

CAPITAL CAMPAIGN

In response to a request for information on how to best prepare for a capital campaign at a Waldorf school, I wrote the following thoughts based on my experience of private school and Waldorf school fundraising. I have adapted it to more broadly reflect all non-profit organizations. Topics include prerequisites, necessary structures, signs of organization maturity, and vital signs for major donors.

To run an affective campaign that is predestined for success, it takes an all organization effort beginning as early as two years prior to the campaign launch. Careful planning and attention to detail as well as meaningful community involvement will pave the way for success.

This article has been the basis for assessing several clients' readiness to enter into a capital campaign, as well as used for lectures, seminars and workshops. It is also a part of the Best Practices series on the member website of the Association of Waldorf Schools of North America.

PREREQUISITES FOR A SUCCESSFUL CAPITAL CAMPAIGN:

1. Professional development staff – experienced, familiar with your community/area, understand or willing to learn similarities and differences of your organization versus other regional organizations – they exist... you are unique. I also think that there are certain personality traits that make a difference: enthusiasm, optimism, energetic tenacity and perseverance. You also need clerical staff dedicated to supporting your development professional – even if only 10 -15 hours a week – he or she can help with phone calls, solicitation visit scheduling, mailings, pledge reminders, data entry, etc. – don't waste your professional's time with this stuff – it will bury them and keep them from focusing on the bigger picture. If you can't hire a full time, experienced professional as your dedicated campaign director, seriously consider hiring a consultant on a multi-year retainer to see you to the end of your campaign efforts.
2. Clearly identified needs – what do you need? Why? How is it absolutely compelling? Why? How does it benefit, make a difference? Why are other things NOT included? Who decided on the projects? Do you have community support for the list? Do a "needs assessment" to answer these questions. (You could do a long range plan and achieve same results -- point is to plan carefully and show clearly that you actually thought it through). How do the projects of your capital campaign actually meet your stated need? How will your organization be able to better serve its constituents once the projects are completed?
3. Case Statement – the brochure that clearly explains what you need, what you are going to do with the money and why it matters. Make your "case" for the

campaign and show how a donation will make a difference. The case statement doesn't necessarily have to be a super expensive piece, but should be well done, well written and edited thoroughly. Should include basic information on your organization, who you serve, basic financials, as well as details about the campaign projects. If you know you are doing a long multi-year campaign, have it designed in a way that it can be easily updated with new information – will make it less stagnant and more useful over the long haul. Also consider producing a short (5 – 7 minute) DVD that can be mailed and/or streamed on your website. Test a draft of your case during the feasibility study...

4. Feasibility study – can be done by local consultants or national ones – regardless of whom, it needs to be someone outside of the immediate organization community to give it credibility. A feasibility study is the direct questioning of major donor prospects about their willingness to give significant dollars to this campaign. Include most major stakeholders. It is about consensus building and gets you a solid guess of if you can actually raise the money you need... a resounding yes will quickly quiet the naysayers... this is important for morale. You can then use your feasibility study participants as the first round of solicitations – remind them that they helped make the campaign a real possibility – now they need to put their money behind (or in front of) it. Get participants' feedback on the case and make changes accordingly.

Additionally, you can do an online survey of a broader constituency base to get community feedback and input. These are relatively simple and inexpensive to execute but can serve several different purposes: uncover new donor prospects, give critical feedback from more stakeholders, educate the greater community on your plans, goals and aspirations. Note: an online survey is NOT a substitute for formal interviews of key (major) stakeholders.

5. Strong board and staff support with lots of people willing to dedicate dozens of hours to making it all happen. Need a volunteer leader (campaign chair) willing to make a significant time commitment to leading the project ---- chair is spokesperson – development staff and consultant should be behind the scenes supporting the chair and campaign committee. If you are a large organization, it may make sense to have two chairs – an internal and an external. The internal chair would be responsible for all current donors, staff and board while an external would take on outside prospects, corporations and foundations.
6. Strong financial base – people do not want to give to a sinking ship. The organization must show financial responsibility through a strong operating budget – no deficit budgeting – if you have a year or two of deficits, be ready to explain why and what you have done to better ensure the future. Consider having financials audited – this will be necessary if you expect large foundations to give grants.

7. Consultant – consider hiring a consulting with capital campaign experience. This firm can do a little or a lot depending on your own organization’s volunteer/ leadership base and experience. They can hold your hand, train the board, help with strategic planning and/or benchmark goals and timeline. They can also help create policies and procedures, organize everyone, and be a neutral and yet educated voice. Ultimately, they can streamline the processes and help set the organization towards a successful campaign. Finally, a consultant can quickly accomplish the implementation of the necessary structures and procedures (see below).

NECESSARY STRUCTURES AND PROCEDURES

1. Create a solicitation structure that meets the needs of your constituents. A successful structure could be where the immediate circles of the organization are asked to be personally visited and solicited... even hourly staff who are only going to give \$5 ... it will be as much a visit about money as consensus building about the necessity of the project and general support of the organization.

Visiting teams can consist of a two person team of trained board member, trained volunteer and a staff member... please note the board/volunteer do the actual “ask” for a pledge – non-development staff should not in almost all cases as it can be seen as a conflict of interest and felt “yucky” for most/an ethical issue for some (people asking for financial support of others to their employer).

Need to remember that with a multi-year campaign, you will continue to have new members of your community (new staff, new board, new donors) that will need to be quickly brought up to speed, and then solicited – this part does NOT end until all the money is raised. Need to create an educational system to get new folks on board quickly and efficiently so they can be solicited and yet make an educated decision on their gift.

