

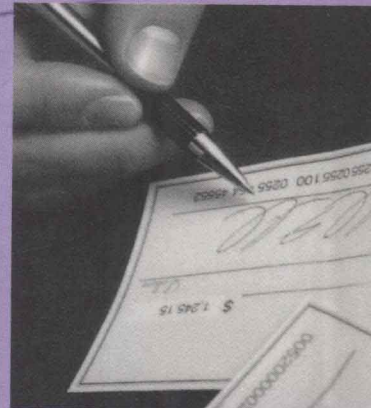
CONDUCTING A SUCCESSFUL CAPITAL CAMPAIGN

**SECOND
EDITION**

K E N T E . D O V E

**THE NEW, REVISED, AND EXPANDED
EDITION OF THE LEADING GUIDE
TO PLANNING AND IMPLEMENTING
A CAPITAL CAMPAIGN**

**FEATURING A
COMPREHENSIVE
RESOURCE
GUIDE**



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Leading Guide to Planning
and Implementing a
Capital Campaign

SECOND EDITION

Kent E. Dove



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This book is dedicated to the memory of my parents;
to my wife, Sandy, my friend and strength;
and to our children, Jason and Kerrye,
the pride and joy of our lives.

PREFACE

In the late 1980s, when I was writing the first edition of *Conducting a Successful Capital Campaign*, I never imagined the response. It was a book that came about by accident; I had never intended to write a book at all.

That changed, however, after a lunch with Lynn Luckow, then an editor at Jossey-Bass and now its president and CEO, and Rod Kirsch, a member of the campaign staff at Berkeley and a longtime friend of Lynn's who is now the vice president for development and alumni relations at Penn State University. We met at midday at the Faculty Club on the campus of the University of California–Berkeley. By the time lunch was over, Lynn had convinced me not only that I was the person to write the book—mind you, I had no outline, no chapters developed, not a word on paper—but also that there was a large audience waiting and eager to read it. I had seen little hope for sales, beyond the usual small group of family members supportive of anything one does; but Lynn was right.

Writing a second edition of the book is something else I thought I would never do. Principles don't change, I reasoned; it's hardly fair to offer readers little more than a rehashed version of something they already have. For two or three years, however, Rod and Lynn have been telling me that it was time to update the book, and so have some of my other friends. The last straw came during a visit to Vancouver in July of 1998, during lunch with my friend and colleague Marilyn Wright and her husband, Charles (a noted Canadian physician). Marilyn, like Rod and Lynn, is someone who knows me too well, and whose suggestions and advice

I find hard to ignore. She too urged me to update the book, but it was Charles who sealed the decision by pointing out that if I didn't do it, I would be "obsolete." Perhaps I am, but I'm unwilling to accept that verdict without a rebuttal. So—for Rod, Lynn, Marilyn, Charles, and others who encouraged this project—here is the second edition of *Conducting a Successful Capital Campaign*.

This volume is an attempt to assemble, in one source, the primary ideas and techniques central to all modern capital campaigns. As such, it sets forth, in systematic fashion, the principles that govern any successful campaign. A small regional historical museum in Virginia conducting a campaign for \$1 million must take the same considerations into account as a major midwestern state university attempting to raise \$150 million. Therefore, rather than concentrate on the differences among capital campaigns (of which there are assuredly many), this book focuses on their similarities (of which there are even more).

Today's typical educational, arts-related, religious, community, or healthcare organization is considering, conducting, or concluding a capital campaign, and yet many nonprofit organizations are inadequately prepared to plan, initiate, and manage such campaigns successfully. This situation is complicated even further by the large number of inexperienced professionals who hold demanding, high-level positions within these organizations. For example, the National Society of Fund Raising Executives, or NSFRE (1995), indicates that 35.2 percent of the professionals in fundraising have entered the field within the past six years. Likewise, the Council for Advancement and Support of Education (CASE) estimates that roughly one-third of the professionals with whom it is affiliated have had three or fewer years of professional development.

