The Five Steps of Proposal Writing for Major Gifts

An article from Veritus Group to help you succeed at major gift fundraising.

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What you will learn

1. Why preparation is key to writing a good proposal
2. How to match your proposal to donor interests
3. What points to cover in the document, and how to say it plainly

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“I’m just gonna write up a proposal and get it out there to my donors,” the determined MGO said. And that’s how he defined an important step in his success in raising major gift money.

When writing proposals for major donors, we at Veritus Group find that many authors place a great deal of emphasis on the actual writing of the case, proposal, or whatever you want to call it. In fact, in preparation for this white paper, we dug out all our resources on the subject and discovered that we agreed with about 20% of what the authors were saying. That’s not to say we have a corner on truth on this subject; it’s just that we don’t think the proper context is created for proposal writing.

**Step One – Know Your Donor**

Let us explain. When we look at much of what is out there on this subject, all the material starts with “create a need statement” or “create a theme” or some instruction on how to begin to draft some element of the actual proposal. This is all good, but it starts in the wrong place. Why? Because it doesn’t start with the donor, THE most important part of the whole equation. That’s why the first step in creating an effective proposal for a donor is to **Know Your Donor**. Seems obvious, doesn’t it?

You might be saying, “Of course – everyone knows that is the first step!” Really? We don’t think so. We find many MGOs who are engaged in proposal writing who actually start with “writing up” the organization’s program(s) before they interact with the target audience: the donor herself. This is symptomatic of a deeply held belief that keeps donors in a lower place of value by all the people in the non-profit. The donor is simply a source of cash. It is the organization’s programming, and what WE do that is actually more important! This is a big mistake, and it’s the wrong path to take.

*Knowing the donor* is the first place a MGO should start in creating a proposal:

1. Who is this person?
2. What do they want and need in this relationship?

Those are the two key questions to answer before you start writing. By now you have discerned the importance we place on knowing the donor. Why do we keep repeating this? Because not enough time and effort is given to this important contextual task. But rather than moan about all of that, let’s turn our attention to how you can know your donor
better. Here are some key methods:

1. **Do the Google thing.** Find out as much as you can about jobs, awards, assets, interests, connections, etc. If research is not your thing, have someone do this work who has that talent. You need to follow the trails that surface on Google. There is so much information in just this one source. Another good source of information is reference.com. If the donor is an attorney, go to martindale.com for additional info. If a doctor, ama-assn.org.

2. **Do wealth and asset research.** Wealth Engine, Blackbaud, etc. are good tools for wealth overlays and asset information. Also zillow.com, zoominfo.com, intellius.com, LinkedIn.com, secinfo.com, and hoovers.com are all good sources.

3. **Research past giving – to you and to others.** The “to you” bit is easier. You want to know past designations or interests, amounts, etc. Also, you want to know what motivated the gift. Was it a direct mail piece, a personal visit, an event – what was it? There are plenty of clues in your donor data. For giving outside your organization, start with tray.com for political giving, and guidestar.org for non-profits. If the person has a family foundation, get the 990 for the organization and see what they gave to and how much. A great source for giving of all kinds is taxexemptworld.com. Check it out. Follow all the trails on all of these sites for rich and valuable information.

4. **Get information from the donor.** Probably the best way to get information is driven by your curiosity. When you have contact with the donor, asking a lot of questions about interests, inclinations, involvements and passions is a key to finding out what motivates your donor. Avoid zooming in on the information that relates to your non-profit. Instead, find out what makes the donor tick. Asking the donor about his giving to YOUR organization may not, at first, yield as much information as asking what interests the donor pursues in ALL of his giving. The most successful fundraisers are those that can, over time, secure relevant information that will inform their approach to the donor. General, genuine curiosity and interest in the donor will yield far more information (and trust) than pecking away at what they think about you. Keep this important principle in mind.

