

Philanthropy and Fundraising 201



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TPG Companies, Inc.
February 9, 2018



Session Overview – 3 Parts

1. Introduction: TPG Companies
2. Philanthropy & Fundraising 201
3. Questions & Discussion



TPG Companies



TPG Strategy & Management Solutions



TPG Market Intelligence & Business Analytics



TPG Leader & Leadership Development



TPG Executive Recruitment & Talent Development



TPG Philanthropy Group



TPG: Diverse Industries & Professions

- Associations
- Charities / Foundations / Public Benefit
- Manufacturing & Industrial Processing
- Agriculture & Agribusiness
- Financial Services
- Natural Resources & Energy
- Transportation & Logistics
- Engineering & Other Professional Services
- Real Estate, Multi-Tenant Housing
- Education
- Data Science / Data Analytics
- Private Equity & Venture Capital
- **More...**



TPG Companies Commendation

“Our only regret is that we didn’t bring TPG in sooner to help us plan and build.”

Paul & Joel Worcester, Worcester Investments



Section Two

Philanthropy & Fundraising 201

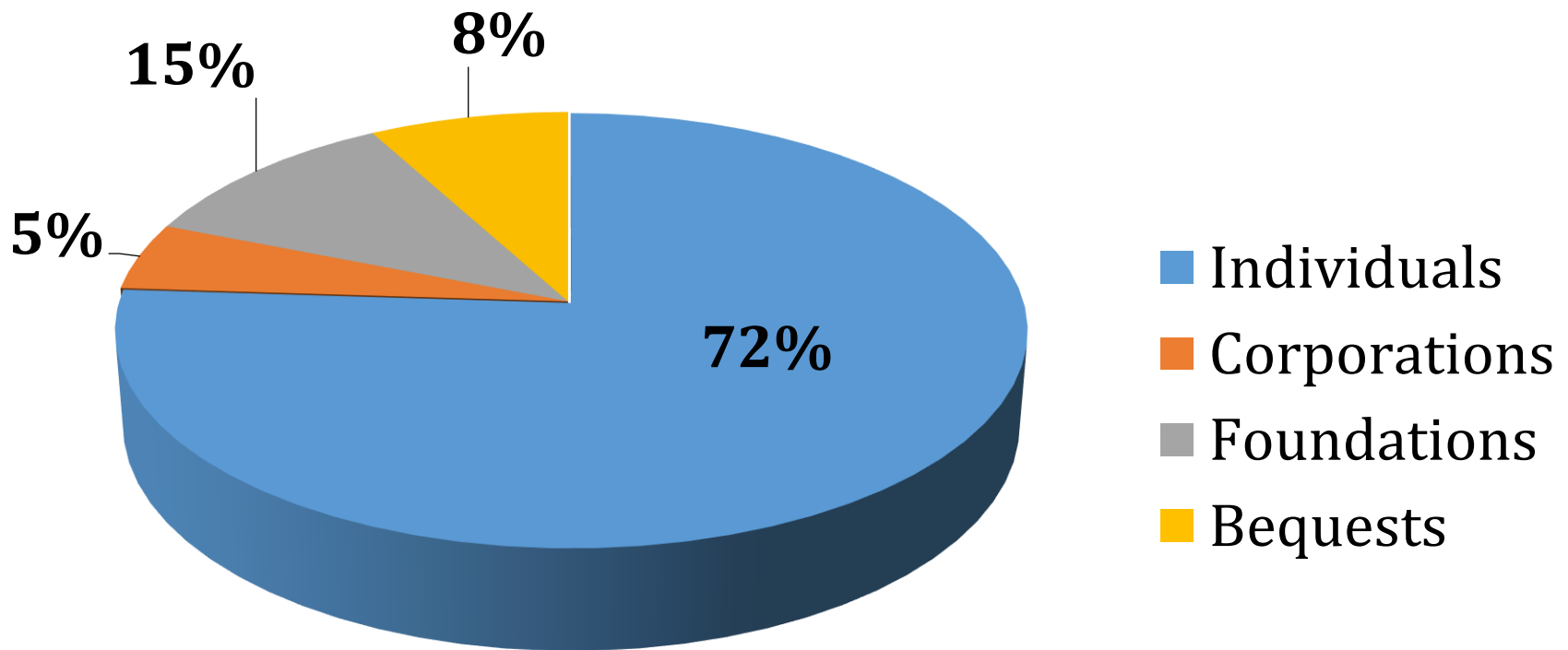


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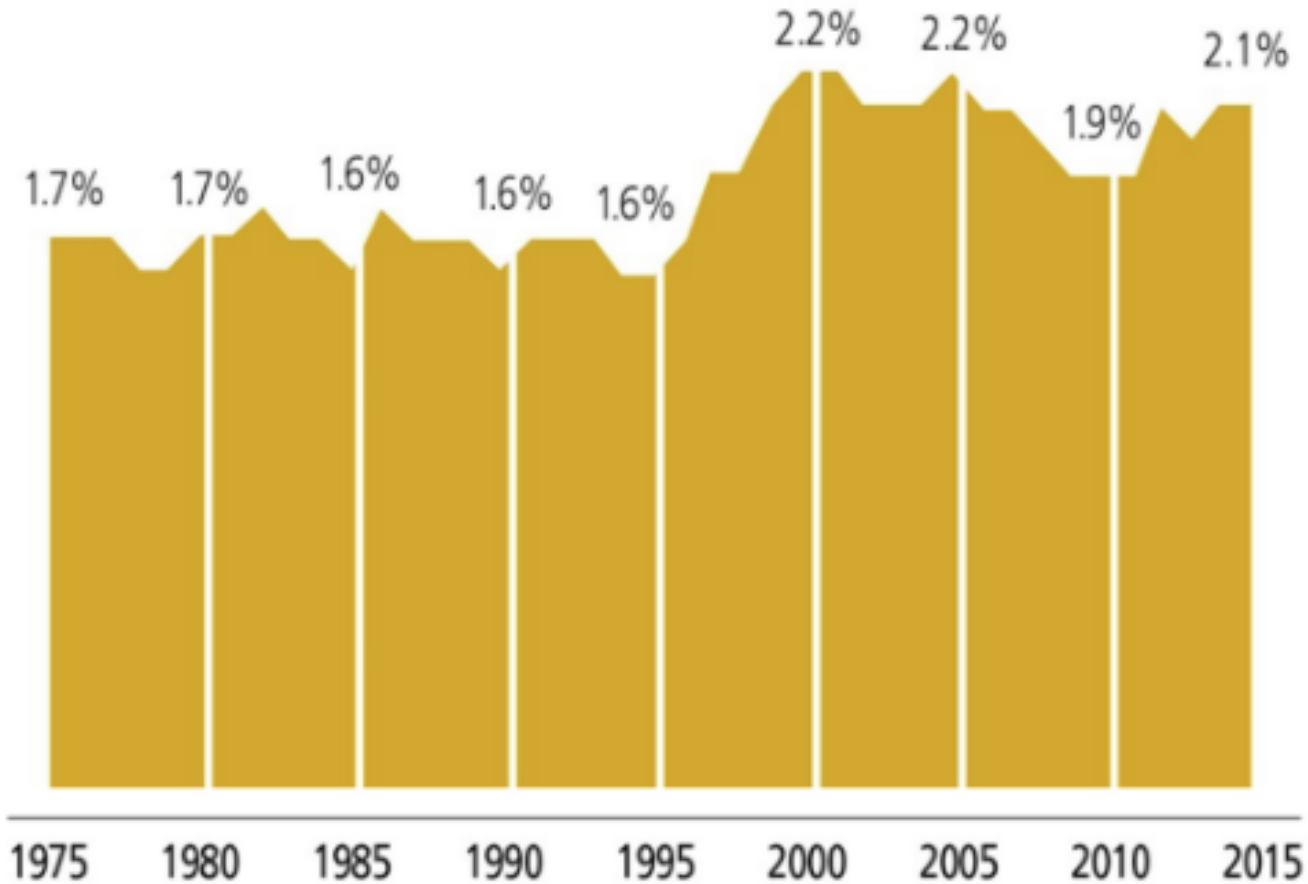
Purposes of Fundraising



