

# Hope is Not a Strategy: Realizing Your Portfolio's True Potential

Wendy Anderson and Karl Miller Austin, Texas December 3, 2016

### **End Game**

Creating
Engaged, Lifelong
Philanthropic Supporters



Step One: Portfolio Creation

### **Step One: Portfolio Creation**

Inherited

Assigned

Self-created

Hybrid

### Quality

Quantity

# SYSTEM SEMINAR

# Are You Finding/Seeing Your BEST Prospects

- Capacity
- Philanthropic Proof
- Giving (to YOUR institution)
- Frequency
- Recency
- Established Relationship(s) with Institution/Other Donors

### The Magic Number

- Dunbar Number
- Prospect Hoarding
- Qualification, Cultivation, Solicitation, Stewardship
- Focus and Follow-Through
  - http://www.newyorker.com/science/maria-konnikova/social-media-affect-math-dunbar-number-friendships



### Case Study: UT Austin

- Of top 1000 donors, 930 were 50+ years old
- 895 of top 1000 had made pre-campaign gift(s)
- 600 of top 1000 had been visited, 250 had 5 or more visits (pre-2006 visits)
- 51% of dollars came from .15% (418) donors

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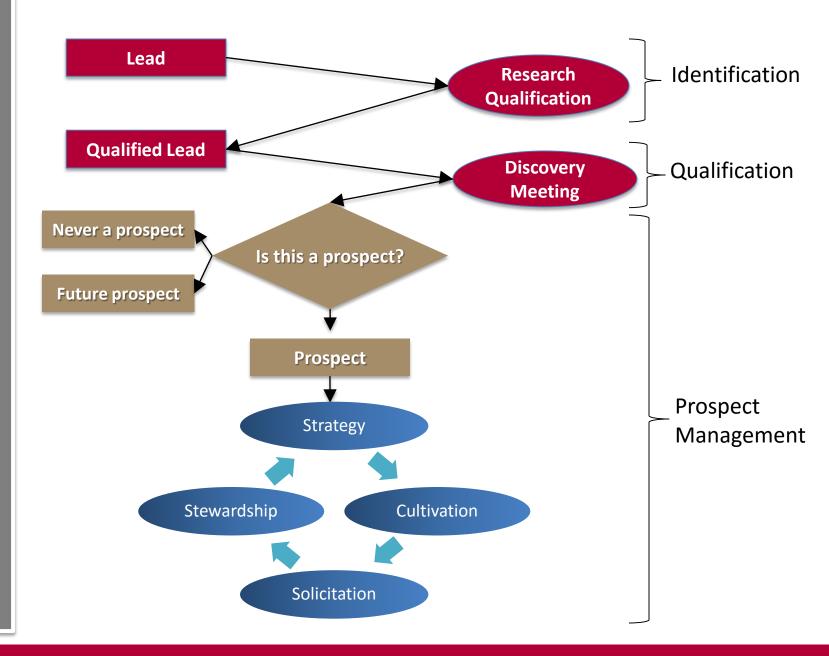
### Case Study: UT Austin

#### **Gift Capacity Ranges**

HH Giving	Unknown	< \$10K	\$10-24K	\$25-49K	\$50-99K	\$100-249K	\$250-499K	\$500-999K	\$1-4.9M	\$5-9.9M	\$10-\$24M	\$25M+
\$0	218	617	167	141	11,166	3,172	347	96	52	5	8	26
\$1-\$999	14	646	504	463	25,178	8,842	857	179	77	7	4	2
\$1K-\$9K	223	14795	13,920	9,341	9,630	4,713	393	125	71	8	3	4
\$10K-\$24K	115	1422	1,522	1,516	1,819	1,257	110	65	27	5	7	3
\$25K-\$49K	68	573	488	662	903	843	91	47	37	1	5	4
\$50K-\$99K	52	296	216	284	510	512	76	63	35	2	3	4
\$100K-\$249K	70	161	96	170	283	413	110	60	55	10	6	4
\$250K-\$499K	38	46	29	45	83	113	40	27	36	2	4	4
\$500K-\$999K	19	26	21	32	33	60	21	27	22	4	3	
\$1M-\$4.9M	40	21	16	17	32	44	22	23	54	15	15	8
\$5M+	22	5	3		5	3	2	3	11	6	9	10

