Goal-Setting and Building a Table of Gifts or “You Do What You Measure…”

In This Chapter

- The core goals to set for your Annual giving program—and how to develop them
- How to track and measure your progress throughout the year to stay focused on top priorities
- Analyzing your results to chart a course in the next year

Steps Included:

Step 1—Build your Realized Table of Gifts
Step 2—Build your Projected Name-by-Name Table of Gifts
Step 3—Set your Overall Goal for the year
Step 4—Set your Leadership Giving Goal
Step 5—Determine your retention numbers
Step 6—Set your reactivation goal
Step 7—Determine your upgrade or increase goals
Step 8—Take steps toward a balanced portfolio
Step 9—Build your portfolio of prospective donors
Step 10—Research your most promising prospects
Overview

Setting goals—especially if you’re brand new to development or feeling out of your comfort zone in development work—can be daunting. What if I’m wrong? What if we don’t reach these numbers? What do I really need to track and why? All these questions may be running through your head now or perhaps have kept you from setting clear, firm goals in the past.

This chapter will help ensure that you set sensible, achievable goals and explain what you need to track on a regular basis so you are building your Annual giving program for success today and for the future.

For example, if you only keep track of money in the door and your progress toward what you need to fill a budget gap…

- You may not have important information on donors you have lost along the way—and you will end up working harder than you need to reach your goal each year.
- Or you may seem to be on track to meet your goal until the very end of the year when you seem to run out of steam. How did this happen?
- Or you may be hitting your goal each year, until the money you usually raise from an event each year doesn’t come in. Who can you turn to in a pinch to make up the difference? If you’re only keeping track of dollars in, you probably don’t have an easy or accurate answer to that question.

If you’ve been in any (or all?) of these situations in the past, this chapter is for you.

Perhaps though, you are a true “data wonk” and love diving into all this analysis. This chapter is really for you.

REALITY CHECK:

Look, I know our bottom-line goal already. Sure, we’ve run into some of those issues you mention, but who doesn’t? We don’t have the time or the capacity to track a lot of data. We just need to get the work done. Isn’t this all leading to “analysis paralysis”?

Making a change—especially one that lays out in raw numbers what accountability will look like for your annual giving program—is tough. There are three answers to the question you ask:

1. To use your limited time wisely—and confidently deploy yourself, fellow staff members and volunteers on the tasks that are really most important—you need to be clear about how to define success. Setting goals beyond your final bottom line goal and tracking them throughout the year will help you ensure that you know when to switch from Plan A to Plan B, C, D, E, etc… Plus, rather than only focusing on how to raise dollars (yes, you need to do that), you’ll have a plan for tracking how you are raising donors. You don’t have time not to set and track these goals.

2. Capacity is an important issue. The single most critical piece of infrastructure your whole development program needs is information. Without that, your program—and your continued ability to serve kids well—is in a risky position. This includes investing in and using a good database, having staffing resources available to collect donor information, and making the commitment to capture donor information throughout the year.

If data infrastructure is a serious issue for you, talk with partners in your 4-H state office and in your sponsoring institution to develop a plan to address this challenge.
3. Analysis paralysis is another matter. Sure, “data for the sake of data” is not helpful. What this data is designed to do is help you see what you have, what you need and how you’re doing in moving toward a stronger Annual giving program. These goals and the process for setting them is your road map for everything that you need to do for the rest of the year.

Don’t believe it yet? Keep reading.

Goals To Set

In the step-by-step instructions, you’ll walk through how to build all the goals you need to set for your Annual giving program. In brief, here they are:

**Overall goal**—what is your goal for the year? (We previewed this in Chapter One; jump back there or keep reading in this chapter.)

**Leadership giving goal**—what is the total you can expect to raise in gifts from donors of $1,000 or more? If you are just getting started in annual giving, or you have a brand-new program, you may want to lower this number to $500 or more.

**Retention goal**—what percentage of the people who gave to you last year, two years in a row and up to five years in a row will you aim to keep in your donor community this year?

**Reactivation goal**—what percentage of donors who have dropped out of your donor community will you aim to renew in their giving?

**Upgrade goal**—what percentage of your donors, especially among your leadership donors, will you increase in their giving?