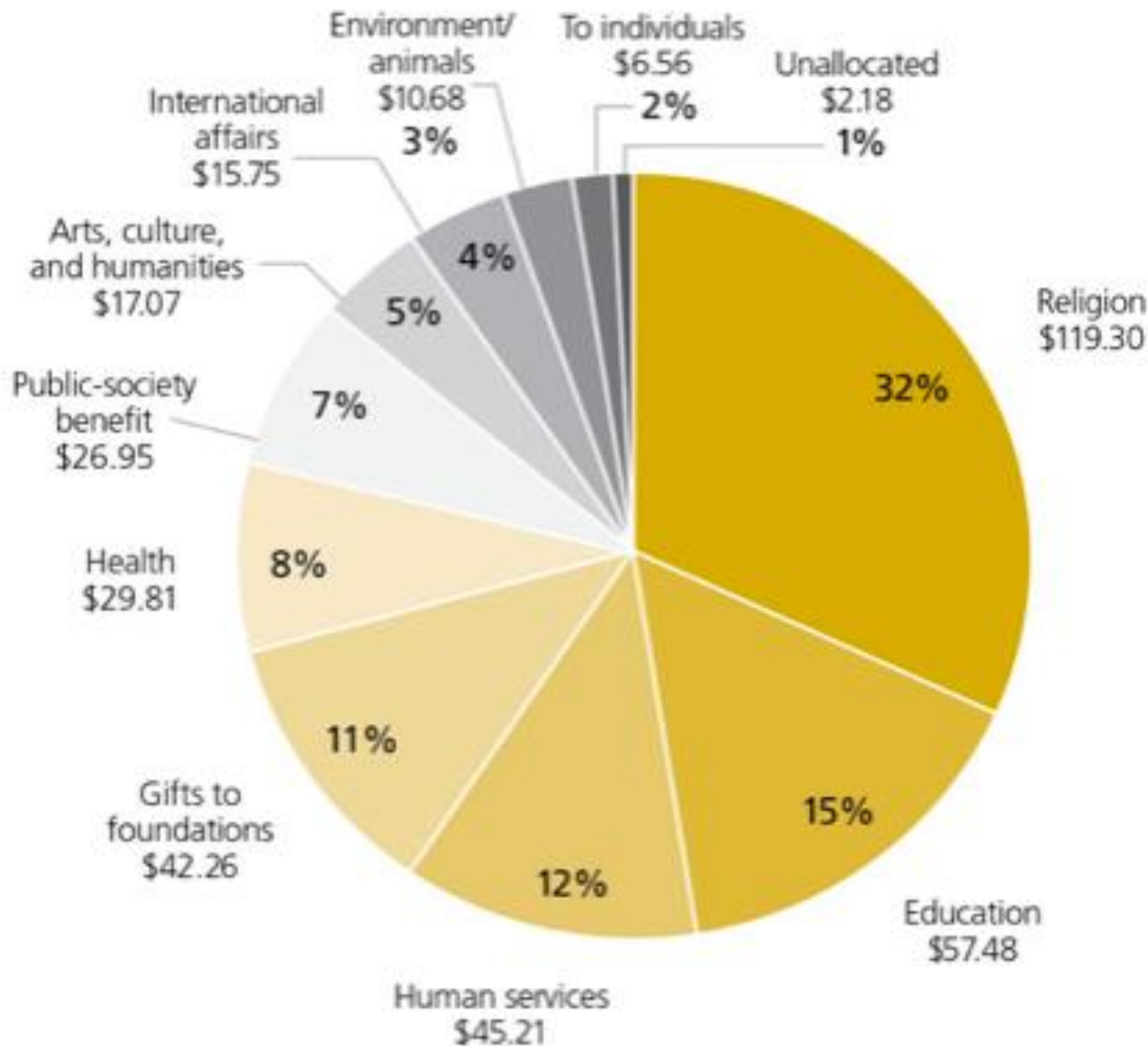
Where Does the Money Come From?



Giving as Percentage of GDP



Where Does the Money Go?



2017
Recipients of
\$390.05 Billion

2015 Recipients
of
\$373.25 Billion

Source: Giving USA Foundation

Fundraising Truth



Money is not given, It has to be raised.
Money is not offered, It has to be asked for.
Money does not come in, It must be
"gone after."

...Unknown



Basic Reasons People Give

- Demonstrate power
- Tax & financial planning considerations
- Gain influence, professional advancement
- Peer approval
- Ego gratification / self-esteem
- Recognition from peers
- Diminish negative feelings
 - Guilt, fear, anger
- Immortality
- Express deep emotion
 - Grief (memorial)
 - Joy (commemorative)



- Give something back
- Identify with a worthy cause or goal
- Sincere desire to help/care
- For the joy of it



Six Reasons People Don't Give

Failure...

1. ...of adequate prospect research and preparation, premature request.
2. ...to ask for a specific amount or gift-range
3. ...to suggest that donor may use multiple resources.
4. ...in matching solicitor to the prospect.
5. ...to include spouse, family members. and/or significant others in the cultivation /solicitation.
6. ...to adequately follow-up.