You can’t do enough to **Know Your Donor.** There is nothing more important than this one activity. And if you value the donor as a partner, rather than a source of cash, you will naturally want to know them as you should.
Step Two – Know Your Program

It’s amazing how well some newly hired MGOs get to know the programs of the organization they work for. By the same token, it’s startling how many MGOs who have been with an organization for five and even ten years or more, do not.

We’ve tried to discern what is different about either the person or the organization that results in such a wide gap of knowledge about the very thing the MGO was hired to represent – the program. Could it be that the MGO who knows the program is the one who (a) understands his job, i.e. matching donor interests and passions to organizational needs and/or (b) has been proactively trained by the organization to know what it does? Maybe.

But what about the MGO who doesn’t know the program? Putting the best light on it, maybe they expect others to know. Maybe their understanding is that someone outside themselves gathers the info, and all they do is act as the broker or presenter to the donor? Or maybe they just don’t know how to conceptualize the whole program thing and organize it for donor consumption? Maybe they are just too busy with “donor stuff” and don’t have the time to get this work done? Or maybe it’s a manager who says, “Look, I want you out there with donors! Do not spend time visiting program.”

Whatever it is, it’s an amazing thing to watch; exhilarating when it works right and downright depressing when it doesn’t. By now you’ve gathered that the second key point of proposal writing (and donor contact) is to **Know Your Program.** You cannot expect to be successful as a major gift officer if you don’t. Which is why you need to, at a minimum, take the following steps to make sure you are informed in this critical area:

1. **Understand the organization’s budget.** We strongly urge you to spend time with your top finance person to gain a clear understanding of the organization’s budget. Do you have any idea what the total expense number is? What the total revenue number is? What the major categories of expense and revenue are? If your answer is “no,” start heading for the finance department.

2. **Understand the details of the program part of the budget:** it should be anywhere from 60-80% of the total expense budget. Find that number and then understand how it breaks down into (a) each location, (b) each program category within location, and (c) any sub-categories below that. This work may make your head spin, but you will be glad you did it. We have a whole system for helping non-profits figure this part out – let us know if we can help.
3. **Start digging into how each program category works.** This is about understanding the need that is being addressed, how the need is met and who (gender, age, etc.) is helped. If YOU don’t understand this, how are you going to explain it to a donor? Yes, this does mean you will have to read program plans and actually visit program sites. And it does mean that this will take time – quite a bit of time. When a new MGO starts, it’s good to spend 30-40% of his or her time engaged in this activity alone. Why? Because the MGO needs to know the “product” to be effective. But this part is the intellectual side of program knowledge. You also need to get into...

4. **The emotional side of the program content.** No matter what the program is, either helping people, the environment, animals – whatever what the cause – you need to be emotionally connected to it. So if your organization is helping the homeless, go sit with a homeless person and let that experience get into your heart. If you're helping animals, get into their world and feel it. If your program is about conservation, wander into the beauty and wonder of nature and marvel at it. If it's about space exploration, feel the mystery and glory of space and other planets. If it's about cancer research, cry about the pain this dreaded disease has caused, and fill your heart with hope for a solution. If it's about justice, be angry about how cruel and selfish people can be. Your heart must get engaged. You cannot stand outside of the emotional impact of your cause and hope to be an effective major gift fundraiser. You cannot bypass this important step.

5. **Gather stories and pictures that illustrate need and impact.** The primary role of a major gift officer is to experientially transport the donor right into the need that the organization is addressing. This is not an easy thing to do. If the MGO had a special “transporter” that could magically put the donor right in the middle of the action, so they could hear, see, taste and feel the experience, that would be a beautiful thing. Unfortunately, such a machine does not exist. And so we must rely on the representations of the MGO.

These representations are delivered via words and pictures. And they involve intellectual information as well as emotional information. If all you do as a MGO is fill the donor’s head and not move his or her heart, you have failed. So gather stories and pictures about the heartbreak of the need. These stories and pictures should cause you to feel the hurt, pain and hopelessness of the situation. Then gather stories about the unbelievable joy when the need is met. These stories should make you jump out of your chair and yell, “YES! That is so good. I just can’t believe it! Yes! Wow!!” Dear friend, you may be reading this and find it a tad uncomfortable. That’s
OK. Sit with it a while and ponder why you feel that way. It will be a good journey for you to take.