Okay. It is a lot to keep track of, especially if you’re used to reporting on the overall total and how your events or mail appeal has done. I promise that there is a reason for each one: these goals all have specific strategies that need to be tied to them so you build a strong program today and into the future. But, if you really do need to prioritize which ones you focus on first, start with these:

1. Overall goal,
2. Leadership giving, and
3. Retention of donors from last year.

That’s a solid start, but please promise you won’t get too comfortable with only those three goals for long…

How to Reach Them

How you choose to approach these goals—how you raise the money—is just as important as setting the goals themselves. If, for example, you see that you’ve got a strong need to raise more from leadership-level donors, but the majority of your annual giving program plan consists of low-level events and sales of wrapping paper, candy bars or other trinkety-things, you are not setting yourself up for success. Your tactical plan—and the goals you set for how much time you devote to each one—must follow the annual giving growth goals, not precede them and certainly not exist in a separate silo from them. Everything else flows from these goals.
Not only should you be thinking strategically about which tactics will help you move toward your goals, also think about the ultimate return on investment. The Advisory Board did an in-depth study of the return on investment of different fundraising approaches and here is what they found:

![Figure 1: Return per $1 Invested](image)

In light of those stark results, we recommend that you spend most of your time and resources on face-to-face fundraising, and work to lessen the time and resources invested in hosting special events. Of course, you should be attentive to your community and the philanthropic “culture” of your donors, but it also makes a great deal of sense to educate your volunteers and county agents on the implications of using fund-raising techniques that will maximize your investment of time—and theirs! Here are a couple of rules of thumb to be following:

1. At least 80% of your gifts of $1,000 or more (or $500 or more, if you’re using that threshold for leadership giving) should be solicited face-to-face. 100% of your gifts over $1,000 should be solicited face-to-face.

2. Fundraising special events should be raising at least $25,000 net and costing no more than 35% of the gross including staff time. Ideally, the cost per dollar raised at your fundraising events will be closer to $0.25 or $0.30 (or cost a quarter to raise a dollar).

When to Measure Your Goals

Once you set these goals at the beginning of your fiscal year, then what? Here is a simple chart of what you should be tracking monthly and what you can track quarterly.

You can use the Annual Giving Dashboard report template to keep track of what you are reporting and when you are reporting it. This should be one of the tools you use with your Health Rocks team at every meeting or in an emailed report on progress to back-up why you are asking different team members to step up and take on different roles throughout the year. This also provides a consistent, objective measure of progress, bolsters accountability to each other, and can take away some of the “finger pointing” or erroneous assumptions about who is responsible for what throughout the year.
Step-by-Step Actions

Setting these recommended goals is simpler than it may seem. Follow these step-by-step instructions to develop each of the top-level goals you need for a successful Annual Giving program.

Another useful resource to support your work on the first few steps here is Building a Projected Name-by-Name Table of Gifts in the Fundraising Toolkit. The steps listed there appear in a slightly different order than they appear in this resource. That is OK—things will work fine for you either way and you’ll go through all the same steps ultimately. You may find that you prefer one approach to the other—pick what works and use it!

Step One (MAYBE…)—Build Your Realized Table of Gifts

If you have a track record of fundraising—and all of you will have this eventually—this is where you start. If this is your first year really focusing on building and annual giving program of any kind, skip right on to step two—build a projected table of gifts.

1. Using the Name-by-Name Realized & Projected Table of Gifts template and your data from the past fiscal year, fill in:
   • The number of donors,
   • The amount given and
   • The name of each donor at the $1,000, $2,500, $5,000, $10,000 and $25,000 level.

2. List each donor in the category that reflects the total gift for the year. For example, a $500 check for your mail appeal, $100 for 2 tickets to your gala, and a $300 for your golf outing and $100 at the golf silent auction is a $1,000 donor.

3. Include individuals, corporate donors and foundations on the realized table as long as the gift was not restricted to a special purpose (like a building project or endowment campaign. We’ll get to those donors later.)

4. Do not include government grants (not philanthropy) or other non-voluntary sources of revenue in this table.

5. Also do not include the amount raised from your volunteers here. For example, if a donor personally gave $1,000 and was able to negotiate an additional $5,000 corporate underwriting for your gala, the donor is listed in the $1,000 category and the company in the $5,000 level. At this stage, the realized table of gifts should only capture donors, not solicitors.