Fundraising Readiness & Effectiveness Framework

1. Organizational Effectiveness

2. Case for Support/ Case Statement

3. Resource Development Plan

4. Relationship Approach – Strategy/Focus

5. Donor Prospects - Identification & Qualification

6. Lead by Example (Leadership)



Prepare the Organization Before You Ask

Elements for Success

- Mission
- Vision
- Values
- Strategic Plan
- Operational Plan/Business Plan
- Marketing / Engagement
- Relationship Management



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Know the Organization's CASE

IS

- Defining the organization or project

DOES

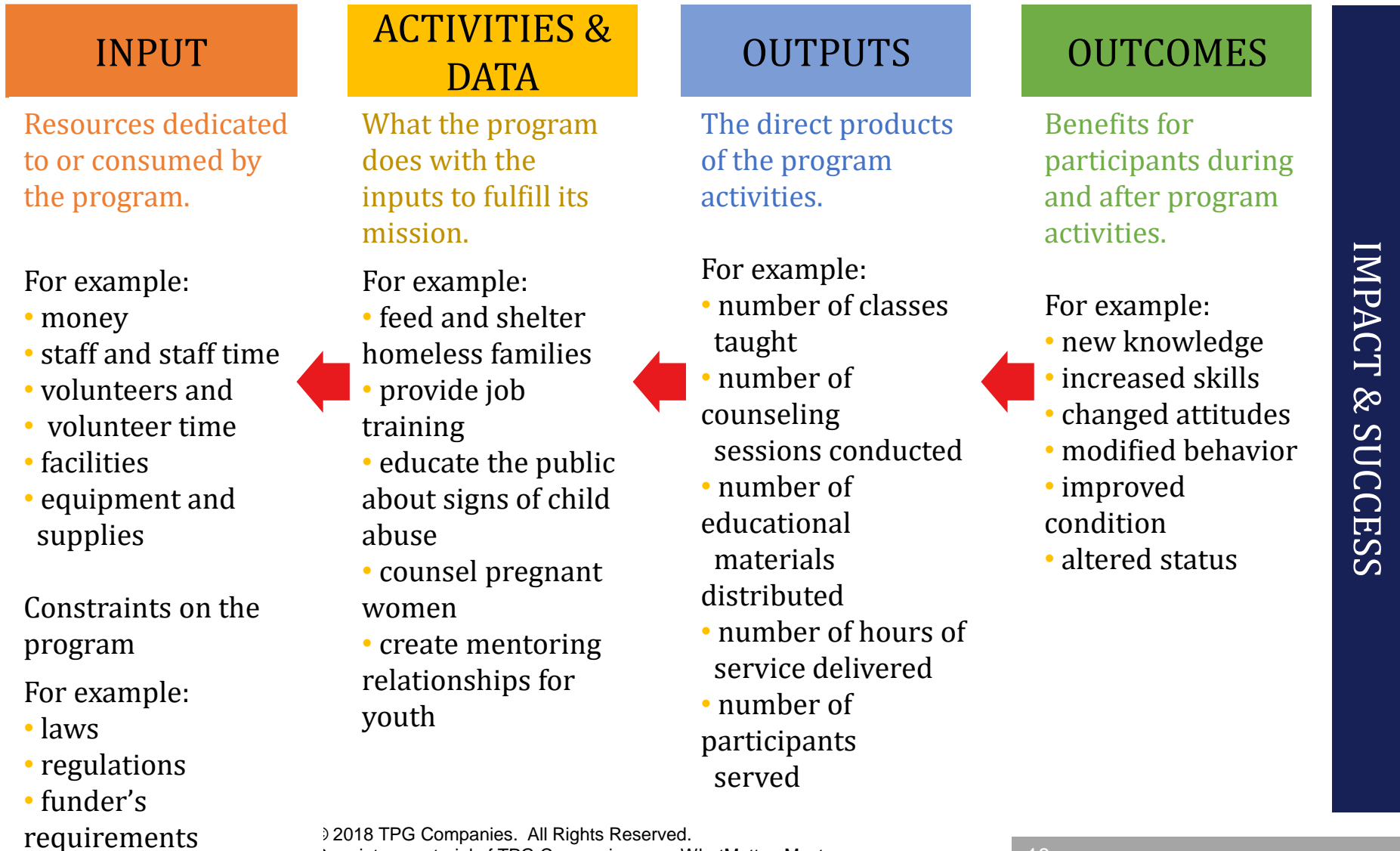
- What does the organization or project actually **do** (tangible benefits for people, services, etc.)

MEANS (the key)

- What are the other tangible and intangible benefits to the community, donors, stakeholders, constituents, etc.
- How do we feel as a result (proud, safe, healthy, etc.)



