

Major & Capital Campaigns

Broad term

Major Campaigns is a broad term encompassing a number of types of fundraising initiatives with a large target. These are:

- *Capital Building Campaign*: the classic capital campaign is based around a building. The funds will be used to *pay for the building*.
- *Endowments*: an endowment is capital sum raised to provide a revenue stream. The capital is invested to pay for *the running costs of an organisation*. (These are more popular in the US than the UK.)
- *Major Projects*: if you have a major project, such as a special festival or a major public awareness programme you could approach this in the form of a campaign. *The money pays the programme costs*.

These three different types of initiatives all use broadly similar tactics, so it's worth thinking about them as major campaigns.

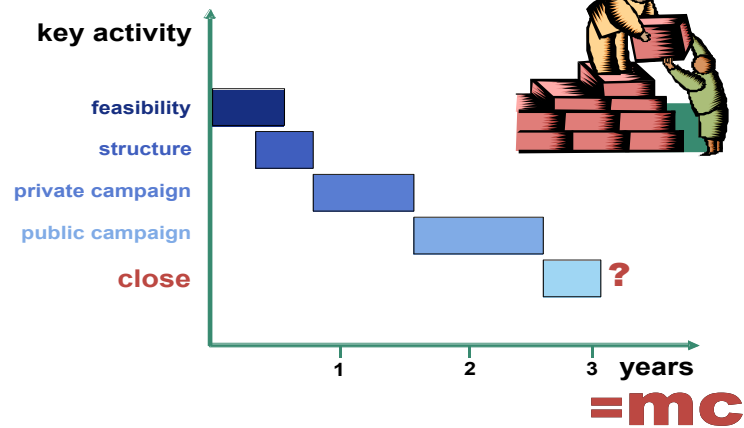
Strategy

A major campaign will have a strategy based on several key stages. Normally there are five though they may well overlap.

1. Case
2. Feasibility
3. Private Campaign
4. Public Campaign
5. Close

Note the 3 year timescale in the diagram below. This is only indicative but a key issue is running your campaign in a timeframe that has momentum and seems achievable. 3 years is good with 5 years probably a maximum.

Major campaign structure



Case

The starting point for a capital campaign is the case. The case document sits at the centre of any campaign. It is usually a written document clearly laying out:

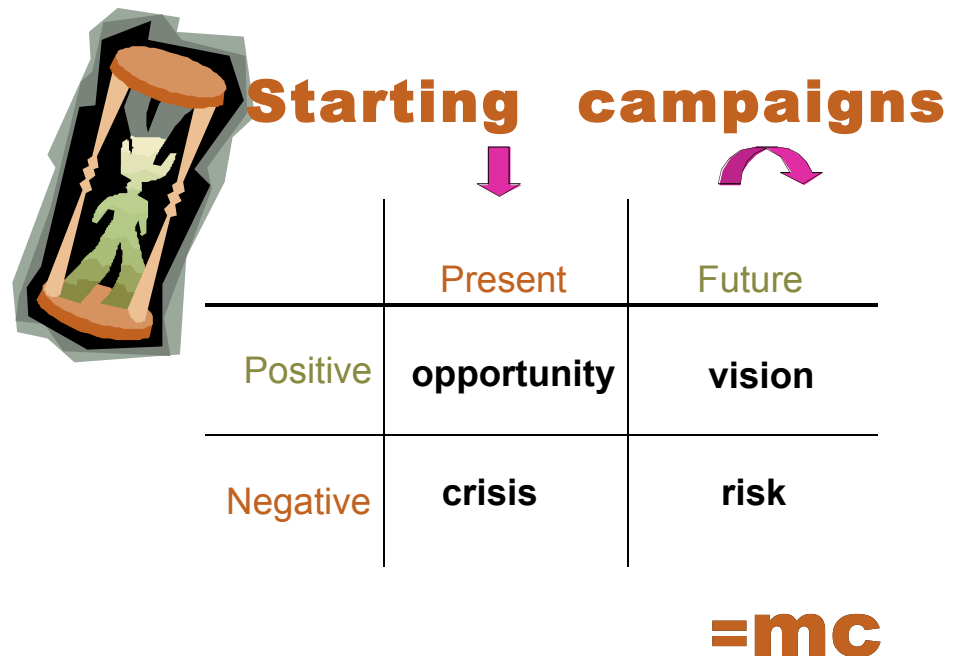
- what the *need* is for the campaign
- what the *scale* of the need is – backed up by data
- why your agency is *uniquely positioned* to solve the problem
- who the *stakeholders* are in solving this problem
- what the *benefits* are if the problem is solved

This case statement should also be:

- robust and well argued
- clear and easy to understand
- based on verifiable data
- powerful emotionally and intellectually

=mc has also developed a nice matrix which helps you decide what kind of case you need to make. It links *time* and *positive/negative*. So you can choose one of four options to present your case in.

Each of these approaches has advantages and disadvantages you should consider. And although it may be tempting to try to adopt all four, our experience suggests that this doesn't work.



