to make a difference towards.

Relate Partners had conversations with 14 Australian major donors in the first half of 2010, as part of playing a role in addressing this reality and helping improve the working relationships between NFP's and major donors.

The people that Relate Partners met with are major donors in their own right and whose commitment to the third sector is reflected in their broad involvement. Their involvement includes boards of large and small NFP's, community foundations, philanthropic peer networks, volunteerism and financial donations. This group of major donors have long standing track records of philanthropy, significant professional experience and achievement with a diversity of passions and interests as well as aspects of giving practices that they share in common.

These major donors participated very enthusiastically in conversation that we initiated with them for the purpose of potentially improving their philanthropic experience and giving them a heightened sense of positive outcomes. We again express our gratitude to them for their participation.

Relate Partners had the conversations that could better *inform* major donors and NFP's in dealing with the discrepancy, and *transform* it into a well contextualised, fulfilling and productive relationship.

BASIC MOTIVATIONS

*A desire for productive contribution
rather than a compelling sense of duty*

*“Well, I don’t
just give
because I can,
or because I feel
that I should. I
give because I
want to - I enjoy
helping others.”*

In conversation about their history and motivations for philanthropic activity, two factors in particular were of significant influence with these major donors. Where a family heritage of giving had been experienced in their formative years, those major donors had a strong ethical identity with this practice. For those major donors who held a faith-based worldview, especially Christian, it was seen as an integral element and healthy expression of faithfulness to be a generous giver.

Overall, these major donors exhibited a genuine regard for other people. They have a desire to contribute positively to society generally and to the lives of others who have legitimate needs and require help. The extent of this regard for others and contributing towards quality of life sees their support range from local to international, from the arts to welfare.

It was evident from all these major donors that they believe they have a vital contribution to make towards the quality and enjoyment of life of other people. They not only acknowledge they have a capacity to make this contribution but express a strong and considered desire to do so.

The conversations weren’t totally devoid of a sense of obligation or duty to give back, but where it was most obviously evident it was still attached to a sense of gratitude from receiving in the first place. An example of this is a major donor whose wealth and influence is largely the result of being a prominent business person with a strong local identity and high level of community engagement. In essence, this major donor feels that it is important to give back to the community from which he profits.

CONSIDERATIONS AND EXPECTATIONS

*It’s more about how capable the NFP is to address the need
than just how real the need is*

Contributing to NFP’s is a considered decision by these major donors. Asking these major donors to give, isn’t asking them to do something they are not willing to do, or haven’t decided to do. Major donors such as these, are committed to giving and that is a decision they have already made.

Who they give to, what they give towards and how much they give (in any form) are the elements of their ongoing decisions.

The achievement and expertise of major donors usually has them function in environments and responsibilities that demand planning, organisation and decision making. Like all their decision making and planning, these major donors like to be well informed - informed in ways that help them make decisions they believe to be best.

A major financial gift, for example, from a major donor of this calibre is likely to be \$10,000 or greater. Consistently, the major donors we spoke with had clear criteria for their philanthropic decision making such as:

- ◆ **Competence** Is the Governance/Leadership capable? Do they have a strong track record of delivering? Is transparency and accountability obvious?
- ◆ **Definition** Is the need clearly identified, the response well defined and the results easily measurable?
- ◆ **Legitimacy** Is the need real and worthwhile responding to?
- ◆ **Leverage and Impact** How will individual donations be intentionally leveraged and utilised for maximum impact towards addressing the need?
- ◆ **Geographic** Especially for those in regional areas: How will this make a difference in our local community?

Whilst these criteria are somewhat subjective and based on perception (for example, legitimacy of the need) they are a reality of major donor decision making and need to be considered.

The life experience of major donors typically has them understand well the necessity and accounting of operating costs. Rather than be simply naïve or overly prescriptive on costs, they can readily assess efficiency measures and are willing to do so in the knowledge that 'one size doesn't fit all'. These major donors' prime concern is that their donation has the maximum impact on addressing the need, knowing that an organisational infrastructure and operating costs are essential for this to happen. It can seem clichéd, but major donors have minds for efficiency and effectiveness.