The program of a non-profit is at the center of this whole thing we call major gift fundraising. It is the embodiment of the donor’s passions, values and interests. That’s why the donor is with you – because they see a bit of themselves in your cause and they are drawn close. So embark on a journey to get right in the middle of your organization’s programs. Then stay there, constantly soaking it in, so you can always be a faithful and true representative of all of it to your good donor.

**Step 3 – Match the Donor to a Program**

Understanding the challenge of matching donors to programs, we’d like to share an interaction illustrating this.

“I have 150 donors on my caseload,” said the frustrated and impatient MGO. “Do you really expect me to go through every single one and find a match for their interest and our program?” Well, yes. “But they really don’t have a single interest! They’ve just told me to use their gift where most needed,” he stated defensively. And we thought... *The truth is that you don’t know the interest. It’s not that they don’t have it.* That is one of the greatest problems in major gift fundraising – the MGO does not know the interests and passions of the donors on their caseload. There are three reasons for this:

1. **The MGO has been unable to connect with the donor.** Well, that means that there is a donor on a caseload that is *not qualified*, i.e., they have not told the MGO they actually want to relate in a more personal way. So why are they on the caseload? Because they gave a sum of money equal to or greater than the criteria? Not a good reason. You must have *qualified* donors on your caseload. If a donor will not talk to you, in any form, what is the point of maintaining them on the caseload? Think about this. It goes contrary to every bit of logic in the purpose of the MGO job, i.e., “to manage and cultivate a group of assigned donors.” Now, there is another reason for a lack of connection: it just hasn’t happened yet. So you need to keep trying.

2. **The MGO has not asked the donor about his or her interests and passions.** There are several reasons for this. He hasn’t gotten around to it. He doesn’t know how to do it. He is uncomfortable asking for this information. He doesn’t believe it’s important. Or he believes the donor really doesn’t have any specific interest. Whatever the reason, the fact remains that the donor *DOES* have interests, and it is the job of the MGO to
uncover them. We find that if the MGO is being too specific in the questioning process, it is much harder for the donor to answer. For instance, if you ask, “Which of these five things that we do interest you?” you may not get an answer that works. If instead you ask, “When you look at all of your giving, Ann – all of it – the giving of your time and your money – what is it that captures your heart and your attention?” If you do it this way, you will likely get an answer – a clue that you can then follow into your organization. The point is that we all have preferences for how we use our time and money. Over time, your job is to figure that out with your donors.

3. **The donor is not comfortable sharing this information.** The truth is that they aren’t comfortable yet. The relationship between you and the donor needs to season and age a bit. They need to learn that you can be trusted with their thoughts and feelings. So give it time, but keep this line of questions on your to-do list.

This topic of donor interests is critical first to the donor’s good experience with you, and secondly to your success as a MGO. Keep learning in this area. And keep trying. But at least you have some idea what the donor is interested in! You can now match that interest to a program in your organization. Here are several suggestions in this area:

1. **During the matching process, remember that the organization needs unrestricted funds.** This may sound counter-intuitive, but consider this: if a donor is interested in helping younger children, there’s a big difference between asking the donor to help with “a multi-faceted program to help younger children” and asking to help fund “15 younger kids in the literacy program on Thursdays in the Westside section of Detroit during the January to March sessions.” Obviously you want to talk about all that detail, not only of that program but all the programs. But your ask, while still staying in the interest section, should be as general as possible. We always suggest being open with the donor about the need for the organization to have flexibility in their program spending. They always understand. They just want to know that their gift will help those younger kids.

