

Major Donors

How to engage and build long-term relationships

Rachel Stephenson Sheff, I.G. Advisors, DSC Fundraising Now

About I.G.

As a London-based, globally-focused strategy consultancy in the social impact space, I.G. is positioned at the centre of the public, private, and not-for-profit sectors. Past and current clients include:

BILL & MELINDA
GATES *foundation*

SHIVA
HOTELS

DLA PIPER

unicef 

GMSP
GOD MY SILENT PARTNER
FOUNDATION

THE
OLD
VIC

PRIMARK®


sonnedix
SOLAR POWER PRODUCER

f


THOMSON REUTERS
FOUNDATION

 Investing in our future
The Global Fund
To Fight AIDS, Tuberculosis and Malaria

MALALA®
FUND


COACH

 **UN
WOMEN**

A Bit About Me



A Bit About You



Agenda



Key Trends

Inspiration

Best Practice

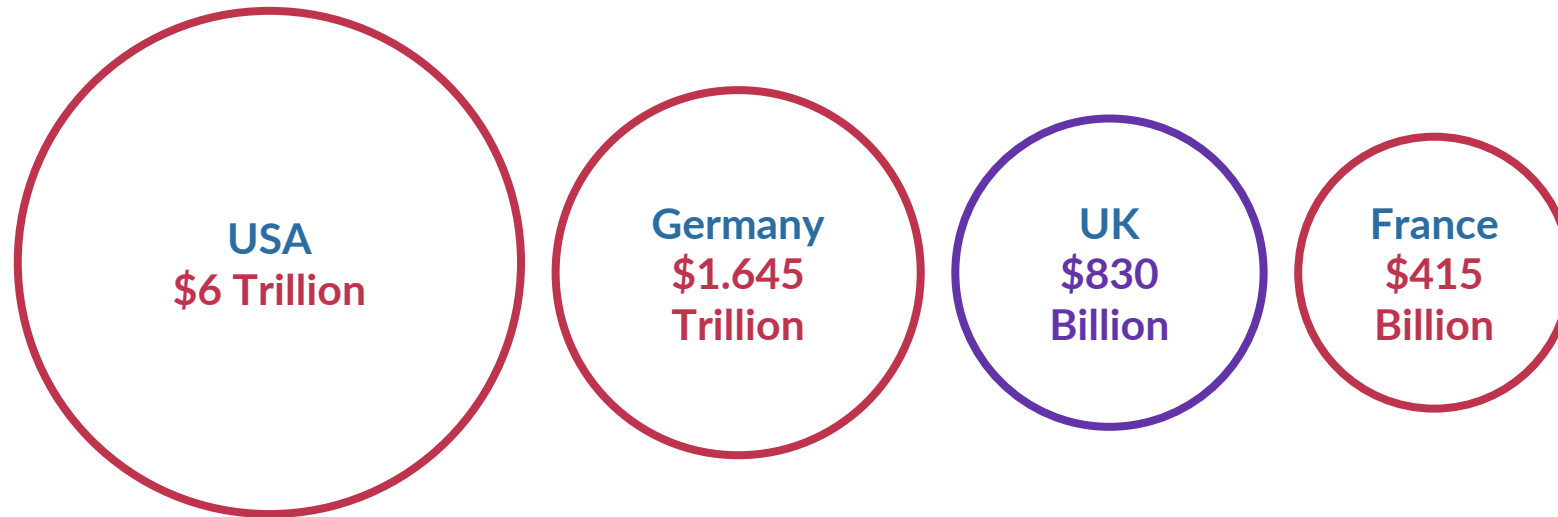
Exercises

Self Made Wealth

- **1989:** Rich list first published - 66%+ of people had inherited their wealth
- **2017:** Now more than 80% come from newly created wealth
- Self-made donors:
 - Are more likely to give their wealth away
 - Bring approaches from their success stories in business
 - Want to be more hands on
 - Want to understand the bigger picture

Next Gens – Inheritance

An estimated **\$16 trillion USD** of global ultra high net worth wealth will be inherited over the next 30 years – marking the largest wealth transfer from one generation to the next in history.



Next Gens – Characteristics

Collaborate

Millennials especially are pushing the boundaries of traditional philanthropy with a stronger collaborative spirit and a greater use of co-funding.

(Sofia Merlo, Co-CEO at BNP Paribas)

Are Strategic

More than previous generations, they bring business discipline and strategy to philanthropy.

(UBS 2016 Billionaires Report)

Want Impact

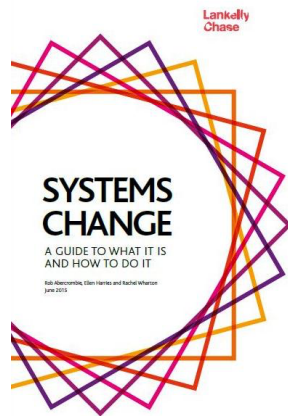
They want their giving to make an impact – and they want to be able to measure it.