Whilst a strong track record is a very motivating element in these major donors' decision to give, it doesn't eliminate new ventures or fledgling NFP's from gaining their support. It remains important to speak to the basic criteria above as best you can when asking a major donor to give,

“Can they deliver on what they are asking me to support? Will it make a difference?”

regardless of how long your organisation has been operating. Passion and good intentions towards legitimate needs are important, but are unlikely to inspire support from major donors in isolation from demonstrating the capacity to deliver on the stated purpose. New ventures and fledgling NFP's cannot overlook this requirement of major donors and must seek to address it as best they can - (e.g. a comprehensive strategic plan supported by a leader's résumé demonstrating relevant skills and achievement).

These major donors want to be well informed for their decision making and they like to be kept appropriately informed on the impact of their giving. In practice, this means different things to different people. One major donor might enjoy meeting every two months, another a phone call twice a year, etc. All these major donors are very willing to be clear about how to best keep them informed. Honouring this is a valid expression of regard towards them and a motivating factor in their ongoing support and contribution.

PERSONAL OR IMPERSONAL

Personal engagement by the right person not just information

*“Direct mail
never gets my
biggest gift. In
fact, direct mail
can seem almost
like harassment.”*

The speed and clarity of the major donors' responses in conversation around having personal contact or not with NFP's they support, highlights the importance of this factor. Major donors such as these want to be personally engaged. They want to be met with and participate in framing a well contextualised relationship with the NFP to whom they give major donations.

Major donors' giving is decisive and considered, but it is not coldly clinical. To lose sight of major donors as people and to move to impersonal, scientific methods of soliciting their support is to behave contrary to their desire. Not one of the major donors we spoke to on this occasion enjoys direct mail as a solicitation method for *major donations*. In fact, feeling towards direct mail as a method of asking for money from major donors was comprehensively disliked, and distasteful. Emotive terms such as “harassment”, “insulting” and “beg letters” were used towards their content and “punch drunk” directed at their frequency and

volume. These major donors acknowledge that direct mail has its place in fundraising activity but see little and limited relevance for themselves.

It's wise to remember that major donors are usually pursued by more than one NFP for donations and contribution. That one piece of mail they receive from one NFP is, in fact, *another* piece of direct mail with little differentiation from the rest. Major donors of this calibre don't respond well to direct mail, they desire personal engagement and contribute more fully in this way.

These major donors want to meet with a person from the NFP who quite simply, "knows what they're talking about". There is a time and a place for the CEO or Executive to play a role in requesting, receiving and/or acknowledging a major donation, but major donors want their general information and contact need to be met appropriately by a good representative. Major donors want to have contact with someone who knows and values the work, can provide them with information they require, who can be clear about what they want and is prepared to ask for it. They also want this person to be able to relate to them in a way that is, again, efficient and effective and in line with their agreed understanding.

One direct question we posed to each of the 14 major donors we met with was, "In terms of major donations, what is your preferred way for being asked to give money?" Everyone said, "Personally". These major donors share in common some intrinsic philanthropic motivations and criteria for decision making, all of which is most fully harnessed and satisfied by personal engagement by the NFP organisation seeking their support.

LET ME KNOW...

*It is as important to major donors to appropriately inform them of the **impact** of their donation as it is to inform the **giving** of their donation.*

Inform the ongoing relationship rather than just the giving decision

Most of the 14 major donors we had conversation with this time we had met with before, some many times. The relationship is well contextualised and we stay in touch and connected in ways that are consistent with the purpose. A bad experience recounted by several of these major donors was around intensive personal contact by NFP's up to the point of receiving a major monetary donation, and then nothing, until the next time a major donation was being sought. Major donors want more

“Communication is key. Come and ask rather than just send me more stuff.”

from their giving experience than a ‘this time to write a cheque’, and a ‘next time to write a cheque’.

Given the criteria they operate by in their giving, these major donors want to know that their “investment” has accomplished something. They typically give towards projects with measurable outcomes and they want to know if these are being achieved. Communication is key. It is as important to major donors to appropriately inform them of the *impact* of their donation as it is to inform the *giving* of their donation. Getting the money and ceasing communication should not be the way major donors are related to - they, like other people generally, dislike being treated as a commodity. A major donor who only receives contact from a NFP when they want money isn’t nearly as motivated to give as one who is communicated with in a way that reflects both appreciation and a vital sense of inclusion in the achievement of the outcomes. Appreciation is important and major donors value thanks as much as any person.