Project the Outcomes (Model)



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Plan: Options & Opportunities for Diversifying Your Funding Base

Member-
ship

Legacy
Giving

Products
for Sale

Corporate
Giving

Major
Gifts

Matching
Funds

Planned
Giving

Online
Giving

In-Kind
Support

Foundation
Grants

Gov't
Grants,
Contracts

Payroll
Deduction

Events

Direct
Mail

Social
Media

Fees for
Service

Sponsor-
ship

Program
Revenue

"A-Thons"

Direct
Response

Crowd
Sourcing

Social
Enterprise

Corporate
Marketing

Cause-
Related
Allies

Program
Revenues



Integrated Fund-Development

Three-Legged Stool

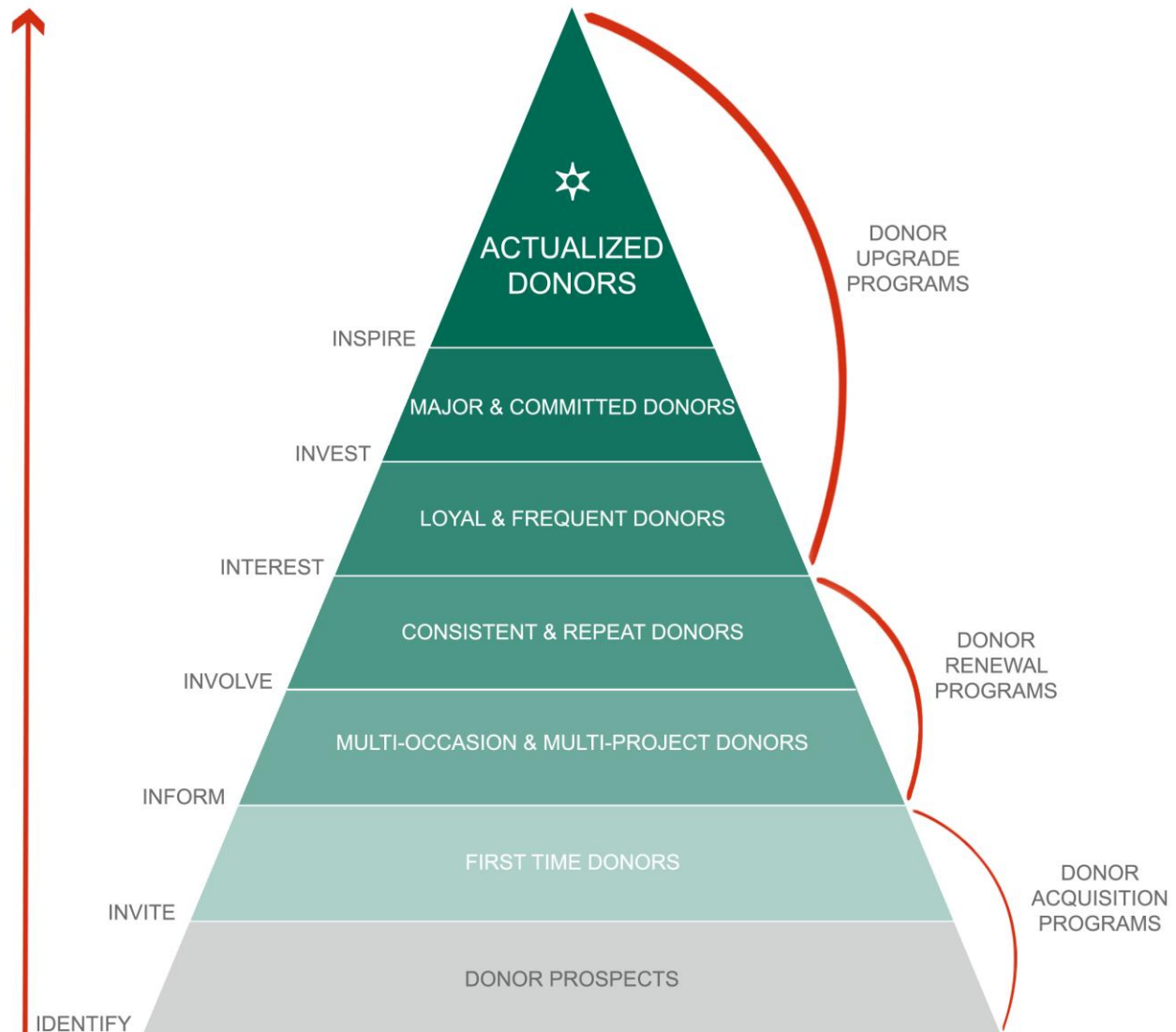


1. Legacy / Planned Gifts
2. Major & Capital Gifts
3. Annual Gifts



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Relationship Management

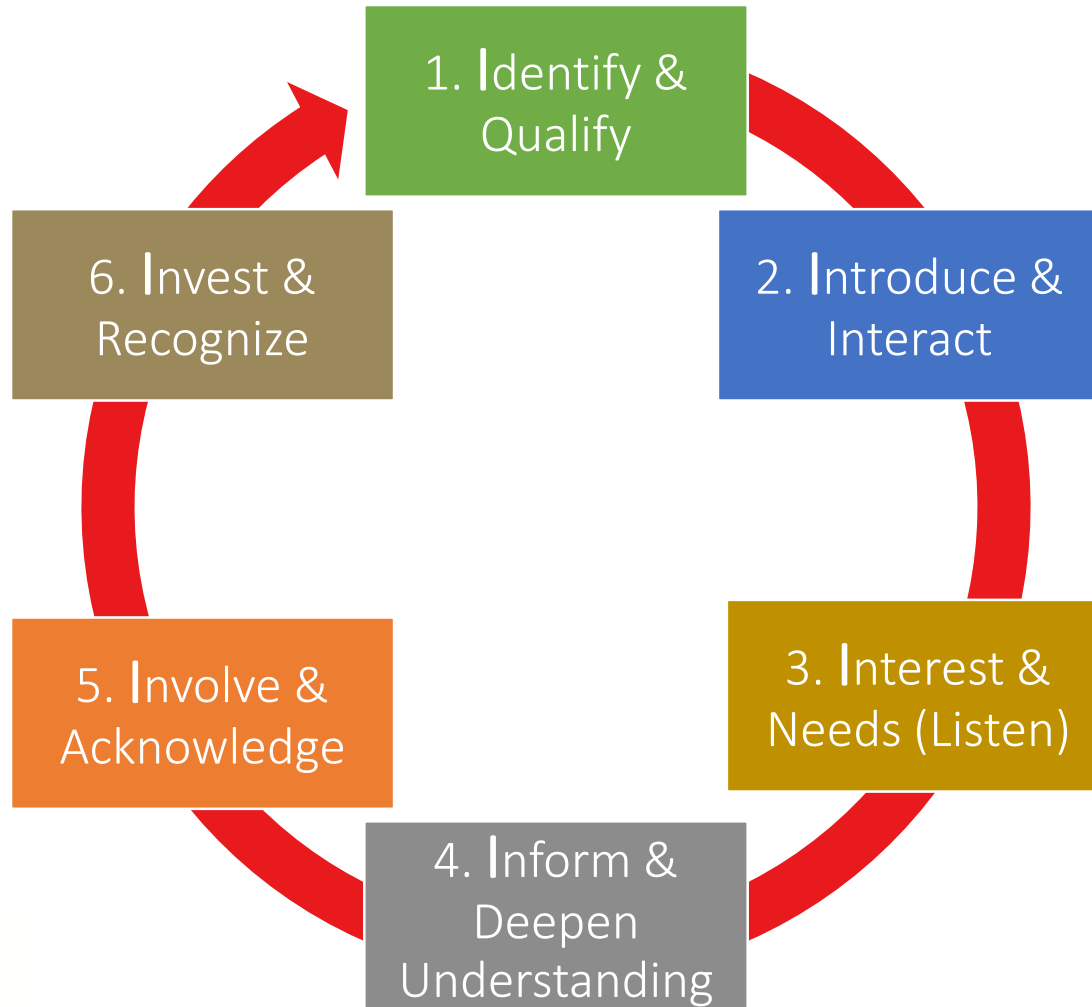


Segment & Cultivate

- Directors & Trustees
- Staff Leaders
- Key Volunteers
- Stakeholders (Partners, Vendors, Associates, etc.)
- Major Donor Prospects
- Former Beneficiaries
- Other Employees, Affiliates
- General Donors
- Clients