Step Two—Build Your Projected Name-by-Name Table of Gifts

1. Using your Realized Table of Gifts or your pool of potential donors that you’ve been building over time, consider how much each donor should be asked for in the next year. Keeping in mind that upgrades is one of your goals, think through who:
   • Has gotten to know your program much better of the course of the year and might be inspired to give more than last year?
   • Could know the impact of your work better if you engaged them face-to-face and might be interested in investing in your mission to a greater degree?
   • Has been giving at the same level for a long time and might need to be challenged to step up?
Put these names on the projected table of gifts in the right category—some might move up from $1,000 to $5,000 or $5,000 to $10,000; others might stay in the same category but will be asked for an increased gift, for example, the company gave $3,000 last year but will be asked for $4,250 this year.

2. Set projections—and these can be **educated guesses**—for each of these donors in the columns marked “High”, “Low” and “Likely”.
   - **High** is the increased amount you are soliciting,
   - **Low** is the worst case scenario—for some it will be same gift they gave last year, for others it might be the same as **High** if you are very confident that they will give the increased amount, for a very few (maybe none) it might be $0
   - **Likely** is what is probable from this donor—again for some it may be the same as **High**, or it might be in between, or perhaps, if you’re feeling pessimistic about your possibilities with this donor, it might be $0.

   **Note:** For anyone with a projection of Low or Likely at $0, these are your first priority when it comes to reaching out face-to-face. What can you do to change your odds of getting nothing from this donor?

3. Work through all the rest of the names from your realized table of gifts—those you aren’t asking for an increased gift—and project a **High**, **Low**, and **Likely**. Hopefully **most** of the current donors on your list will be asked for an increase, even if you’re not equally confident of getting it from all of them.

4. Now it’s time to go hunting for new potential donors at the $1,000 level (or $500 level, if that’s what you’re using).
   - Add any new potential leadership donors that have surfaced through volunteer contacts, corporate contacts or through peer screening or electronic screening throughout the past year. Remember to consider high-level individuals at a company that currently supports you—could they give personally? Set **High**, **Low** and **Likely** for each of these potential donors individually.
   - If you’ve done a building project, endowment campaign or special restricted effort in the past five years, look for any donor of $1,000 or more to that effort and add their names to the table of gifts. If these are not regular donors to your annual campaign, you’ll likely have lower projections for them, but that doesn’t mean you shouldn’t ask!
   - Now look in your own database for every donor who has given $500 or more over the past three years to your Annual giving program, through any vehicle (mail, event, etc…). Add these names to the table of gifts, but project that only one in four will give you a $1,000 gift.
   - Finally, look in your own database for every donor who has given $250 or more in the past year. If you are able, run these names through electronic screening and include every donor who is rated at $250,000 or more in your projected table of gifts at the $1,000 level.

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**BEST PRACTICE BENCHMARK**

Annual giving programs should be expected to grow between 3% and 5% each year.
Step Three—Set Your Overall Goal for the Year

This process was outlined in Chapter One as well; here’s a refresher on how to use what you’ve already created with your Realized and Projected Table of Gifts to set a realistic, achievable—but inspiring—overall goal for the year.

- Consider whether you need to be conservative in your growth, if you’re just getting started, understaffed, building your program, etc…
- Or whether you can be more assertive in your growth because you have a great staff in place, board giving and getting, solid plan in place—or going to be in place.

1. At the end of the fiscal year once you have “closed the books” and counted all gifts you are going to during that fiscal year, look at the final amount raised. Use this to develop your first proposed goal. (This is still not “The Goal”.)

   Did you exceed your goal? You can increase the projected goal for next year.
   Or did you fall short of your projected goal? You need to lower the projected goal for next year.

   \[
   \text{Amount Raised} \times 3\%-5\% = \text{Proposed Goal #1}
   \]

2. From your Projected Name-by-Name Table of Gifts, add up the Likely column and add in the amount you expect to raise in “lower level” gifts (from your mail campaign, events, etc…)

   \[
   \text{Total of Likely} + \text{Projected results from lower-level giving} = \text{Proposed Goal #2}
   \]

   NOTE: Be careful not to “double count”: if a donor is on your name-by-name table of gifts, and you know will participate in one of your events as a part of the overall gift for the year, don’t include that money here toward your expectations of the event.