(UBS 2016 Billionaires Report)

Give Socially

They want opportunities to get together and celebrate their philanthropy – particularly younger donors.

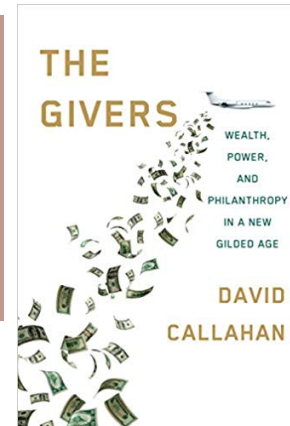
Systems Thinking



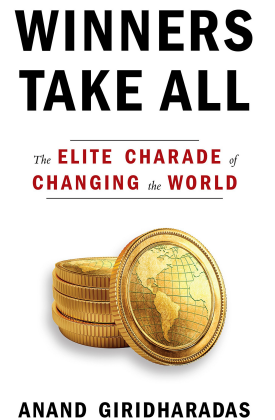
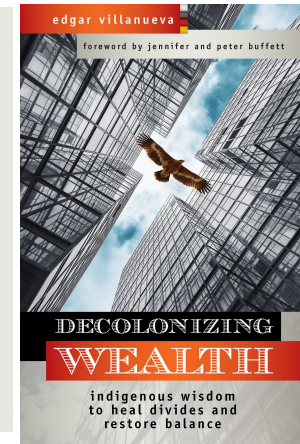
THE FINANCE
INNOVATION LAB:
A STRATEGY FOR
SYSTEMS CHANGE