Audience

Given these facts, who should read this book? It can be used as a review and guide for seasoned practitioners; as an introduction to the principles of campaigning for newcomers, volunteers, and professionals without campaign experience; and as a source for philanthropic agencies that are in the process of assessing the caliber of the programs they are asked to fund. As such, it was written for executives and staff of a wide range of nonprofit organizations: chief executive officers, chief development officers, governing boards, development staff members, key volunteers, and funding agency personnel who desire a fundamental understanding of capital campaigns. The principles discussed throughout the book are equally relevant to arts-related, religious, educational, community, environmental, and healthcare organizations that are either contemplating or conducting capital campaigns.

It is a real challenge to present an effective approach to capital campaigns that is both universal in its application and valuable in specific situations; perhaps this is one reason why so few books on this subject have aimed for such a broad readership. Nevertheless, to judge from my experience as a practitioner, consultant, and lecturer—and from detailed conversations with respected and experienced campaign professionals from all the “third sector” walks of life—I am confident that the principles that govern campaigns are equally applicable to organizations both large and small, and to campaigns that are both local and national in scope.

This book takes account of the fact that many organizations with capital needs, and with the desire to launch capital campaigns, have very small staffs. One-person offices are common; sometimes fundraising is only one aspect of a staff member’s responsibilities; many grassroots organizations have no professional development staff members at all. For example, an NSFRE membership survey (1995) found that 31 percent of its members work by themselves, and another third work with three or fewer colleagues. It is possible to conduct a successful campaign under these conditions, but the organization will need to improvise. In many cases, a dedicated volunteer or team of volunteers has conducted a successful campaign in an organization that has no paid development staff at all. In other instances, a member of the administrative staff has carried out the task. Improvising works best, however, when the basic precepts and principles of successful campaigning are followed.

Overview of the Contents

The chapters in this book are organized around the fundamental issues and challenges that must be met if a capital campaign is to achieve success. Chapter One sets forth the global considerations one must take into account when contemplating a campaign. I identify the ten prerequisites for a successful campaign, which largely form the basis for the remainder of the book. Chapter One also reviews a number of secondary factors that affect the size of the campaign goal and the timing of the campaign.

Thorough preparation sets the pace for the campaign and ultimately determines its result. An organization must assess how ready it is, in the eyes of its external constituencies and those inside the organization, to campaign. Chapter Two discusses the steps that the organization should take early in the campaign process.

The human element of campaigns is emphasized throughout this book, particularly in Chapter Three, which looks at the layperson who leads and the staff

member who serves. The success or failure of most campaigns is ultimately attributed to the effectiveness of the members of the governing board, the chief executive officer, and the chief development officer. Their respective roles are reviewed here.

A dedicated volunteer force, in addition to campaign leadership, is essential to accomplishing the goals of most capital campaigns. Chapter Four establishes the procedures for mobilizing volunteers.

Chapter Five examines the single most definitive document in any campaign: the case statement. This chapter describes the characteristics of the case statement, how it is organized, who should write it, and how it should be used in conducting market surveys, enlisting volunteers, and soliciting major gifts.

Chapter Six details one of the most fundamental components of the campaign: the gifts chart. It explains the formula for creating a gifts chart and, more important, the chart's efficacy in raising donors' sights, determining the adequacy of a prospect pool, relating required campaign gift levels to named gift opportunities, and keeping track of the campaign's progress.

There are probably as many different campaign structures as there are campaigns. Chapter Seven lists seven factors that influence the amount of detail a campaign structure requires. The chapter goes on to describe the special campaign functions that have to be implemented by various committees, and it stresses the particular importance of the major gifts committee. Before an organization starts campaigning, it should select an appropriate strategy for soliciting gifts, and Chapter Seven also defines and presents the advantages and disadvantages of various asking strategies. The campaign should also establish, at the very start, a criterion for the gifts that it will report as part of the campaign total over the course of the campaign. As an illustration, Chapter Seven includes an accounting criterion for one campaign.