3. Compare these projected goals, plus the “plug number” you established before the fiscal year ended. Does the budget need to be decreased because it assumes an unrealistic amount of growth? Can you be more aggressive in seeking fundraising growth in certain areas?

   • What does the budget need to accomplish what you want?
   • What is the best practice goal when you increase the total raised by 3% to 5%?
   • What is the goal that you build by hand?

B E S T  P R A C T I C E  B E N C H M A R K

A strong, vibrant and sustainable annual giving program should receive between 60% and 80% of their revenue from gifts of $1,000 or more, excluding any very large, unrepeatable gifts, usually greater than $50,000.
4. Reconcile these numbers until you arrive at a goal that makes everyone (well, almost everyone, perhaps) comfortable. In tough economic times or until you have a strong annual giving track record, be more conservative in setting your goal. Better to under-promise and over-deliver.

Step Four—Set Your Leadership Giving Goal

1. Compare the total on your Realized Table of Gifts (which should include all of your donors in the previous year of $1,000 or more) to the total raised. What percentage was Leadership Giving during the last fiscal year?

2. Compare the Likely total to the overall goal for this year. What percentage is leadership giving projected to be during the coming fiscal year?

3. If you are far from that benchmark, first go back through the names and consider whether any others could be challenged to set up further and how likely your success might be. If you are far from that threshold now, or are building your fund development efforts for the first time, don’t expect to get there in a single year, but don’t let “We haven’t before…” turn into “We never will…”

4. Determine a challenging but realistic percentage goal for leadership giving that moves you incrementally toward (and beyond) 60% over time. Track your progress monthly.

Step Five—Determine Your Retention Numbers

These next three goals are much easier to track and set if you have a solid database. And, of course, if you are building a new program without a one-year (much less a five year) track record of giving, this is not something you need to be setting now—but you should be establishing a data recording system that will enable you to track this in future.

<table>
<thead>
<tr>
<th>Type of Donor</th>
<th>Retention Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Donors</td>
<td>85% or more</td>
</tr>
<tr>
<td>• Current donors of $1,000 or more</td>
<td></td>
</tr>
<tr>
<td>5 Year Donors</td>
<td>85% or more</td>
</tr>
<tr>
<td>• Given for each of the last 5 years</td>
<td></td>
</tr>
<tr>
<td>2–4 Year Donors</td>
<td>70% or more</td>
</tr>
<tr>
<td>• Given between 2 and 4 years consecutively</td>
<td></td>
</tr>
<tr>
<td>New Donors</td>
<td>50% or more</td>
</tr>
<tr>
<td>• Given in the last fiscal year, for the first time</td>
<td></td>
</tr>
</tbody>
</table>

Download the **Annual Giving Benchmarks** resource to have a handy reference of what the recommended benchmarks are. Use “year one” to gather baseline data: what do you achieve in this initial effort? There will be great potential to beat yourself up for being far from these benchmarks; resist that impulse! See where you come out and then chart a course for continual improvement toward those benchmarks.

1. Most donor software databases have a “canned” (or pre-written) report for tracking donor retention. If you have this, pull your numbers for new, 2–4 year donors and for five-year donors.

2. If your database doesn’t offer this function, or—heaven forbid!—you’re working from Excel spreadsheets (Note: Stop THAT now and invest even a little bit of money in a real database and an intern to input the data…), start by comparing the last two full fiscal year donor lists to each other. What percentage of are you keeping overall?
3. Establish your current benchmarks to whatever degree you are able. How close are you to the best practice levels? Which areas are most problematic for you? Look further into the data; are new donors who give through an event the biggest problem for you? Was there a particular challenge that your program faced in the past few years that caused a group of donors to turn away? Are you churning through leadership donors? Make note of any of these trends now; we’ll return to create an action plan to address these issues later.

4. If you are far from the best practice benchmarks right now, as with your leadership giving goal, resolve to make incremental progress—3 or 5 percentage points per year, figure out how many donors would translate into a 5% increase and include that in your plan.

