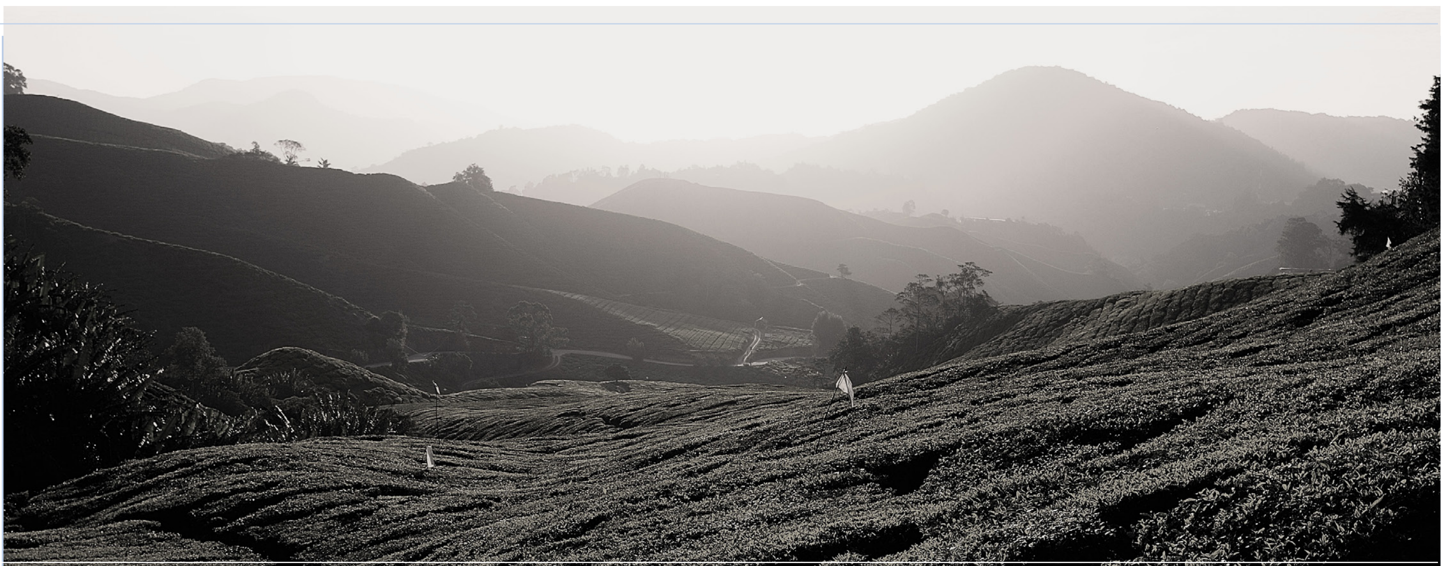
Sustainable | Extraordinary | Philanthropy

Consultants in Philanthropic Management

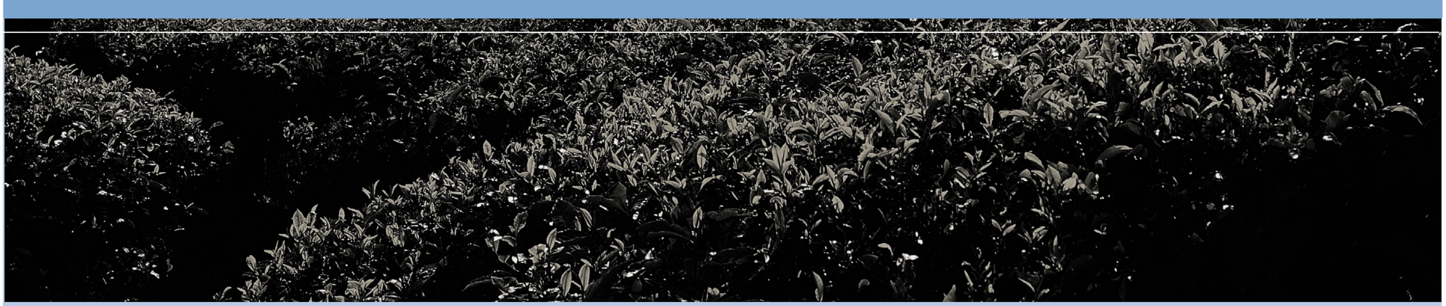
GG+A
Grenzebach Glier and Associates

GG+A WHITE PAPER

Prospect Research/2015



New Trends in Prospect Research: The Portfolio Scrub



www.grenzebachglier.com

About GG+A

Grenzebach Glier and Associates (GG+A) is one of the leading international consultants to institutions and organizations of all sizes and a foremost authority on fundraising and engagement best practices. GG+A has served thousands of organizations, helping them build extraordinary fundraising and engagement programs for long-term, sustainable philanthropy that will have a significant impact on their missions.