Chapter Eight, along with Chapter Nine, describes the multistep process for obtaining the major gifts that are crucial to a campaign's success. Obtaining major gifts demands not just a strategy but also thorough research and—in addition to the accurate evaluation, careful management, and systematic cultivation of prospects—skilled soliciting techniques.

Chapter Ten, new to this edition, written by Rodney P. Kirsch, of Penn State, and Martin W. Shell, associate dean for external relations at the Stanford Law School, asks and answers several questions: Who makes lead gifts? What compels such acts of philanthropy? How do lead gifts come to pass? What, if anything, do lead gift donors have in common? Even more important, what environmental conditions influence such gifts?

Chapter Eleven reviews the many operational aspects of the campaign. Discussed in this chapter are the campaign's timetable and budget, the acknowledg-

ing and reporting of gifts, donor stewardship, and the selection and use of professional campaign counsel.

Chapter Twelve, by William V. West, a former senior management consultant with Andersen Consulting, former manager of information consulting at Ernst & Young, and currently executive director of Alumni and Foundation Information Systems at Indiana University, is also new in this edition. The technological explosion surrounds us all; this chapter helps define and determine technological needs and discusses how to select technology vendors, the best technologies to use in particular situations, and using the benefits of technology to the best advantage in fundraising.

Several pieces of campaign literature in addition to those discussed in Chapter Five should be developed. These materials and their desired features are described in Chapter Thirteen.

Achieving financial success on schedule is the ultimate goal of all campaigns. Chapter Fourteen discusses how to conclude the campaign successfully and take care of such post-campaign matters as recognizing donors and volunteers, writing final reports, and auditing the campaign's productivity.

Chapter Fifteen contains a look at emerging fundraising trends and at what people conducting campaigns may experience in the twenty-first century. The chapter ends with a brief discussion devoted to the pros and cons of capital campaigns and to the importance that every organization should place on creating and sustaining a continuous lifetime giving program in the years to come.

The book concludes with a section devoted to resources: a sampling of literature taken from several campaigns. The resources are included not only to illustrate the outcomes of processes described in this text but also to enable readers to easily develop the support materials needed for any campaign effort.

There is a growing body of literature about fundraising, and much of what is being written is extremely well done. I hope that others will continue to add to our knowledge about fundraising in general and capital campaigns in particular, and that this book will prove useful to those who do choose to continue. If after reading this book you feel better acquainted with the principles and practices that guide campaigns, then the effort that went into first writing it and now updating it will have been well spent.

August 1999
Bloomington, Indiana

Kent E. Dove

ACKNOWLEDGMENTS

Space limitations prevent me from thanking again by name all those who contributed to the first edition of this book. They should all rest assured, however, that I remain deeply grateful to them for their insights and thoughtfulness, and for the help they gave me in writing the previous edition. But there are some people not mentioned in the first edition whom I wish to acknowledge and thank now.

Over the past decade I have done much work in western Canada. One of my assignments was the World of Opportunity campaign at the University of British Columbia (UBC), a campaign that raised \$262 million—a record Canadian total, which stood for a decade. (The University of Toronto is now engaged in a campaign that will substantially raise the bar again in Canada.) UBC's success was no accident: what a leadership team! President David Strangway; his chief development officer, Peter Ufford; the campaign's chief operating officer, Ron Dumochelle; and their campaign chair, Bob Wyman—here, arguably, was the best team ever assembled in Canada, and one that goes on the short list of the best leadership teams ever assembled anywhere. Another exceptional fundraiser I worked with in Vancouver is Marilyn Wright, with whom I shared a wonderful campaign experience in service to the British Columbia Institute of Technology. Peter, Ron, and Marilyn are role models for all of us who call ourselves fundraisers; there are no better professionals anywhere.