Philanthropic Relationship Development: 6 I's



7 Relationship Building Stair Steps

Recognition

Acknowledgement

Ask for Investment

Cultivation

Involvement

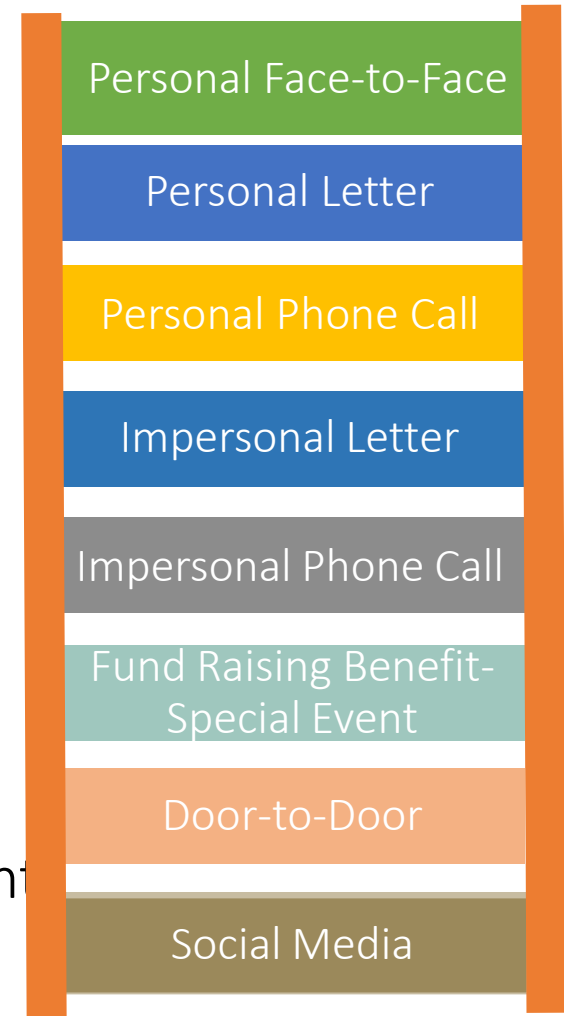
Information

Identification & Research



Solicitation Ladder of Effectiveness

- Personal Face-to-Face
 - Team of Two
 - One Person
- Personal Letter
 - With Phone Contact
 - Without Phone Contact
- Personal Phone Call
 - With Letter Follow-Up
 - Without Letter Follow-Up
- Impersonal Letter (Direct Mail)
- Impersonal Phone Call
- Fund Raising Benefit-Special Event
- Door-to-Door
- Social Media



Solicitation Ladder of Effectiveness

Evaluate fund-raising methods by the time you put in versus the money you get from the effort. The following methods of solicitations are ranked in order of their effectiveness.

Type of Solicitation	% Who Will Give
Personal face-to-face solicitation	30-50%
Personal phone call	25%
Personal Letter	15%
Phone-a-thon	10%
Direct Mail/Direct Response	0.1-3.0%
Social Media Networking	0.1-15.0% +



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Typical Funding Sources (Prospects)

- Individuals
- Trusts
- Public, Private, and Community Foundations
- Associations and Organizations
- Small Businesses / Corporations
- Large Corporations and Corporate Foundations
- Government
 - Local
 - State
 - Federal
 - International
- Federated Funds



What is a Prospect?

Prospects meet the following requirements:

Ability to give a substantial gift.

Belief in your work or similar work.

Connection with your organization/cause or with some organization (the closer the better).



Appealing to Funder – Do Your Homework

Use this as your lens to the world via the funder's eyes:

1. **Specific purpose:**
building funds,
operating support,
program
development

3. **Specific
population:**
frail elderly,
minorities, homeless,
boys club

2. **Specific geographic
areas:**
a city, county,
state, or region

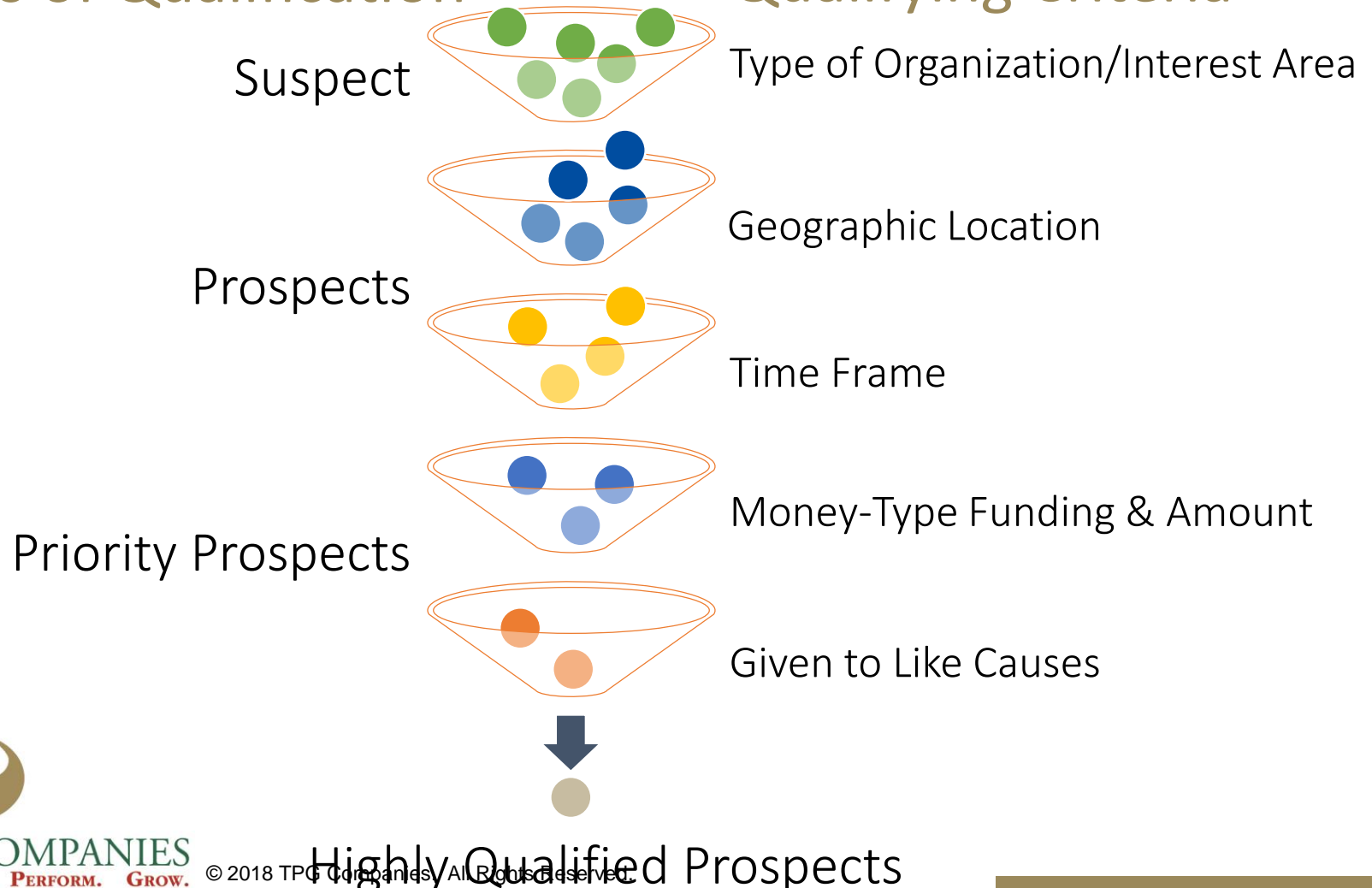
4. **Specific priorities &
interests:**
which determines the
types of programs they
support



Funding Source Funnel

Levels of Qualification

Qualifying Criteria



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Principles of Fundraising: Lead by Example

- I. People give to people for worthy causes.
- II. The least effective motivating factor for most donors is taxes.
- III. Arithmetic of Annual Fund Raising: top 10% of gifts could produce 60% of the dollars. Capital fund raising: 10% = 90%, thus use targeted systematic approach.
- IV. Work from the top down and the inside out – organization “family” makes own gifts first. (Rules of constituency and leverage).
- V. Fundraising is 90% preparation and 10% perspiration.



Principles of Fundraising: Lead by Example

Continued

- VI. The most effective way to ask for a gift is face-to-face - you can't milk a cow by mail or telephone.
- VII. The least effective way to ask for a gift is by impersonal methods - i.e. windshield flyer, billboard, etc.
- VIII. The single most important thing you can do to prepare to ask is make your own gift first!
- IX. Those to whom much is given, have much responsibility in return. And those that give much, receive much more in return.



Bottom Line Take-Aways

1. Funder's goal: to close the gap between what is and what ought to be in their particular interest area(s).
2. Long term key: develop mutually beneficial relationships.
3. Funders aren't always right, but they will do what they want. Be careful not to waste time trying to convince them.



Bottom Line Take-Aways, *Continued*

4. Funder has resources, but not infrastructure to implement.
5. Grantee/Entity has ideas, access, & infrastructure to affect change or deliver a service, but not the resources. *When they come together*, the results can be powerful.
6. If you get your language down once, you have something golden that can be used over and over.



The Joy of Giving

*It is not about the money or
the need.*

*It is about the joy of giving.
It is about good people
(leaders),
making good plans . . .
and doing good works.*

*It is about who benefits
and how.*



Insights from TPG Companies

*Business Builders and Advisers,
Strategy and Management Consultants, and Resources...
helping achieve **what matters most.***



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LinkedIn

TPG Companies

Paul Kirpes

Jake Kirpes



Section 3 – Ask an Expert...TPG Companies

Questions & Discussion



Paul J. Kirpes, Founder & President

(515) 270-2453 ext 2001

E-mail: PKirpes@WhatMattersMost.com

www.WhatMattersMost.com



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