Why Social
Ventures Need
Systems Thinking



JUST GIVING
WHY
PHILANTHROPY
IS FAILING
DEMOCRACY AND
HOW IT CAN
DO BETTER
ROB REICH



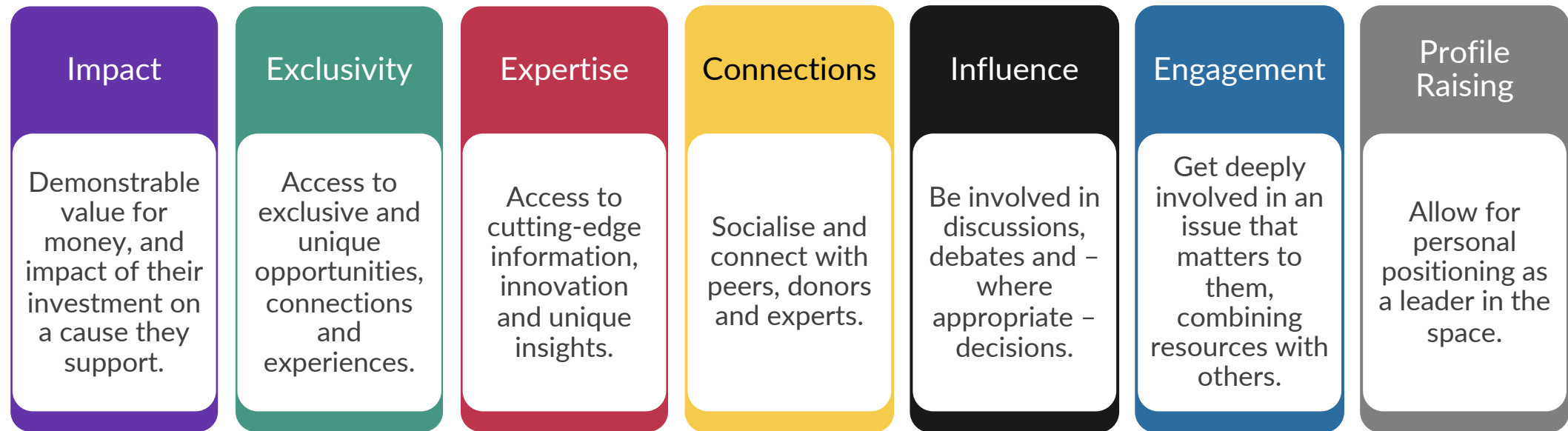
2015

2016

2017

2018

Motivations for Giving



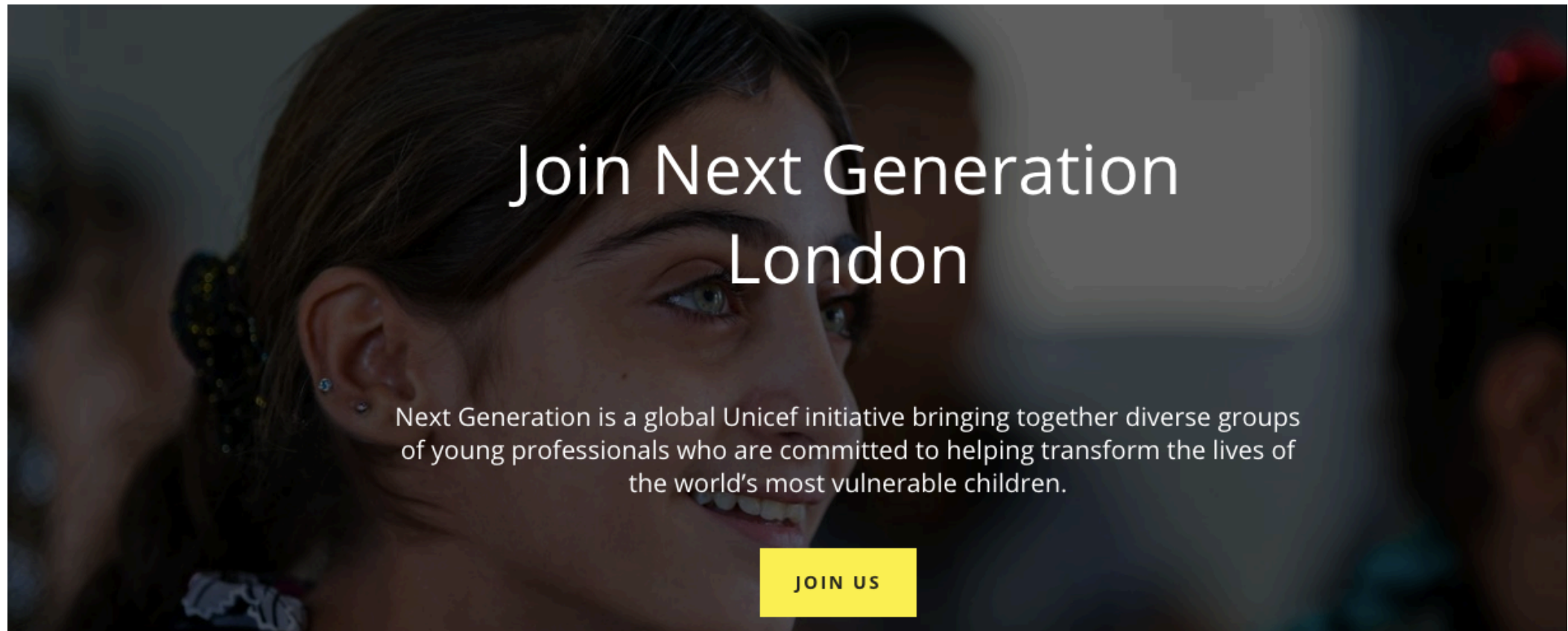
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UNICEF – Next Gens



Freedom Fund – Advocates Board

The Freedom Fund Council of Advocates is a select group of passionate activists and philanthropists dedicated to supporting the Freedom Fund's mission to end modern slavery. Members play a key role in the Freedom Fund's work, contributing their intellect, passion, advocacy, and financial support.



Participation in the annual Freedom Fund Convening which brings together the Freedom Fund Directors, program experts, and top activists working to end modern slavery.



Invitation to an annual Council of Advocates dinner with anti-slavery experts and activists.



Inclusion in tailored field trips to experience firsthand the impact of members' philanthropy.



Access to exclusive, detailed reports on Freedom Fund program performance and upcoming initiatives.



Opportunities to participate in policy and other discussions that will shape the direction of the Freedom Fund and the larger anti-slavery movement.

London Library – Giving Tiers



MARTINEAU £1,500

- Guided exploration of the Library and its collections “behind the scenes”
- Private events with well-known authors
- Visits to other libraries and collections of interest
- Invitation for two to the Library’s Annual Literary Dinner
- Invitation for two to the Library’s Christmas Party
- Invitation to an annual Chairman’s Lunch

THACKERAY £5,000

All Martineau benefits plus:

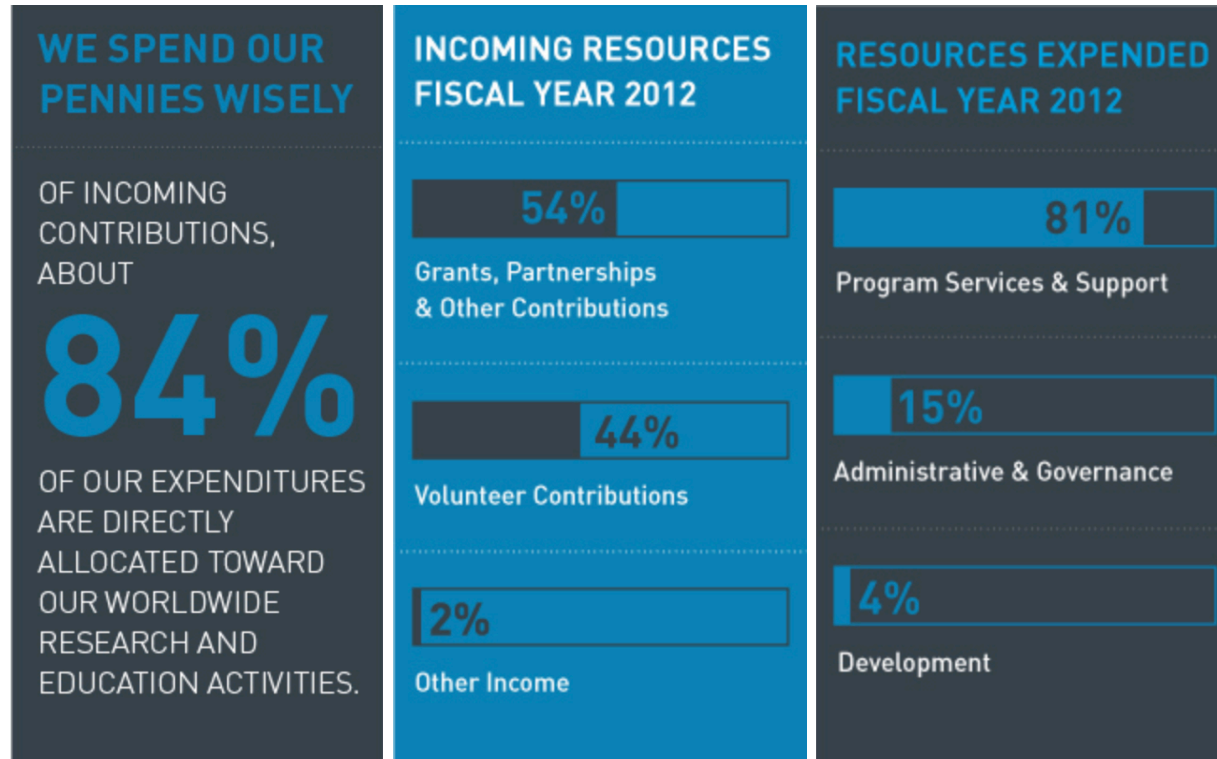
- Bookplates permanently recording your financial support in 5 new books added to the collections during the year
- Four additional invitations to the Library’s parties for your friends and family
- Invitation for two to an annual Chairman’s Dinner

DICKENS £10,000

All Thackeray benefits plus:

- Bookplates permanently recording your financial support in 10 new books added to the collections during the year
- Opportunity to meet with key members of The London Library team to discuss your involvement in your own special areas of interest
- 10% discount on the hire of the Library for a private reception or dinner
- Invitations to exclusive Dickens events including an annual Dickens Lunch