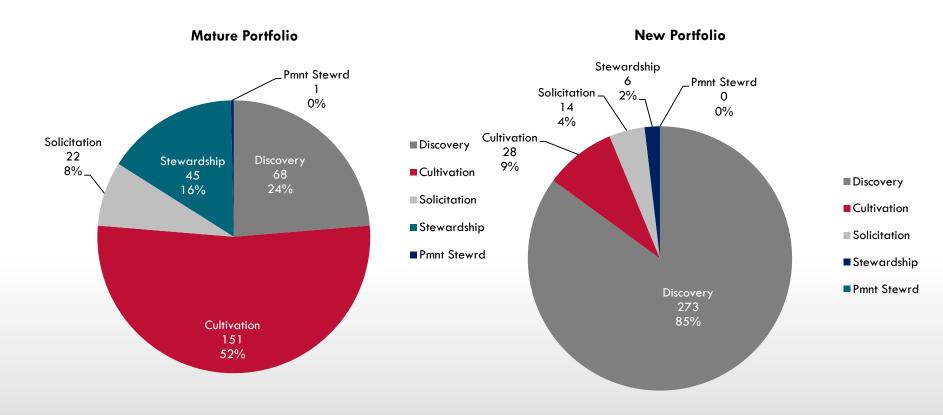
		Cumu- lative	100 prospects per Officei		200 prospects per Officer
Top Prospects	2,621	2,621	25	20	15
<b>Good Prospects</b>	3,628	6,249	60	40	30
Outlier Prospects	12,008	18,257	180	120	90
"Maybe" Prospects	18,472	36,729	360	240	180

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### Sample Portfolio Allocation



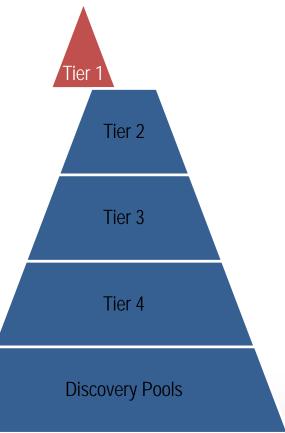
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### **Organizing Your Portfolio**

- Work to identify your top prospects by stage
- Do you have the right portfolio size?
- Based on the stages of your portfolio, where should you prioritize your activities?
- Do you know enough about who is assigned to your portfolio?

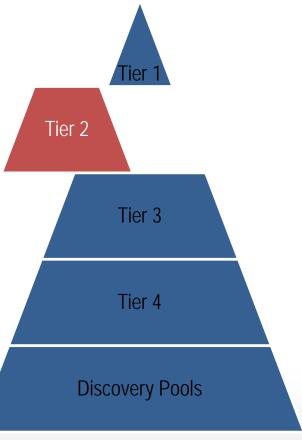
#### **Tier 1: Solicitation**

- Ready to solicit for a \$10,000+ gift commitment within 1–12 months.
- Ideal portfolio volume:20 qualified prospects
- Fluid:
  - Qualified prospects solicited and closed move to Tier 3 (stewardship) or to donor relations and stewardship staff (permanent stewardship).
  - Qualified prospects not ready to solicit move to Tier 2 or to prospect research for coding as "Not a Prospect Now."
- All Tier 1 qualified prospects continue to be solicited through annual giving program.



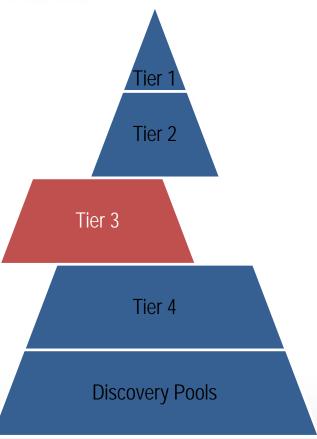
#### **Tier 2: Cultivation**

- Ready to solicit for a \$10,000+ gift commitment within12–24 months.
- Ideal portfolio volume:40 qualified prospects
- Fluid:
  - Qualified prospects ready to solicit move to Tier 1: Solicitation.
  - Qualified prospects not ready to solicit within 24 months move back to prospect research to be coded "Not a Prospect Now."
- All Tier 2 qualified prospects continue to be solicited through annual giving program.