Feasibility and plan

The second phase is a feasibility study. A feasibility study should be carried out to establish if the scheme is achievable. (For example, the solving of world hunger is clearly a good cause, easily documented and identifiable. But it might not be a feasible option to launch a campaign to solve world hunger in 2 years.)

The feasibility study can be carried out *internally* or, more commonly, *externally* with the help of a consultant. There are *advantages* and *disadvantages* of each.

Whoever produces the feasibility study should clarify:

- whether the total proposed is achievable

- what potential sources there might be
- what key tactics might help to achieve the result
- over what period the campaign should run
- what cash investment is needed to produce the results
- what other resources, people etc. are needed
- what structures – organisational and legal – are needed
- what the risks and sensitivities are

Normally the feasibility study should also be written up as a *business plan* showing how the initiative will have long-term sustainability. This should be formally adopted by the board and senior management of your organisation.

Fundraising Plan

Phase three is to make a plan. The fundraising plan is the concrete version of the feasibility study, turning ‘possibilities’ into concrete targets and specifics.

The plan will obviously contain all the elements in the feasibility but should have detail on three key elements:

1. *Partners & Targets*: it should identify which of the possible funding partners should contribute to the project and how much. The five potential partners are:

- trusts and foundations
- individuals
- corporation
- statutory
- others

The plan should set *targets* for each of these partners, in cash and percentages with minimum and maximum contributions. (These targets should arise from the feasibility study). A building appeal, for example, *might* look like this. (Other appeals would vary depending on their attractiveness to the partners.)

Partner	Minimum %	Maximum %
trusts and foundations	20	25
individuals	35	40
corporate	10	20
statutory	25	30
others	10	15
	100%	130%

This allows you to establish key sources. For example, if the table above was for a £1m appeal, the target for trusts or foundations would be set at £250k (25%), with a minimum of 20% (£200K).

2. *Tactics*: you need to choose a range of tactics for each key partner. Some tactics are more appropriate for some partners than others. For example corporates are worth approaching for:

- CSR donations
- CRM promotions
- give as you earn (through employees)
- commercial sponsorship
- gifts in kind of materials
- 'soft' loans

- etc

Any of these could contribute to the target. But you need to establish,

- how attractive each tactic is – some of these might involve you in significant extra work
- how ‘risky’ it is – will it scare away other donors, so will individuals be less attracted if corporates are involved?
- what returns it might offer – is the company name on the building worth it and worth the money they’ll pay?

3. *Structure*: you need to consider two aspects of structure for a capital campaign – *organisational* and *legal*. In organisational terms you should consider:

- how many staff and volunteers you need?
- what skills those staff and volunteers need?
- how the staff and volunteers should be structured?
- whether you need a volunteer leadership group?

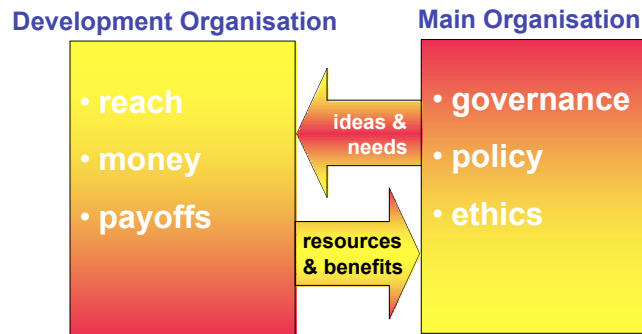
A classic structure is to use high level volunteers clustered into industry groupings, for example advertising, banking, retail, media etc. These volunteer clusters are used to lever money and resource from their peers in those industries.

In *legal* terms you should consider if you need a separate legal structure to drive forward the fundraising. Classically you would set up a separate charity to be the vehicle for the fundraising.

So a cancer charity might set up ‘The Anytown Hospice Appeal’ as a separate organisation to create a sense of ownership in the town for the project and to provide re-assurance that funds raised for the project would go directly to that cause and not into central funds.

An arts centre might create the ‘Anytown Festival Foundation’ which exists to raise money for a big festival to happen in 3 years time on the centre’s 21st anniversary. If anything went wrong with the festival it wouldn’t lead to the collapse of the centre.

Structure



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The *advantages* to creating a separate structure are:

- it may provide *access* to other funds *denied to your main structure* – for example a 501 C (3) is necessary for fundraising in the US
- it may provide an opportunity for a *rebranding* or *alternative branding* to make you more attractive
- it should provide a *focus* for the fundraising efforts – that is this structure is concerned with *raising* the money not spending it
- it can provide a *protection* for the main organisation if anything went wrong with the appeal

Private phase

Phase four is what's called the *private* or *silent* campaign. A key issue in major campaigns is that they are normally divided into two phases: the *private* and *public* phases.

