

Revealed at Last: The Truth about Capital Campaigns

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The very thought of having to launch and manage a capital campaign often has the same effect on development officers as sunlight on the legendary Count Dracula.

Certainly, there are particular pressures on the CEO and the development staff during a campaign. However, the major funding goals that are addressed by the capital effort – if they truly are required to meet the organization's needs – are the same ones that would have to be met in any case.

A capital campaign, then, is the *strategic means* that the organization uses to achieve its major funding requirements. Further, it should be viewed as an enhancement to your overall development program – not an addition to it. The campaign method is chosen because it gives your organization six *opportunities* for growth and visibility:

1. To raise major gifts for facilities and endowment;
2. To build new or renewed enthusiasm for your mission and program;
3. To train new leadership;
4. To raise giving sights of your constituents;
5. To broaden your base of supporters;
6. To provide greater publicity for your organization and higher visibility for your ongoing funding needs.

It is also important to consider the capital campaign as a *comprehensive* effort that will enable your organization to improve your ability to raise funds – annual and capital – well beyond the campaign's completion. Some organizations include the annual funding needs within the campaign itself. In this way, you are assured both that the annual needs are emphasized and everyone in your constituency can be a part of meeting your organization's total funding goals. However, even if you do not choose to make the annual fund a formal part of the campaign, it should be vigorously conducted with goals of increasing donors and amounts of gifts.

To Study or Not to Study – a Critical Question

It is fair to say that the first words heard when a capital campaign is contemplated are: *"We need a feasibility study to see if we can raise that kind of money!"*

Do you need a feasibility study? The answer for most organizations is – maybe. Before you decide, ask these questions:

- What will you learn by conducting a study that you don't already know?
- How will conducting a study improve your ability to raise major gifts?

The challenge in raising capital support is moving major prospects into a closer relationship with your organization, building understanding and appreciation of its needs (ownership), and showing how support of one or more campaign objectives **will meet the prospects' needs to make gifts commensurate with their individual potentials**

We of DeWitt & Associates often find the best approach to engaging Board members, major prospects, and other key persons who are essential for success is to invite them to participate in planning the capital campaign. Properly conceived and conducted, the planning activity can:

- Enable the CEO to share his/her vision for the future;
- Bring a fresh perspective to the proposed projects;
- Uncover and deal with perceptions that may hinder your ability to raise major dollars;
- Cultivate Board members and other major prospects who will be needed for the campaign to succeed;
- Develop committed campaign volunteer leadership;
- Develop new candidates for Board membership.

Following the campaign planning, Board, senior staff, and campaign leadership can schedule small group sessions and/or one-on-one interviews with major prospects to advise them of the organization's plans, how they were derived, assess interest, and get feedback. In this way, the organization's leadership can learn the same information from a prospect/donor that would be revealed in a study – with the added benefit of having the opportunity for strengthening the relationship that can lead to the prospect's involvement and major giving.

If the decision is made that a Campaign Readiness Study (feasibility) would be the appropriate first step, the consultant should:

1. Examine *all aspects* of the development program to make certain that the organization is prepared to conduct a campaign (development audit);
2. Interview key prospects to assess ownership and willingness to support financially the campaign objectives;
3. Provide a campaign plan and time line if the assessment shows the organization is ready to proceed;

4. If not ready for the tested campaign goals, provide recommendations that would enable the organization – in the shortest period of time – to be able to conduct the campaign.

The Study should not be used to discourage you. It is merely a snapshot of your current situation. The Study should, in fact, provide the keys to what must be done to enable the accomplishment of your capital goals. Remember – the capital campaign is a means to meet identified financial needs and is only a success when it accomplishes those funding objectives.

Campaign Planning Pitfalls

The following is a list of the most common reasons that capital campaign get off on the wrong foot.

- Only the CEO has the “vision” of the nonprofit’s future and does not permit any tinkering by Board members and other important organizational players.
- Those who must make major gifts for the campaign to succeed have not been a part of the goal setting and have no ownership of them.
- The nonprofit has not had an ongoing program to identify, cultivate, and solicit major gifts.
- There has not been a consistent effort to communicate the organization’s needs through the annual fund and publications being considered for the campaign.
- The campaign was announced before 60% or more of the goal had been reached.
- The Governing Board is weak.
- Volunteers have not been regularly used by the organization.
- The campaign is viewed as a separate activity from the total development program.
- Identification and rating of the available pool of prospects has not been realistically done.

What to Expect When You Use a Consultant

While not every organization may need to use a consultant, most will benefit from having experienced counsel.

It is advisable to involve the consultant early in the campaign process so that the best method of campaign preparation can be recommended and implemented.

We believe that you should expect your consultant to provide:

- Expert advice on the campaign preparation;
- Thorough assessment of and recommendations on strengthening the current development program;
- Comprehensive campaign plan with job descriptions

- Focus and counsel for your real capital and annual needs;
- Training for staff and volunteers;
- Assistance in the creation of campaign materials.

Most important, you should expect absolute honesty and the experience necessary to adapt to changing situations along with the expertise to solve problems that are not “in the book.”