2. Must have absolute support by the board and executive leadership – if board members aren’t willing to support the campaign they should resign. This is critical. You MUST have absolute consensus by the leaders of the organization.
3. Clear policies about the kinds of gifts you will accept – will you accept stocks and securities? (if yes, go ahead and set up the brokerage account). Will you accept challenge gifts? Artwork? In-kind donations? If your answers are “well, maybe,” try to anticipate the organization’s boundaries and make them into policy or at least generally agreed upon guidelines. Who makes the final decision on the acceptance of a gift – the board/the ED/the development director? Also, what is the organization’s policy on naming opportunities and donor recognition – are you going to name it Martin Hall or keep the name functional (Performing Arts Center) or pedagogical (Shakespeare Hall)? Figure this out before there is an offer that makes it personal.

4. What will the stewardship and acknowledgement process be? What level of gift will demand a personal thank you from the board president? What financial benchmarks or construction progress steps will trigger an additional thank you to all the donors to date?
5. How will you handle multi-year pledges? Do you want to send reminders? (if yes, does your software actively support that scheduling process?) What will your “default” pledge rate be? Have you factored that into your total fundraising goal? Will you periodically write off bad pledges or wait until the end?... this is important because it affects the “how much we’ve raised” number... there is no right answer, just need to be consistent.
6. Create clear channels of communication between your campaign chair, development office, board, ED, campaign committee and development committee. Who is in charge? Who reports to whom? Who signs solicitation letters? Who signs thank yous? Who crafts the message? How does the staff plug in to ensure it is true to who you are as a non-profit organization? Who is responsible for training everyone? Who is ultimately responsible for the campaign plan/success or failure?
7. Mutually agreed upon plan of action. What are the steps? What order are they in? How will you know to move from one to the next? Who decides? When do you need to re-evaluate? What will you do to build more momentum when there seems to be none? Are you maximizing the strengths of your campaign team (and minimizing their weaknesses)?
8. What is your plan B? How many missed milestones trigger plan B? How much time do you really have for delays? Be careful of what you promise publicly... want to keep your credibility throughout... don’t over promise. Watch for the need to go through a “refocusing” exercise.

SIGNS OF ORGANIZATION MATURITY

1. Again, strong financials.
2. Strong, hard working board with clear expectations, cohesive mission.
3. Strong staff that is collectively able to clearly state justification for campaign – why they need the stuff. (Key here is collective voice)
4. Educated community – if they aren’t used to giving, then start educating them NOW. May need to explain until you are blue in the face the difference between capital and operating budgets: “this is above what fees pay for, that it is the community that will make it happen,” get rid of the “us” and “them” mentality;

diffuse the notion that someone “out there” will give millions to the campaign – the “out there’s” need to be brought “in here”. The “them’s” are giving to their own churches, organizations and charities. How can you get on their list? – through personal connections with the broader community ... Ask, “Who do YOU know?”

5. Turmoil needs to be at a minimum – high board turnover, high staff turnover, general discontent will ruin the campaign.
6. Track record (however short) of high participation of immediate organization community in fundraising efforts... Annual Fund, auction, sponsorships, etc. Even if people aren’t giving a lot, are they at least supporting the organization through philanthropic giving?
7. What are your client successes? Are you actually making a difference in the lives of your clients that is worth talking about? How are you measuring those successes? Are clients (or their families) willing to be ambassadors of the organization? What are they saying about your organization?
8. Strong policies and procedures without stifling creativity and new initiatives. Clear paths of communication and decision making throughout the organization. Consistent communication out to the community.

VITAL SIGNS FOR MAJOR DONORS

1. All of the above – clearly, concisely and consistently stated. Can each member of your board answer questions clearly, concisely and consistently? Does everyone in the organization community understand what is going on? Are you expressing your needs clearly? The benefits? Are you reaching beyond the immediate circles and connecting with those folks in a meaningful way? Are you being good stewards of the gifts you already have? How do donors know?
2. Is their gift the largest gift to date? If yes, THANK THEM! Tell them how wonderful it is that they are willing to be a leader. If no, challenge them.
3. FISCAL RESPONSIBILITY – tell them how you **are going to use** their money; tell them how you **are using** their money; tell them how you **used** their money. Have financials as transparent as possible. If at any time you need to use a donation in a way that may be different than the donor originally intended, you must ask them first – integrity, honesty, morality – remember you are building lifelong relationships with the mutual expectations of such.
4. Use your momentum to your advantage. Show how new gifts can build momentum, create additional opportunities.

5. Are you taking care of what you already have? Your board, clients and staff? Your current facilities? Are you being fiscally prudent? Is it obvious that you are stretching every dollar to maximize its potential? If you have failed in some way, did you learn from your failure – what are you doing to keep it from happening again? Have you tried to heal bad feelings, etc.? Are you meeting your organization mission? Are people happy? Are kids learning?
6. How will major donors be allowed to be involved? Are you open to their ideas and input? How will they share that with your leadership bodies? What is your gesture towards them?
7. WILL YOU BE AROUND IN 10, 20, 30, 50 YEARS? How do you know? How will this capital campaign better ensure that future?

Stacy Ehrlich, CFRE
Founder and Managing Partner
Seeds for Change Consulting, llc – a full service firm for non-profit organizations
512-751-6161; seedsforchange@gmail.com ; www.seedsforchangeconsulting.com
former Director of Development, Austin Waldorf School 1996-2004; Austin Waldorf
School kindergarten parent 2004 – 2007. Current St. Andrew's Episcopal School and
community volunteer.

Association of Waldorf Schools of North America
Effective Practices Research Project
DEV Document DEV 4-1
Revised December 2012– NPO version.
© 2012 Seeds for Change Consulting, LLC