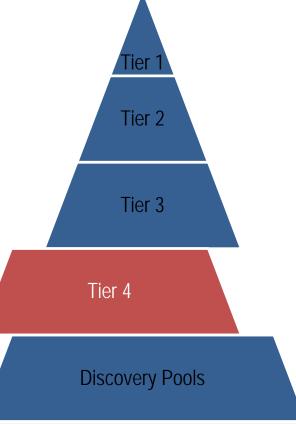
#### **Tier 3: Stewardship**

- Qualified prospects who have made a major gift commitment (\$10,000+) and are deemed capable and interested in making another major gift commitment.
- Ideal volume: 20 qualified prospects
- Fluid:
  - Persons move into Tier 3 after committing to/making a major gift.
  - Persons move back up to Tier 2 and/or Tier 1 in 12–36 months.
  - Major gift donors deemed unable/unlikely to make another major gift are assigned to donor relations and stewardship (permanent stewardship).
- All Tier 3 individuals continue to be solicited through annual giving program.



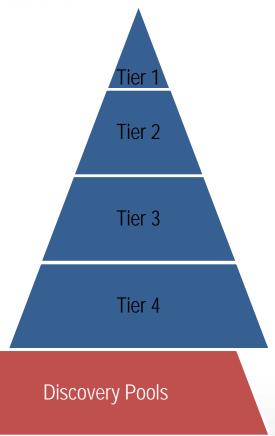
#### **Tier 4: Discovery**

- Qualified leads for discovery meetings during next 1–12 months.
- Determine whether qualified leads are qualified prospects for \$10,000+ gift commitments.
- Ideal volume:
  - 40 qualified leads—if not visited within 12 months, return discovery pool.
  - Number of qualified leads in Tier 4 based on the number of Tier 1, 2, and 3 qualified prospects in major gift officer's portfolio.
- Fluid:
  - Qualified leads evaluated to be qualified prospects move to Tier 2 or even Tier 1.
  - Qualified leads who do not move to Tier 2 or Tier 1 are coded as not a qualified prospect now or not a qualified prospect ever.
  - All Tier 4 individuals continue to be solicited through annual giving program.



#### **Discovery Pools**

- Feeder pools of unassigned qualified leads.
- Available for assignment to major gift officers when they need to replenish their qualified leads for Discovery (Tier 4).
- Staff should access assignment pools when out visiting and/or have available time for discovery meetings.
- All qualified leads in discovery pools are solicited through annual giving program.





Step Two: Improve Portfolio Management

**Moves Management** 

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### **Time Limitations**

- Setting time limits for each development stage helps plan, strategize, and stay on track with "moving" qualified prospects.
- for the maximum number of months constituents

Development Stage	Maximum Months in Stage
Qualification/Discovery	12
Cultivation	24
Solicitation	12
Stewardship	36

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Intentional One-on-One Meetings