Three people—Ann E. Kaplan, editor of *Giving USA*; Jan Alfieri, senior coordinator of the National Society of Fund Raising Executives' Fund Raising

Resource Center; and Vicky Martin, manager of research at the Indiana University Foundation—did a great deal to facilitate research on this book. Every time I called looking for something, I had it in hand within a day or two.

Some of my friends and colleagues here at the Indiana University Foundation must be mentioned, too. Curtis R. Simic, president of the foundation, has been a friend for over 30 years. One of the true professionals in our field, Curt encouraged me to rewrite this book and opened the door to allow my use of many internal campaign documents, some never published before; these will be found in this edition's greatly enhanced resources section in Part Two. Kathy Wilson, director of development services at the Indiana University Foundation, and Bill West greatly assisted me in updating the research coverage in Chapter Eight and explaining to me in terms I could understand the use of technology in twenty-first-century fundraising. Lori White, my executive assistant, prepared the manuscript, a task not made easy by my many handwritten notes.

I am most grateful to the many individuals and organizations granting me permission to quote from their work or to use it as illustration. Their contributions have been invaluable.

During the last decade I spent a little more time in hospitals than I had planned. I owe a great debt of gratitude to four physicians—to Thomas O. Clanton of Houston and to Martin Milgrom, Richard J. Hamburger, and Daniel E. Lehman, all of Indianapolis—who did an exceptional job of trying to maintain my health and, when that didn't work, of fixing the problems. Special thanks, also, to the CAPD nurses at the Indiana University Hospital and Outpatient Clinic (now Clarion Health)—Patty, Rita, Connie, Kathy, Kathy, Sandy, and Theresa. I'm fine now, thanks to their care.

Finally, I want to thank all the good people at Jossey-Bass who once again got me through this process. My editor, Dorothy Hearst, asked good questions and gave wise counsel. Xenia Lisanevich, my production editor, took a rough manuscript and turned it into a sparkling gem. Until now I did not believe that one could indeed make a silk purse out of a sow's ear, but Xenia proved it can be done. And of course there's Lynn Luckow: even though he no longer edits books, he now runs the whole show; he remains freshly interested in this book, and his support and encouragement have never wavered.

Two years ago, at Suzanne Thorin's home (she's dean of university libraries at Indiana University), we asked Lynn to chair our library committee for the Indiana University–Bloomington endowment campaign, and he asked me to seriously consider rewriting this book. Lynn, we both got what we wanted; thank you for saying yes to your alma mater.

—K.E.D.

THE AUTHOR

KENT E. DOVE received his B.S. degree in education from Indiana University in 1968 and his credential as a certified fundraising executive (CFRE) from the National Society of Fund Raising Executives in 1985. After nearly four years of service as Indiana University's executive director of capital campaigns, he was named vice president for development at the Indiana University Foundation in 1997. Before accepting his present position, Dove held various educational fundraising management positions at Rice University, the University of California–Berkeley, Drake University, the University of Alabama, Northwestern University, the University of Tennessee Center for the Health Sciences, and West Virginia University.

Dove's involvement in capital campaigns spans nearly thirty years, during which he has been associated with campaigns throughout the United States and also in Canada. As a practitioner, he has participated in the staffing and management of nine successful major campaigns and has provided various consulting services to nearly fifty more. He has also served as a consultant to numerous third-sector institutions.

From June 1989 to December 1993 he operated Kent E. Dove & Associates, a small firm designed and organized to offer highly personal, specialized attention to a select client base. His areas of interest are assessment of institutional development programs, institutional planning, market surveys, management and supervision of capital campaigns, staff and board training, and management of nonprofit organizations.

Dove has served three terms on the Educational Fund Raising Committee of the Council for Advancement and Support of Education (CASE) and one term on the board of directors of the National Society of Fund Raising Executives. In 1986 he received the CASE Steuben Glass Apple Award for Outstanding Teaching.

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