Earthwatch – Financial Transparency



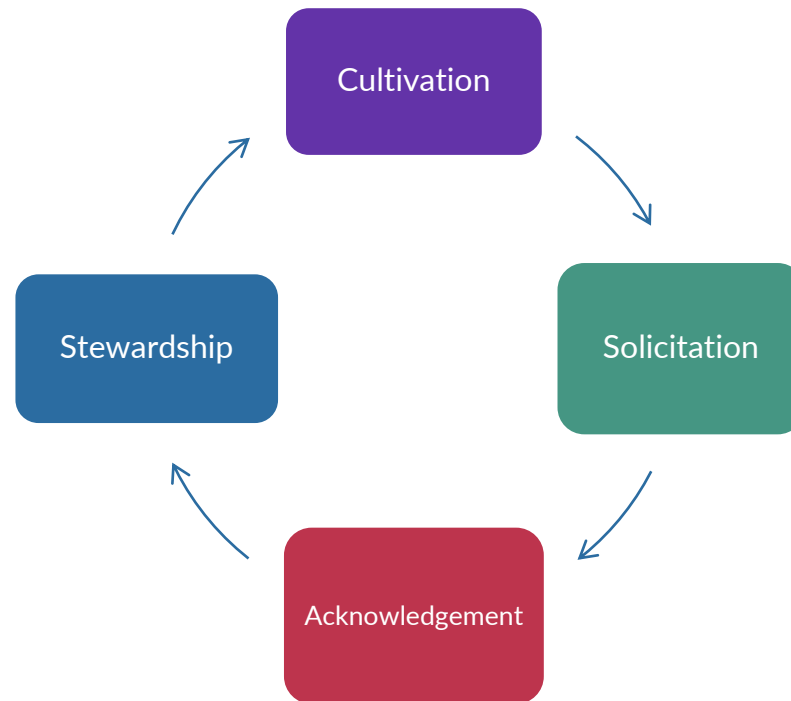
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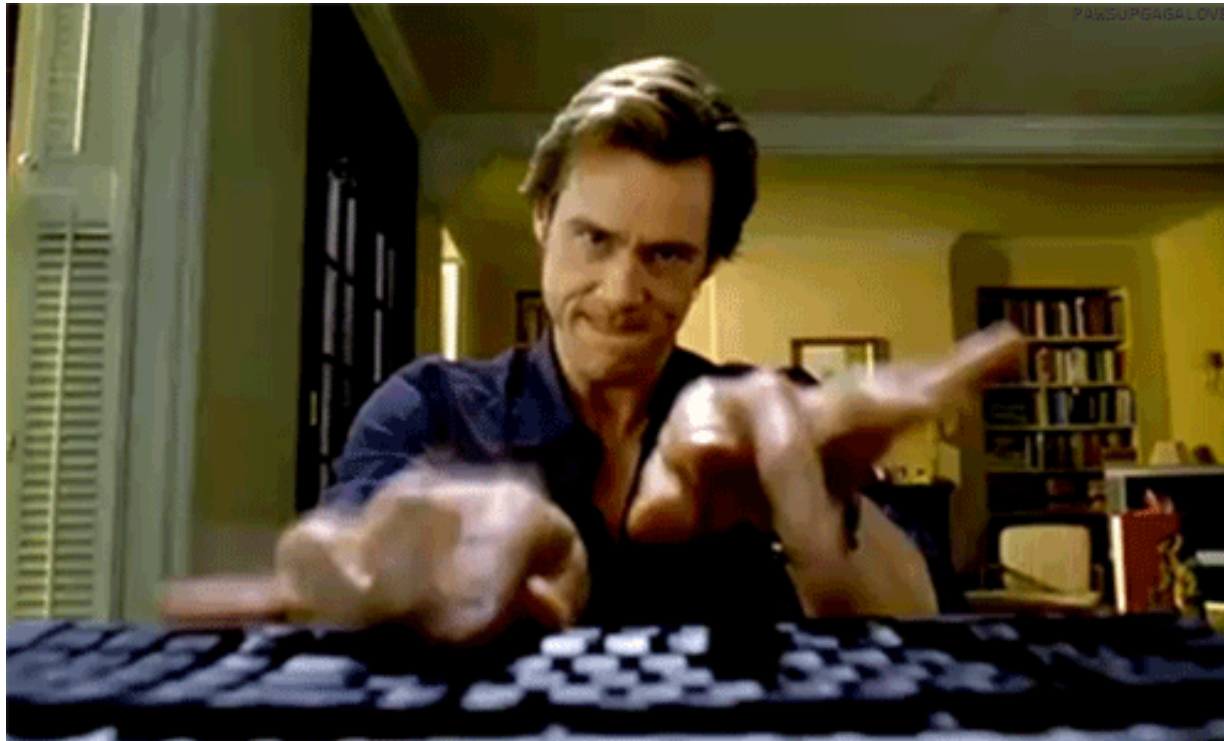
Best Practice

Exercises

Donor Journey



Prospect Research



~~Prospect Research Relationships~~

- Treat cultivation discussions as part of the prospect research process
- Ask what people want (don't assume public knowledge is up to date or accurate)
- Use your networks to grow themselves – create ambassadors!
- 12-18 months is the standard timeline from first contact to close of gift, and the best way to shorten this is via a personal connection