2. **Look for gender and age matches.** Start with a gender match, then an age match or a combination of those two. WHO does the donor want to help in terms of gender and age? Get to that first. Is it older people? If so, older men or women? Is there a preference? If younger, what age? What gender? Is there a preference? By the way, if the donor is interested in causes that are not related to people directly, like the environment, then move down to the next point. But if it is people, start here. Then....
3. **Look for sector matches.** By sector we mean the type of program. Is it education, shelter, work development, counseling, protecting the environment, etc.? This is the WHAT part of the matching. What does the donor want to do? What is the technical thing that is of interest? For instance, after providing emergency help in crisis situations, someone might want to help a person create independence – so you may suggest training, finding work, getting counseling, etc. What is it for your donor?

4. **Try to determine the desired outcome of the match.** After you have “done a match” for an individual donor, try to visualize if the match is satisfying to the donor. In this step, we suggest spending a thoughtful moment considering how the donor will react to your suggested match. Visualize sitting with the donor and proposing that she can help by supporting the program you selected. Does it work? Is it satisfying? Does it bring fulfillment and joy? Can you feel it? If not, start over.

We know this is hard work. And it takes time. But isn’t your donor worth it? We think so. They are investing a good sum of money; that transaction is a very sacred and special thing. So treat it with great care, as you would with something you value very highly.

**Step 4 – Preparing the Ask**

It takes more work to get ready for “the ask” than it does to actually create the ask itself. So when we hear, “I just don’t have time to do that getting ready stuff,” we know we’re headed for trouble. The MGO has to spend time getting to know the donor, getting to know the program and matching the donor to the program before he or she can sit down and create “the ask.” This “pre-ask” work is not just a casual thing a MGO does on the side. It is very serious, time-consuming, in-depth work that must be done well. We believe that most proposals fail before “the ask” is created, because the MGO has just not put the effort into gathering the needed information. But once this prep work is completed, it is time to **Prepare the Ask.** And “the ask,” in our opinion, has six elements or parts:

1. **An Acknowledgement of Past Giving and Interest Match.** There is nothing more satisfying to a donor than to be thanked for his giving and to be affirmed that what he is interested in is also what the organization is interested in – that there is a solid partnership between the two parties. This affirmation of the match creates a bond between the donor and the organization – a special link that confirms to the donor that he made the right decision in giving.
2. **State the need and the consequences of needs not met.** It is often difficult for many non-profit “insiders” to state the need the charity is organized to meet, in a compelling and emotional way. The reason could be either over-familiarity by the insider, or a fear of saying out loud just what the horrible consequence would be if the need is not met. Let’s face it, most need is NOT pretty. It just isn’t. And there is no use in dressing it up. That’s why it’s a need – it requires a solution; it requires attention. So we recommend stating the need in a manner that replicates what the donor himself or herself would experience if face to face with it. Most assuredly, that encounter would be emotional, striking and life-changing. We have seen these types of encounters happen many times – which is why we can confidently ask you to plainly, and without reservation, state the need. Then, having stated it, you should lay out the consequences of the need not met. In other words: “If we don’t take care of this, then X will happen.” Be as honest and objective about it as you can, without editing out the feelings you have about it. And while you are writing about need, include real-life stories and pictures of people (with their permission) to illustrate what you are talking about. Put flesh into the story.

3. **State what you are going to do.** This is the program part. And this needs to be specific, logical and caring. Most program write-ups are filled with so much technical jargon that (a) they are difficult to understand and (b) they don’t grab your heart. Sometimes it seems as though program people write for other program people, or for their manager, or for the technical expert in the field, rather than just explaining the program and stating what they propose to do and how that will make a difference. It makes you just want to grab that writer and say, “Look, we're trying to get something special done here for another person or for the environment. *Just say it plainly.* We don’t need all that dressing up. And we certainly don’t want to have to use a technical lexicon or dictionary just to help us interpret what you are saying.” So keep this simple and to the point. When you read what you have written, ask yourself, “Does this really solve the problem outlined in point #2 above? Really?” If not, keep writing.