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**BEST PRACTICE BENCHMARK**

Not all lapsed donors are created equal. (OK, really they are, of course, but don’t treat them in the same way.) Of the donors you are not able to retain year-to-year, you should aim to “reactivate” lapsed donors at a rate of about 25% overall. Or, put another way, of all the donors who did not give to you in the last fiscal year, but gave to you sometime in the last five years, you should aim to get a gift from 1/4 of them in the current annual giving program.

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**Step Six—Set Your Reactivation Goal**

1. Again, data capacity is critical to being able to do this easily. The most promising group to solicit for a “renewal” gift are those who gave to you up to three years ago, but not last year. For example, if you are reading this guide in FY2010, donors in FY2006, FY2007, or FY2008 but NOT in FY2009 would be the best lapsed group. (If it’s not FY2010, just adjust the numbers; you get the idea…) If you have significant resources and can afford to reach out to solicit a larger group of donors, go back up to five years.

2. As you set this goal, consider two questions:

   - **What resources can we afford to expend on renewing these donors?** If most of what you can do is by mail, and perhaps only one mailing per year, you will probably reactivate less than 25%. If, however, you have the ability to separate out those donors who gave more significantly in the past and will solicit them personally, and can mail, email or phone the others more than once during the year, you’ll probably hit that 25% goal.
• Are there other, extenuating circumstances that caused these donors to lapse in their support? If they gave once in honor or in memory of someone and are otherwise unconnected to you; if there was an issue in your past (closed a center, shut down a program, personality conflict, that “stuff”), then again your reactivation rate is not going to hit 25% realistically. Still set a plan that you can afford and can deliver but lower your sights on how it might pay off this year.

Step Seven—Determine Your Upgrade or Increase Goals

1. Of course, again, having a solid database is going to make this much easier to establish, since most donor software will also have this as a standard report. If you don’t have that option, doing a “hand count” of year-to-year increased gifts among your leadership donors should not prove too cumbersome.

2. Establish what percentage of donors has been increasing their gifts to you in the past few years. Are you already close to 25%? By focusing on a few more visits with upper level donors, you’ll hit that benchmark. If you are further from that total, set a goal of 20% for the next year and create a tactical plan that includes many more in-person visits, which are significantly more successful in closing increased gifts than events, or mail appeals.

3. Also look at how most of your upper level gifts are being solicited now. If you host a special event that is generating most of your leadership level donors, you are not likely to get many increases from this source since most events have set “price points” (for example, $1,000 for a table). As you build your tactical plan, you will need to think through alternative solutions for seeking increased gifts. You’ll find some solutions in Chapter 7 on maximizing your special events.

Step Eight—Take Steps Toward a Balanced Portfolio

Once you establish what your baseline benchmarks are—how much you raised from each of these constituencies in the past fiscal year, review your projected table of gifts. If each of these gifts came in as projected, what would your portfolio balance be? What area is over-represented? What is under-represented?

Figure 2: Sample Balanced Portfolio

BEST PRACTICE BENCHMARK

A well-run Annual giving program with a regular face-to-face solicitation should achieve upgrades from 25% of the donors or more.
Use this information as you make plans for filling the pipeline with new potential donors, especially focused on raising funds at the leadership level. If you can achieve a well-balanced portfolio at the $1,000+ level of giving, you will have taken an important step forward in long-term growth and lowering year-to-year risk in your program.

The next chapter of this guide discusses how to use the information you’ve gathered in setting these goals to create the right tactical action plan for your Annual giving program.

I’m beginning to see how setting these goals will help me demonstrate to my team why we all need to do what we need to do, but building this whole realized table of gifts and then the projected table of gifts feels like a lot of effort when I know it will keep changing throughout the year. What can I really learn from these tables?

It is good news that this is coming together. The real purpose for building the realized table of gifts is just because it’s so difficult to build the projected table of gifts without it. And, since you’ll be updating the projected table throughout the year as gifts come in and you monitor your progress, you’ll never have to build this from the ground up again.