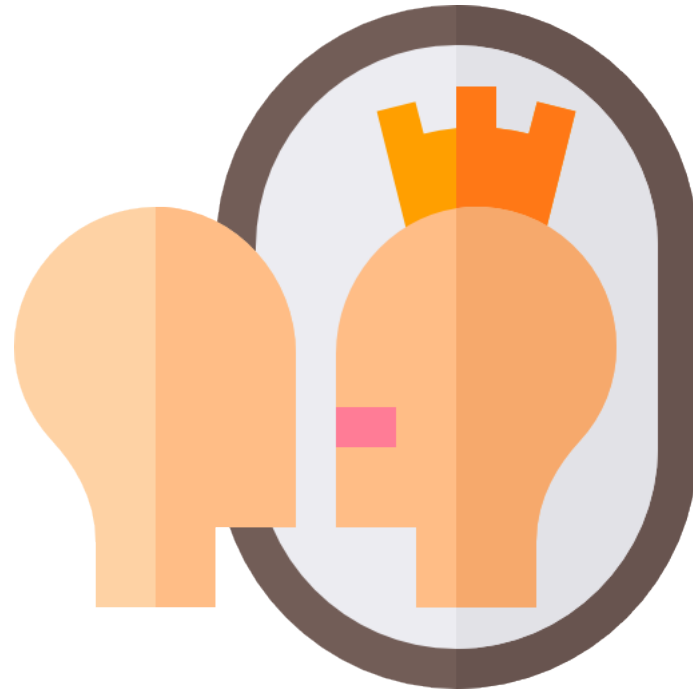
Leveraging Ambassadors

- **Clearly outline your donor journey:** Delays in major donor introductions often occur because the connector doesn't fully understand the journey you will take their contact on, post-introduction. Clearly outline this for them to demonstrate your relationship-management expertise.
- **Don't ask for an intro until you're ready:** At the time the connector makes the introduction, you need to have the capacity to respond quickly and dive into cultivation. If you're particularly low on capacity in any given week / month, delay the introduction until you aren't.

Don't Forget Women!



What Donors Want to Hear



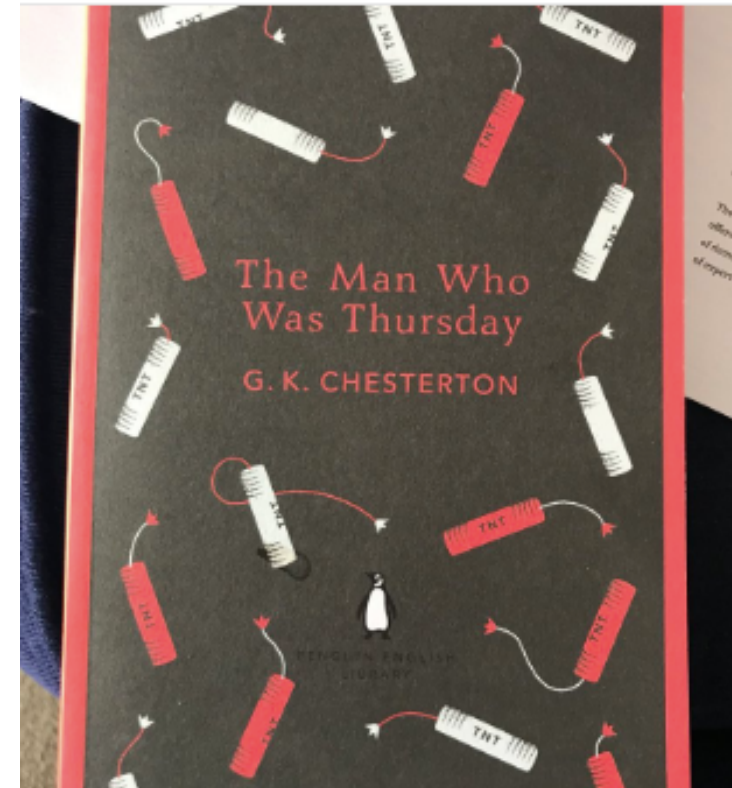
Donor Centred Design



These automatic soap dispensers don't work for black people

'I thought I was a ghost to some of these contraptions.'

metro.co.uk



Donor Centred Design

Surveys and
Interviews

Design
Workshops

Audience
Profiles

A/B Testing

Alternative
KPIs

Hear it From a Donor



People Give to People



“Your organisation is nothing more than the sum of the people - their honesty, integrity, ideas ... and the way they build trust.”

Paul Lindley
Founder of Ella's Kitchen and The Lindley Foundation

A Podcast by I.G. Advisors

It's Not Just About Money



“Philanthropy is often associated with the giving of money - but the giving of time, skills, networks, contacts and ideas is equally part of the mix.”

Paul Lindley
Founder of Ella's Kitchen and The Lindley Foundation

A Podcast by I.G. Advisors

The First Year is Crucial



"We give a small flexible grant in the first year, and then use that opportunity to get to know [the organisation] better. If all goes well, it's then that we enter into a longer-term relationship."

Sonal Patel
GMSP Foundation
A podcast by I.G. Advisors

Talk About the Hard Stuff

WHAT
DONORS
WANT

“An awful lot of pitches I see from charities are too glossy. These problems are complicated and I want to deal with the truth.”

Nick Jenkins of Dragons' Den

A Podcast by I.G. Advisors

Manage Expectations



"It boils down to engagement and stewardship ... you can always ask [a donor] about what level of engagement they want, and you should be clear about what you can and can't provide."

Emma Turner
Barclays Private Bank
A Podcast by I.G. Advisors

Don't Lose Momentum



"One of the most common mistakes organisations make after receiving a grant is not following up. We understand and don't want to be a burden, but the enthusiasm and momentum can't stop there."