Whilst it is more desirable to relate to major donors from the position of understanding, if one assumption should ever be made when they give a major donation it is that they are also saying, “Let me know how this goes”. These major donors respond well to being asked to meet to be updated on how their donation has had impact. An appropriate project report or other communiqué that informs them well is a great opportunity, along the way, to spend 30 minutes together and is a significant form of connection.

As we concluded having these conversations with the major donors we heard often, “Let me know how this goes”. It’s common to major donors - where they invest they desire to see an outcome and value being informed that their contribution has mattered.

WHAT MONEY CAN’T BUY

*Engage the person
rather than just receive a donation*

Major donors of this calibre acknowledge they have a greater capacity to resource charities and they often want to give more than money. Typically highly skilled, vastly experienced and well networked, major donors feel underutilised by charities who only want their money.

“How can I best contribute?”

The most inspiring environment for giving by these major donors is with NFP's who engage them in a well contextualised relationship, shaped by candid conversation. Allowing major donors to inform the method of engagement and communication, by hearing directly from them, is a real positive towards expectations being met, and their giving being maximised.

These major donors want to be better engaged because they want to help as best they can. When these high calibre people 'buy in' to a purposeful endeavour, they want to contribute well and often are willing to contribute beyond financial donations. Their life and business skills and experience can not only be invaluable to a NFP in an advisory or board function, but when utilised they can be extremely motivating to the major donors in their resourcing capacity. Major donors commonly question how they can best contribute to help address the need and nearly always answer from the realisation that it is money plus other things (for example, time, expertise, knowledge, influence, etc).

At commercial rates, major donors' time and expertise would most likely be unaffordable to the vast majority of NFP's. And, without personally engaging major donors', their networks remain out of bounds to NFP's. When a major donor is found to be willing to contribute beyond the writing of a cheque, they are generally found to be willing to contribute expertise, resource and influence that money can't buy.

The major donors we speak to, continually affirm that the best way to discover what they are willing to contribute is to meet with them and ask.

These conversations in bullet points

- ◆ Major donors want to make a positive difference to society through their available resources: finances, intellect, expertise, experience and networks
- ◆ Major donors have decided to give, they re-evaluate who they give to
- ◆ Major donors expect to be asked for support, at the right time, in the right way
- ◆ Major donors want NFP's to regard them as people, not dollar signs or cheque books
- ◆ Major donors want personal engagement (i.e. to meet face to face with the NFP)

- ◆ Major donors expect NFP representatives to be well informed and able to answer their questions
- ◆ Major donors expect NFP's to be accountable and transparent, and good stewards of the resources given to them
- ◆ Major donors want consistent, clear, concise communication that informs their giving decision, and the impact of their gift
- ◆ Major donors expect NFP's to clearly articulate their requirements, demonstrate they have a vision for the future and a capacity to achieve it
- ◆ Major donors dislike direct mail as the primary engagement and communication vehicle
- ◆ Major donors have more to give than money and want to be engaged in these ways.

If you would like help to have conversations like this, and in framing better relationships with your major donors, please contact RelatePartners.

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"As a contributor to various Not-For-Profits over a number of years, I have been extremely impressed and delighted by the involvement of Relate Partners with one of the organisations I support. They, for me, have 'personalised' that particular NFP by their genuine and professional building of relationships. Interestingly, it has caused me to have a greater focus on that organisation in my on-going support.

I am very pleased to recommend them as a most trustworthy and effective company."

Michael Peck - Major Donor

"I have known Relate Partners for a number of years and would recommend their people and services highly.

I first met Relate when they approached me on behalf of [NFP]. Their role was to help [NFP] understand and get to know their supporters. Through the relationship that developed not only I, but also [NFP], I believe, benefited greatly. Relate were able to assist us both in forming a stronger bond, which in turn has lead onto the creation of a new project...

There were times during the development of this project that without the wise counsel of Relate, it may well have come to nothing.

Steve Gleeson and Nic Capp form a very good team. They do not let matters slide and are always encouraging. A pleasure to work with them both."

Ross Brewer - Major Donor