Here’s what a sample projected table of gifts says about this fictional state program:

**Goal:** $500,000
- 3% increase from last year

**Leadership Giving Goal:** $300,000
- 60%, raised 55% from leadership giving last year

<table>
<thead>
<tr>
<th>Giving Level</th>
<th>Donors Needed</th>
<th>Number of Prospects Needed (X needed for every 1 gift needed)</th>
<th>Number of Prospective Donors Identified</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000</td>
<td>1</td>
<td>2 (2:1)</td>
<td>2—(1 individual, 1 corporation)</td>
</tr>
<tr>
<td>$10,000</td>
<td>4</td>
<td>8 (2:1)</td>
<td>6—(2 individuals, 4 corporation)</td>
</tr>
<tr>
<td>$5,000</td>
<td>5</td>
<td>15 (3:1)</td>
<td>11—(2 individuals, 5 corporations, 4 foundations)</td>
</tr>
<tr>
<td>$2,500</td>
<td>11</td>
<td>44 (4:1)</td>
<td>19—(9 individuals, 6 corporations, 4 foundations)</td>
</tr>
<tr>
<td>$1,000</td>
<td>45</td>
<td>180 (4:1)</td>
<td>65—(37 individuals, 10 corporations, 8 foundations)</td>
</tr>
</tbody>
</table>
This program is on track in a number of areas: projecting a wise 3% increase given the kind of increase they are envisioning in leadership giving. The leadership table of gifts is not in bad shape either, but there are a few concerning items that jump out:

- They are fairly well situated at the top of the table of gifts—they technically have enough prospects to meet their goals at the $25,000 and are close at the $10,000 and $5,000 levels. Of course, it will be important to know how well they know those donors, how likely they see these gifts to be. That name-by-name projection is always more valuable than measuring against “conventional wisdom” ratios.

- Things fall apart significantly at that point with not nearly enough donors identified at each of the lower levels to be confident about reaching their goals at these levels. To reach their goals, they’ll need to be diligent about two strategies: reaching out widely into their networks to identify new prospective donors who are capable of giving at the $1,000 level or higher; and soliciting each of those donors in their current pool face-to-face so they maximize their chances of getting a gift from each of their identified prospects.

- The balance of their portfolio is also a reason for concern. They are over-weighted in corporate prospects and have too few individuals and foundation prospects in their pool. Even with great relationships with each of those corporations, corporate giving fluctuates more significantly than any other group—up 7% one year, down 13% the next—while individual giving usually goes up, though modestly—3% or 4%—but also drop more modestly.

Overall, this program needs to focus their tactical plans around methods they will use to identify about 150 new individual donors who could give $1,000 or more over the next couple of years.

Step Nine—Build Your Portfolio of Prospective Donors

1. If you are working from a pool of potentially Health Rocks-aligned donors, perhaps donors who have given to other 4-H health and wellness initiatives, or donors to your sponsoring university that you can reach out to, the best place to start is with peer review. Working with your pool of volunteers, existing champions—if you have them, board members, or anyone who is well-connected in your community, begin holding regular peer review sessions where you ask participants to review a list of potential donors to see who knows whom. There are a number of ways to hold a peer review session and important questions to ask to frame the meeting for success: please refer to the accompanying Peer Review Guidelines resource for step-by-step instructions on holding a peer review discussion that yields great results. A well-run peer review session will often lead to new names to add to your network… Read on!

2. Either through peer review sessions, or by reaching out anew into your community, networking, networking, networking should also be a part of what you are doing all the time to seek additional interest in supporting your Health Rocks program. Perhaps you’re reaching out to a corporate—or school, or foundation or…leader in your community who has agreed to discuss your vision and strategic plan. Through the meeting you’re getting lots of positive body language, nodding, great questions about the impact of the program, etc… This is a great person to ask to open their network. Ask, “You seem to feel that this is an important program to take to scale in our community. We’d love your help in doing that.
Are there others you know who should hear about this program? Would you be willing to introduce us to them?”

To activate the networks of your first group of volunteers, consider bringing together this “inner circle” to think through their networks. Ask everyone to bring their “Rolodex” with them (computer, iPod, Blackberry, whatever form that takes today!) and ask each to draw the diagram to the right on a page:

Together, work through the various circles, listing who belongs in each circle, sharing names, contact information and any notes on who and how to reach out to each.

3. Those with the largest networks, or those with the greatest willingness to open significant networks (perhaps small circle but major “movers & shakers”) are the most likely to be champions for your Health Rocks program. Do they speak passionately about your vision? Are they invested—or have the potential to be significantly invested—in your program? Are they opening their networks and acting as “inspired evangelists” for the growth of Health Rocks? Sounds like a great champion!