Andy Bryant
Segal Family Foundation
A Podcast by I.G. Advisors

Reframe the Power Dynamic

WHAT
DONORS
WANT

“The problem the donor has is: they have more money than they need, they want to do something useful with it, and they want to believe it's made a difference. You can solve that problem for them.”

Nick Jenkins of Dragons' Den

A Podcast by I.G. Advisors

Key Characteristics

Major Donors:

- Take time, work and resources to discover and cultivate – they are not generally public.
- Can be flexible, eager and well-connected supporters if you treat them right, but require an expert relationship management approach and a bespoke experience.
- Can give big and regularly if you keep them engaged, but don't tend to commit to multi-year gifts.
- Are increasingly establishing formal philanthropic structures to strategically deploy funds.
- Those who gift £1m+ are likely to give to Foundations, not charities; a typical UK major gift is <£20,000.

~~Unrestricted~~ Flexible Funding

Full Cost
Recovery

Themed
Funds

Donor
Circles

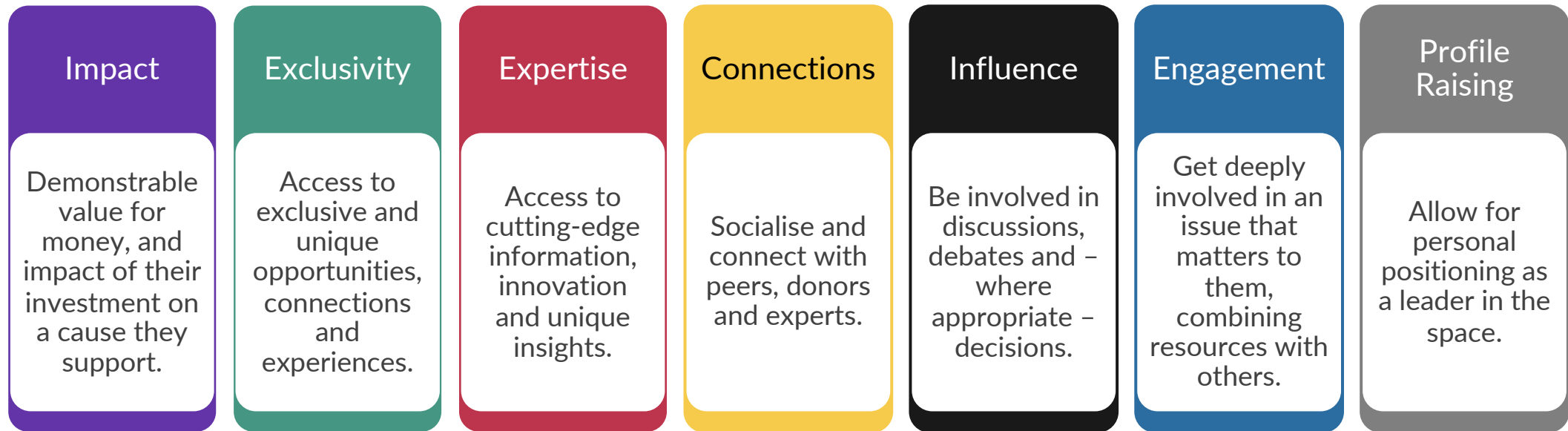
Case Study – Themed Fund



Cultivation Best Practice

- Approach from an exploratory angle (*'If you want advice, ask for money. If you want money, ask for advice.'*)
- Offer matched funding where possible, to make donors feel their gift is leveraged for most impact.
- Provide benefits and experiences of a calibre that is exciting and rewarding (which could closely align with benefits intended for foundations and corporates).
- Have vehicles for tax-efficient giving in target geographies wherever possible.
- Be led by a senior relationship manager, and ensure consistency.
- Be clear on needs and expectations (strategic + day-to-day)
- Push back, as appropriate

Stewardship



Stewardship Planning Example

	Impact	Exclusivity	Expertise	Connections	Influence	Engagement	Profile raising
Seat on trustee or advocates board		•	•	•	•	•	•
Brand on publications or events		•					•
Matched funding access	•	•		•	•	•	
Private event invitations		•		•		•	
Access to specialist knowledge, briefings			•	•			
Dinners with senior leadership & ambassadors		•		•	•	•	
Project reports	•		•				
Premium event access	•	•	•	•	•	•	•

Shoestring Fundraising

Systems &
Templates

Central CRM

Supporters →
Advocates

Leverage
Ambassadors


Key Trends

Inspiration

Best Practice

Exercises

Dream Donor Persona – Template



How old are they? What is their family / marital status?

Where are they from? Where do they live now? What is their cultural background?

What is their educational / professional background?