GG+A's Philanthropic Analytics practice helps organizations find, organize, and understand their own data and use it to achieve more effective, successful fundraising. Our services include prospect research, prospect management, financial forecasting, survey research, predictive analytics/market research, data visualization, and reporting.

Learn more at www.grenzebachglier.com

Introduction

Achieving an effective fiscal year in fundraising requires a manager to determine five key points:

- what gifts are likely to close
- which gift officers are performing well and poorly
- who has good prospects and who needs good prospects
- staffing needs
- a travel budget

These are no small tasks. Some organizations have all of this information at arm's reach. Many do not.

Enter the ***portfolio scrub.***

GG+A has found that the most efficient way to get a global picture of gift officer performance, forecasting, prospect pipeline, travel budget, and potential staffing needs is what we call a portfolio scrub. The scrub is an all-hands-on-deck exercise conducted by gift officers, prospect research, prospect management (if it exists), advancement services, and development leadership to assess the current state of each gift officer's portfolio and his or her goals.

The following pages offer a step-by-step guide for conducting a portfolio scrub.

Step 1: Review the Portfolio

The first step in the portfolio scrub exercise brings together representatives from Advancement Services, Prospect Research, Prospect Management, and campaign leadership who meet as a group with individual gift officers. In advance of the meeting, each gift officer will have been provided with a definition sheet around prospect stages (for instance, qualification, cultivation, solicitation, stewardship).

Projected on a screen and provided on paper are spreadsheets of that gift officer's entire portfolio of assigned prospects. The spreadsheet includes the following key data:

- relationship
- summary giving
- capacity rating
- any key affinity or inclination scoring, and
- current stage (if already tracked)

The spreadsheet also includes several blank columns with the following headers:

	A	B	C	D
1	Keep /Reassign /Research Needed	Stage	Strategy	Travel Plan
2				
3				

Step 2: Evaluate the Portfolio

Each gift officer will then evaluate a selection of his or her prospects to determine whether to:

1) keep the prospect,

2) reassign/drop the prospect, or

3) do more research on that prospect before deciding to keep or let go.

(See sidebar on page 3, "When is a Prospect a Non-Responder?")

For the prospects the gift officer chooses to keep, each will be assigned a current stage.

Step 3: Next-Step Strategy

The gift officer will then determine a "next-step strategy" (one or two bullet points) to move the prospect to the next stage and when in the next two years he or she will plan to visit the prospect in person. As homework, each gift officer completes the entire spreadsheet and submits it to Advancement Services for mass import into the database.

When is a Prospect a Non-Responder?

Despite the umpteen efforts you've made, you just can't seem to get a meeting with a certain prospect. Now, you're at the point where you need to decide whether to keep that prospect in your portfolio or put him or her back in the pool.

One of the hardest questions facing the gift officer is whether—and when—to drop a prospect who just isn't responding to your repeated overtures. How much should you try to get a meeting with a prospect before you give up? After all, you don't want to give up on someone too soon—or do you?

Most gift officers don't want to give up promising potential prospects, no matter how difficult getting a meeting with them seems to be. Yet, smart gift officers also know that, sometimes, enough is enough, at least for now. How do you determine when you've reached that point?

The following checklist—based on GG+A's consultation and interviews with some of the most effective gift officers in the country who have hooked very big fundraising fish and gotten nearly impossible qualification meetings—can help you determine if it's time to label a prospect a non-responder and remove that prospect from the portfolio.

√ You have sent at least one email or letter stating that you will be calling.

√ You have then called within a week of the email or letter and have continued trying at different times of day and days of the week at least twice more within a six-week period.

√ You have specifically stated in at least one voicemail and one follow-up email that you would like to schedule a meeting.

√ You have looked for volunteers, classmates, alumni, or others who might have a connection either through work, geography, board affiliations, or other means who can broker an introduction.

√ You have followed up by phone within one week of any brokered introduction and have continued calling over a six-week period.

If all of these steps have been taken, and still no contact has been made, then all attempts should be documented in the prospect record, you can classify the prospect as a non-responder, and the prospect should be revisited after 24-36 months.