4. **Talk about the impact you will have.** This is the proof of success part. Here is where you include ways the organization has been successful in the past in this very area, proving that it can be done again. Here is where you tell stories and show pictures of the impact you have already had. Remember, the “doing” part (point #3) only tells half of the story – it says what you will *do*, not the result you will have. The *result* is what the donors are “buying” through their giving. They want to solve the
problem. You need to help them to believe that if they give, they actually will solve the problem.

5. **The budget details.** Here is where you get into what it will cost to do all of this. Be sure to include all the costs, including overhead – overhead of the project itself and an allocated portion of your organization’s overhead.

6. **The gift plan.** Now you come to the part of “the ask” where you lay out the plan for the donor and how you are proposing she will respond financially to this need and the proposed solution. We call it a “gift plan” because it may be a single gift you are asking for, it may be a series of gifts over time, it may be a combination of cash and non-cash inputs, or it could be a combination of any of these or other ways the donor proposes she would like to be involved. That’s why it’s a plan. It’s a forward-looking, longer-term thing. As for the whole concept of the annual gift, it’s really wrong thinking. The annual gift focuses the transaction on the organization, and on a specific point in time. The gift plan focuses the donor on the solution to a problem that needs solving. There is a huge difference. Believe us, the gift plan is far more satisfying to a donor than meeting a time-specific quota.

**Step 5 – Doing the Ask**

So finally, at this point, you are ready to “do the ask.” And actually, it’s the best part, because this is where you look the donor in the eye and propose something that will bring him tremendous joy and fulfillment. Here’s a story that will demonstrate what we mean:

The call came in around 10:30 that morning. The MGO could barely contain herself. And we could hardly understand what she was saying. The call was electric – and for good reason. “I can’t believe it!” she said. And then she told the story about meeting with her donor that morning

She had been very nervous and wondered if she had prepared properly. Things seemed to be going well as she went through her points (the ones we have outlined here previously.) She could tell that the donor was really resonating with the MGO’s statements on gratitude for past giving, the list of the donor’s interests, the match of those interests to the organization’s need, the immensity of the need, the possibility of providing a solution and how the donor’s gift would really help. Things were going really well. And then…. Well, this is how the MGO said it: “And then the donor
asked me a question that I wasn’t quite ready for,” said the MGO. “How much do you want me to give?”

“Well,” she said, “my heart was pounding, and for a minute I just didn’t know what to say. And then I remembered the work I had done preparing for this meeting. And although I hadn’t been prepared for the donor to just come out and ask me this question, I did know the answer. So I said: ‘A million dollars!’ I just said it!” There was a long silence on the other end of the line, and we could tell the MGO was having fun with the pregnant pause.

“And she said YES!” the MGO screamed into the phone. “One million dollars! Can you believe it?” And we said, “Yes we can. And here’s why. You were prepared. You were focused on the donor. You knew where you were going. And what mattered most to you was not the money but all the joy the donor would experience by helping in this generous way and all the help people in need would get. These are all the reasons this worked for you.”

When we hung up, we sat for a bit and thought about this. We marveled at how, once again, a person with great wealth and ability had been partnered with a caring MGO. We reflected on how that union had released much-needed resources into our world, and how those resources would be flowing out to ease the pain, to heal the hurt and to meet the need. What a wonderful thing. What a humbling event. What a miracle that we can actually be part of something so precious and special.

We are truly amazed every time this happens. And whether the gift is a million dollars or just ten, it is still a very sacred and extraordinary moment. And this is why:

1. One human being opens his heart and hand to place his love and care into the hands of another person (the MGO) whom he has come to trust and believe in.
2. That love and care is then channeled to people in need.
3. The people in need are blessed and lifted up.
4. And something magical and mystical has happened to everyone involved.

My goodness! Can this get any better? We hope that through this discussion you have been able to see how important it is to prepare and to listen well. When you truly listen to the donors and then work hard to steward their hearts’ desires, so many good things happen.
And we all need a lot of good things to happen these days – in our own lives and in the lives of those around us.

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