Tier 1: Solicitation

20 Qualified Prospects x 4 Visits = 80 Meetings

Tier 2: Cultivation

40 Qualified Prospects x 2 Visits = 80 Meetings

Tier 3: Stewardship

20 Donors/Qualified Prospects x 1 Visit = 20 Meetings

Tier 4: Qualification/Discovery

40 Qualified Leads x 1 Visit = 40 Meetings

Total Visits = 220



### Improve Portfolio Management

Strategy Map

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### **Strategy Map**

Herre	Igruary	restruer4	March	April	May	June	ий	ALIBUS.	september .	October	Hovertue	December
Prospect J	Ask Date: 1/06/12 Ask Amt: \$15M Program: Athletics	Negotiation	Close Date: 3/31/13	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship
Prospect G	Ask Date: 1/21/12 Ask Amt: \$100,000 Program: Medill	Negotiation	Negotiation	Projected Close Date: 4/28/13	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship
Prospect D	Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Ask Date: 3/15/13 Ask Amt: \$500K Program: University Unrestricted	Projected Negotiation	Projected Negotiation	Projected Negotiation	Projected Close Date: 7/1/13	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship
Prospect E	Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Ask Date: 3/13/13 Ask Amt: \$1M Program: WCAS	Projected Negotiation	Projected Negotiation	Projected Close Date: 6/1/13	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship
Prospect H	Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	AskDate: 3/15/13 Ask Amt: \$750K Program: WCAS	Projected Negotiation	Projected Negotiation	Projected Close Date: 6/15/13	Projected Close Date: 7/15/13	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship
Prospect K	Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Ask Date: 4/5/13 Ask Amt: \$5M Program: University Unrestricted	Projected Close Date: 5/1/13	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship
Prospect C		Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Ask Date: 5/3/13 Ask Amt: \$1M Program: WCAS and/or ISEN	Projected Negotiation	Projected Close Date: 7/6/13	Stewardship	Stewardship	Stewardship	Stewardship	Stewardship
Prospect F		Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Ask Date: 5/31/13 Ask Amt: \$5M Program: Athletics	Projected Negotiation	Projected Negotiation	Close Date: 8/31/13	Stewardship	Stewardship	Stewardship	Stewardship
Prospect I			Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Ask Date: 6/12/13 Ask Amt: \$250K Program: WCAS	Projected Negotiation	n Projected Negotiation	Projected Close Date: 9/10/13	Stewardship	Stewardship	Stewardship
Prospect L	Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Ask Date: 3/30/13 Ask Amt: \$500K Program: KSM	Projected Negotiation	Projected Close Date: 8/10/13	Stewardship	Stewardship	Stewardship	Stewardship
Prospect B					Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Build up to ask - tasks/strategies	Ask Date: 8/1/13 Ask Amt: \$250K Program: Medill	Projected Negotiation	Projected Negotiation	Projected Close Date: 11/1/2013	Stewardship

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Contacted Development Office about art he wanted to donate.	Met with him to discuss art and what it would benefit. Decided to sell some land and establish two scholarships in his lifetime.	Solicit/Closure: \$100,000 Ask Area: Endowed Presidential Scholarship to fund two scholars.	Attended the scholaship dinner and met with the Dean.	Met with Department Chair and students once scholarsships were awarded. Dept Chair told him of need for fellowship support.	Attended art history exhibits and Blanton Museum events.	Blanton Tour of the Print Collection.
			EMBER SO	italiat, Roll	, dely	;
	Dinner to present language for estate. We discuss his interest inestablishing a fellowship in Visual Arts.	Invited to the Texas Leadership Society dinner.	Ask Amount: Estate: \$400,000 and outright \$100,000 for Endowed Presidential Fellowship.	Birthday card from the Dean.	Dinner to meet his students for his EPS.	



# Step Three: Accountability

What Gets Measured, Gets Managed. What Gets Managed, Gets Done.



Visits

Moves/Contacts

Proposals/Solicitations



### **Busy Versus Productive**

Being Busy Means Doing Stuff.
Being Productive Means Getting
Stuff Done.

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Metrics to evaluate major gift officer's major gift activity and results.

- Meetings: Intentional face-to-face meetings with major gift prospects.
- 2. Asks: Major gift proposals presented to prospects.
- 3. New gift commitments: number and dollar value—closed.
- **4.** Qualified Prospects: New major gift prospects qualified through discovery meetings.
- **5.** Leads: New leads generated through referrals.

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Productivity Metrics

Assessments

Solicitations to Gift Capacity

Awards Realized to Solicitations Made

Award Amount to Solicitation Amount

$$1 + 1 = 5$$

**Collaboration Metric** 



### **Portfolio Management Reviews**

Daily

Weekly

Monthly

Quarterly

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Prospect Management

### Meeting Agenda

- 1. Review solicitation progress on all Tier 1 (Solicitation) qualified prospects.
- 2. Review progress on selected Tier 2 (Cultivation) qualified prospects— "on track."
- 3. Discuss strategies on selected Tier 1 (Solicitation) qualified prospects submitted prior to meeting.
- 4. Review team's progress on discovery meeting goal.
- 5. Assign new qualified leads for Tier 4 (Discovery).



### Let's Chat

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