4. Make networking and peer review sessions a part of every visit in your community, with as many different groups and parts of your community as possible. Each will feed the other.

5. Be sure you have a plan—and someone regularly “doing the doing” to capture and keep the data you are collecting. An intern or student on work study can be a great, relatively inexpensive way to make sure you’re feeding contact information and who knows whom into your growing database. If you don’t have access to addition staff resources, set aside time in your own calendar once a week for a concentrated two hours to input. Make sure it is a quiet time, free of distractions so you can get this done accurately and quickly. Drifts of scraps of paper with contact information and potential leads can creep up on you in no time. Pre-plan how you’re going to input that data!

6. Track how you’re doing against creating a balanced portfolio. Have you turned up many corporate prospects? Could any of those corporate contacts be individual donors in their own right? Do you have lots of names of individuals who might support the Health Rocks program? Do they have connections to foundations or corporations? Have you identified key foundations in your community who might support a program like yours? Are you proactively looking for those who know decision makers within that foundation? Think dynamically about where there are more potential contacts and interest in your program—it never hurts to ask!
Step Ten—Research Your Most Promising Prospects

1. From your list of contacts, any past giving to your 4-H programs or the university, the comments from your “networkers”, your growing knowledge of philanthropy in your community, you should have some idea—though it may be vague—about who the “most promising prospects” on your list might be.

   Think about dividing your list into three or four parts:
   - **Known Philanthropists**—“Tier 1”, the best of the best, donors, interested and able to connect to you
   - **Probable Major Donors**—“Tier 2”, some indicate that they give generously and you’ve got some sort of connection to them but all needs to be confirmed
   - **Possible Lead Donors**—“Tier 3”, it’s unclear whether they have significant resources or would be willing to share them with you
   - **Lower-level Donors**—“Tier 4”, known that they don’t have significant resources but could be generous, regular donors to your program of $25, $50, or $100, your “bread and butter” donors

2. Spend most of your time researching Tier 2 and 3. You don’t need to confirm what you know about Tier 1; the best research you can do with them is visit and ask great questions. Tier 2 and 3 need some information confirmed about them before you invest time trying to get in the door and visit face-to-face. Spend about 30—45 minutes (maximum!) searching the internet to see what you can find out about this person. Do they seem to be philanthropic? Can you find anything about their business or background? If you’re finding promising information, great! Visit! If you’re not sure, keep them in your peer review list to try to find someone else who knows more about them and can help qualify or disqualify them from your top list.

   Start a **Donor Profile** on your most promising prospects to organize and capture what you’ve uncovered through your research.

3. There are many free, or almost free, website available with publicly available information to help you do research. For those with a university connection to Lexis Nexis—lucky you! Use it! If you don’t, there is a lot of information that a good old search engine can turn up for you. Check out the **Websites for Research** resources with this chapter for guidance on places to look. It is also great to team up with your university’s researcher in the development office to seek their advice on their greatest sites for research in your community. (And they may be able to give you the heads up on some of your potential prospects as well.)
4. To help you organize and prioritize your time, start using a ratings system for your prospective donors. Ideally, you are capturing ratings on three measures:

- **Capacity**—a raw measure of wealth, how much could this person potentially give away to all the organizations important to him or her?
- **Inclination**—a measure of interest in your mission, philanthropy and connection to you.
- **Readiness**—a measure of how close this prospective donor is to saying “yes” to a gift.

**Rating Guidelines** and how to set them is included with this chapter. Adapt to your database and start building these for all of your “Tier 1” and “Tier 2” names.
Summary of Key Points

Setting goals for your program is the most important step you can take in charting the right course for your Annual giving program. Without knowing where you are, how can you accurately plan where you need to go, not only this year but into the future. Shared goals also enable the whole Health Rocks team to stay focused on the top priorities to achieve success.

Having benchmarks and, especially, a projected table of gifts enables you to plan tactics, shift tactics and track your progress throughout the year. If your Annual giving program is in trouble, you’ll know early enough to be able to adjust and make alternate plans to get to your goals.

These goals also provide a great service in building confidence throughout the state—in themselves and in you—to be able to achieve your budgetary goals. By delivering deep, sophisticated measures of accountability, you are quantifying what success will look like!

Tools, Templates and Samples

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