How did they come into their wealth? (e.g. inherited vs. self-made vs. marriage, etc.)



- What causes do they care about?
- Do they prefer international or local impact?
- What are their values?



- What are the biggest mistakes charities make with them?
- What do they like least about engaging with charities?

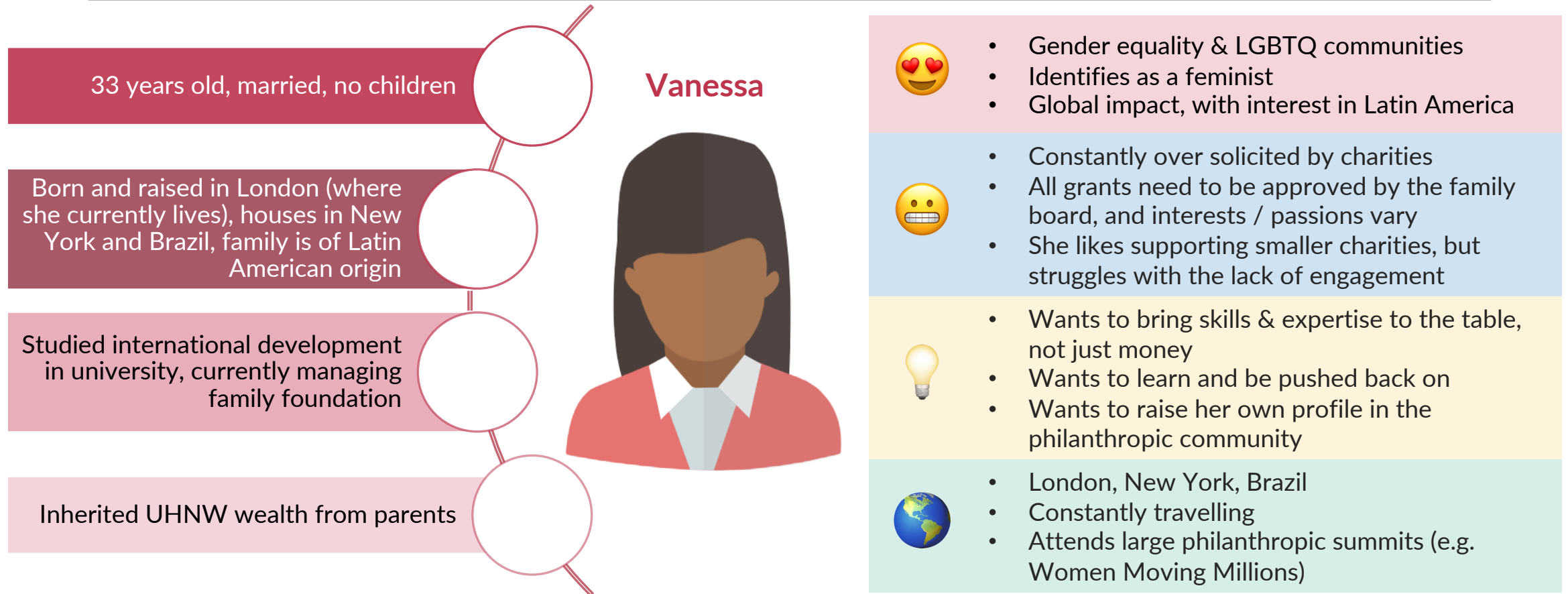


- How do they want to engage with a charity?
- What is their approach to philanthropy?
- How do they want to contribute to a charity beyond financial support?
- What stewardship experiences matter most to them?




- Where does this person spend most of their time?
- Where are you best placed to make contact with them?

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- Where are you best placed to make contact with them?

Dream Donor Persona – Pitching

You've known this person for 6 months now, and you're getting ready to make the ask. You have **5 minutes to brainstorm (and then present!) your pitch:**

- Show you understand their personal passions and interests
- 'The Ask' should be specific, realistic and clear
- Answer - Why this? Why us? Why now?
- Illustrate impact, and tell a story if you can
- Avoid jargon; use familiar language
- Detail what they get in return for their generosity

Questions to Reflect On

- What is 'major' to you, and what sort of person could give at that level?
- Who do your trustees or supporters know?
- Do you have senior level buy-in for this kind of fundraising?
- Can you invest time now, to see success in two years?
- Can you spend time building personal relationships with people?
- What experiences can you offer that would feel special or valuable?
- What long term vision does your charity have?

Takeaways

People Give
to People

Donor
Centred
Design

Don't Forget
Next Gens

It's Not Just
About Money

Be Truthful &
Authentic

Don't Rush
the Ask

Relationship
Management

Don't Lose
Momentum

Homework

Network mapping & cultivation planning toolkit