The *private* phase is a period *before the public launch* when:

- key high level donors are brought on board

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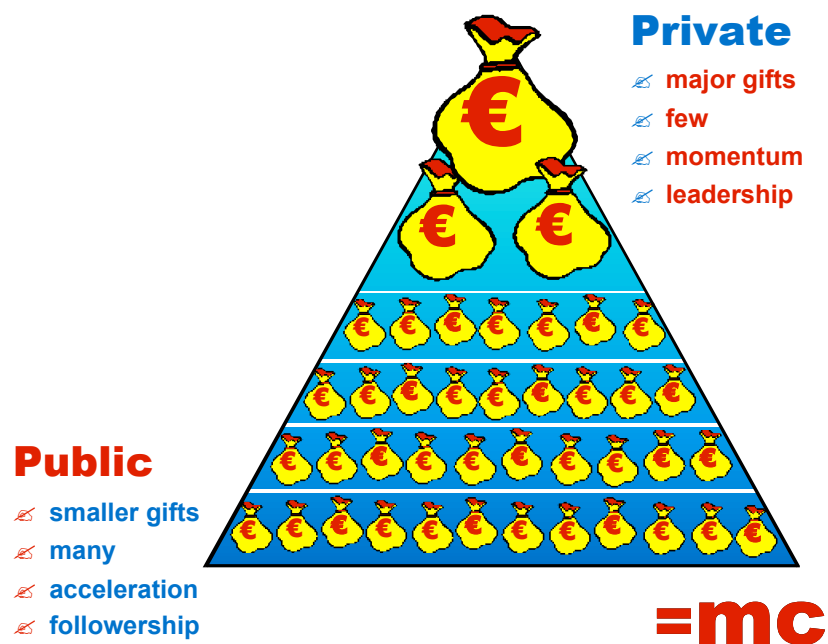
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- the organisational infrastructure is created
- momentum is built up
- ideally 51% of the money is raised

This phase can take from 6 months to 2 years to set up depending on the scale of the campaign.

The basic implication of the two phases is illustrated below.



Public phase

The public phase is the phase when *the campaign is launched*. It's when:

- lower level donors are brought on board
- the organisational infrastructure is put to work
- momentum is maintained
- the remaining 49% of the money is raised

This phase can also take from 6 months to 2 years depending on the scale of the campaign.

When you're putting together a major gift programme as part of an appeal with a target you'll normally create a gift table. This illustrates how you believe the target will break down. These should be based on:

- your feasibility study
- the experience of your consultants if you have them

On the following pages are some examples of such tables.

Close

You need to decide when to close a campaign. Before you do so there will often be a 'burst' or a 'bump';

- a *'burst'*: is an 'engineered' final addition to the campaign. You deliberately:

- overshoot the published target and so are seen to be succeeding.
- have a final campaign element that you can use to appeal to donors to match.

So you overshoot by £50k and then come up with a project for £100k that you ask donors to make one last effort for. The project should be attractive *and* additional. This tactic can provide a very positive extra energy to close a campaign

- A *'bump'*: is when the campaign slows down towards the end and the final 10% is difficult to achieve. This can be due to lack of energy

among the leadership board or a feeling of boredom since the campaign's been dragging a bit. To tackle this you need to:

- make it clear to the development/leadership board this is their challenge and they may need to dig deep personally or find some new sources.
- go back to donors, explaining you are so close... but you need a little extra. They'll help if they see this as a way to make something they're already committed to happen.

Thanks and reward: you also need to think about how you will *thank and reward* people for their efforts. You could organise a special launch or thank you event – or provide some benefits or a souvenir for those who contributed.

Continuing involvement: finally you want to consider carefully how to *continue to involve* these people in your ongoing work– and as a continuing source of funds. Not everyone will want to do this. But for some donors this first engagement will become part on a lifelong commitment.

Summary of gifts required: example for £/€/ \$10m target

Number of Gifts	Average* size of gift (£/€/ \$)	4 year value (£/€/ \$)	Total at this level (£/€/ \$)
1	250,000	1,000,000	1,000,000
2	150,000	600,000	1,200,000
5	100,000	400,000	2,000,000
10	50,000	200,000	2,000,000
15	20,000	80,000	1,200,000
20	10,000	40,000	800,000
30	5,000	20,000	600,000
40	2,500	10,000	400,000
80	1,250	5,000	400,000
160	62.50	2,500	400,000
			10 M

* Ignores any tax benefit to donors

Summary of gifts required: example for £/€/ \$500,000 target

Number of Gifts	Average* size of gift (£/€/ \$)	4 year value (£/€/ \$)	Total at this level (£/€/ \$)
1	12,500	50,000	50,000
1	10,000	40,000	40,000

5	5,000	20,000	100,000
10	2,000	8,000	80,000
15	1,000	4,000	60,000
25	500	2,000	50,000
40	250	1,000	40,000
80	125	500	40,000
160	62.50	250	40,000
			500,000

* Ignores any tax benefit to donors

Need more help?

=mc has a team of unrivalled fundraising consultants able to assist with the biggest and smallest campaigns. Between us we share experience in large charity work, international development, arts and culture, disability and the environment. We are proud to have worked with many of the UK's major charities on their strategy or fundraising. We're proud to be helping or have helped Oxfam, UNICEF, Christian Aid, Imperial War Museum, NSPCC, NCH, Tate Gallery, National Trust for Scotland, BHF and NCH.

If you'd like to know more about running major campaigns and how to adapt these general tactic to your needs, call us on **+44 (0) 20 7978 1516** or visit www.managementcentre.co.uk/fundraising.

We hope you found this download useful and enjoyable.

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