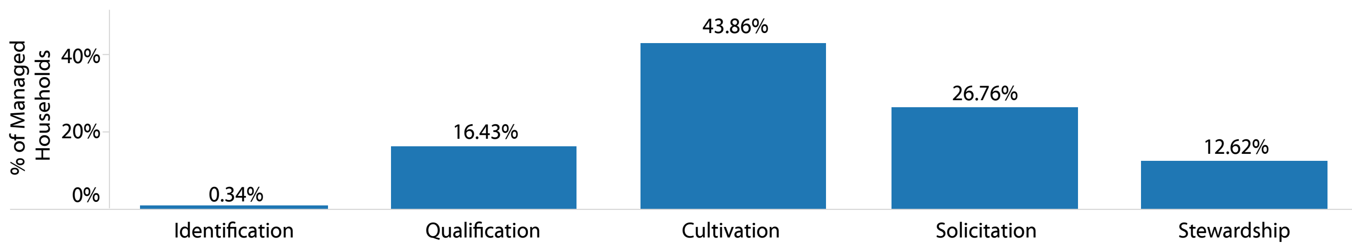
Please note: there is much discussion on what constitutes sufficient effort; this checklist serves as a set of ideas rather than a best practice. ◊

In this exercise, everybody wins:

- **Managers** can see where each gift officer is in performance and potential closure; which situations will require travel coordination across units; where there may be staffing holes for good prospects who are not assigned or cannot be visited in the current staffing structure; and which units need prospects to meet goals.
- **Gift officers** have a bird's eye view of their portfolio and how to plan their travel, where they need strategic help, and how likely they are to meet their individual goals.
- **Advancement Services** has clean starting data from which to build reports. Prospect Management and Research know which units need what kinds of prospects and moves in order to meet their goals.

What you'll end up with is an overall snapshot of which prospects are in each stage, as illustrated in the sample graph on the following page.

Distribution of Managed Households by Stage - Major Gifts, Planned Giving



You'll also have a view of how many high value prospects aren't assigned and could be in the pipeline for the future, as shown in the following sample chart:

Assignment Status	Gift Capacity Rating	Major Gift Code					
		A	B	C	D	E	Grand Total
Assigned	More than $10 million (1)	6	1	1	1	2	11
	$1,000,000 to $9,999,999 (2)	41	5	1	2	2	51
	$250,000 to $999,999 (3)	126	23	8	18	14	189
	$100,000 to $249,999 (4)	264	71	29	43	33	440
	$25,000 to $99,999 (5)	246	441	224	189	115	1,215
	$10,000 to $24,999 (6)	1	38	38	38	44	159
	$2,500 to $9,999 (7)			10	4	11	25
	Less than $2,500 (8)			2		2	4
	Total	684	579	313	295	223	2,094
Unassigned	More than $10 million (1)	2	3	1	5	19	30
	$1,000,000 to $9,999,999 (2)	20	2	3	20	63	108
	$250,000 to $999,999 (3)	38	34	49	135	412	668
	$100,000 to $249,999 (4)	178	190	222	653	1,343	2,586
	$25,000 to $99,999 (5)	315	2,454	4,780	14,542	60,798	82,889
	$10,000 to $24,999 (6)	1	420	1,703	5,792	64,016	71,932
	$2,500 to $9,999 (7)		32	320	3,185	60,511	64,048
	Less than $2,500 (8)			37	134	12,026	12,197
	Insufficient Public Data					11,062	11,062
	Total	554	3,135	7,115	24,466	210,250	245,520
Grand Total		1,238	3,714	7,428	24,761	210,473	247,614

403 Low-Priority Managed Households

742 High-Priority Unmanaged Households

Summary

Ideally, an organization should conduct a portfolio scrub annually, a good month or so before annual goal-setting, so that gift officer, prospect research, and prospect management goals and metrics can all be tied to moving the best prospects toward effective solicitations. And on a quarterly basis, the same group should convene to look at specific prospects who have been languishing in a stage, so that everyone on the team is focused on moving prospects toward a gift. ◊

About the Author: Kat Banakis

312.372.4040 | kbanakis@grenzglier.com

As Director of Analytics and Associate Director of GG+A's Philanthropy Survey Lab since 2010, Kat Banakis assists clients to maximize prospect management and research, gain insight into donor preferences and behavior, create effective prospect pipelines, and improve donor outreach and engagement efforts. She recently designed and implemented portfolio review processes, metrics, and dashboards for major hospitals, academic medical centers, and healthcare organizations in the US voluntary sector. Kat also runs GG+A's Medical Annual Giving/Grateful Patient roundtable, assessing premier standards in renewable medical center fundraising.

Kat also serves as Associate Director of the GG+A Philanthropy Survey Lab, which partners with not-for-profit clients to collect information directly from their constituents on issues including charitable giving intent, attitudes toward an organization, and case/brand messaging testing. Kat has worked with Texas Children's Hospital, Drexel University Medical Center, University of Maryland Baltimore, and Hobart and William Smith Colleges, among others, to design donor surveys with actionable insight.