Starting a Successful Major Gift Program

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

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What you will learn

1. How to prepare your organization to support major gifts work;
2. What steps to take as you start a program;
3. How to balance major gift efforts with other fundraising activities in your organization.

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For years, we’ve heard regularly from folks who want to know how to start a major gift program. Most of these development professionals are working in small to medium sized non-profits and they just don’t have the resources to hire outside consultants to help them.

At Veritus Group, we firmly believe that the greatest source of revenue growth for non-profits in the next decade is going to come through improved management and the execution of major gift strategies. So we want to help you in any way we can to ensure your success.

Everyone is looking for more revenue to expand programs. And most of the time, that revenue is sitting right under your nose. It’s up to you to figure out how to find it.

In this White Paper, we’re going to show you the outlines of how to start your own program, no matter how large or small your organization. Follow these steps, and you will be on your way to establishing a robust major gift program, which will lead to engaged donors and increased revenue for your mission.

A Checklist for Organizations Starting a Major Gift Program

It is always amazing to hear managers and leaders who want to start or rebuild a major gifts program say “we will just hire some major gift officers and get going” or something like that. It’s as if this magical MGO will arrive on the scene, and then suddenly money will be pouring into the organization.

We heard a similar comment several months ago where one unenlightened manager in a Southeastern non-profit said: “Unless we hire a MGO right now we will face a huge financial crisis.” Now there is an element of truth to the statement, in that someone needs to be out there talking to the organization’s donors. But putting responsibility for the entire organization’s financial stability on one position is a bit “out there.”

It is true that a lot of magical and wonderful things can happen with the right MGO in place. We have seen that happen quite often. But there are other organizational things that must be in place for major gifts to fire on all cylinders. Here is short checklist of what, in our opinion, must be in place in your organization for the major gifts program to work as it should. The organization must have:

A meritorious product (program)

This is one of the most basic and often overlooked points in major gifts. A major gift officer, like a good salesperson, needs a good product to sell. But a good product (program) is not easy for many non-profit managers to deliver.

We work with some of the largest non-profits in the country, and in them we still encounter managers who say to their MGOs “just get out there and tell those donors what we are doing!” As if that is all it takes. The MGO flails around, saying general things and unable to present the donor with enough specifics on programs, outcomes and costs. Program is the fuel of the major gift engine. Without it, the MGO cannot succeed.
Does your organization have a **real** program plan that casts a vision for what needs to be done, how you are going to do it, when you are going to do it and how much it will cost? If not, don’t expect to raise money. It won’t happen. You have to show that there is a societal or planetary **need** the organization is addressing with a real, workable and believable **solution** to that need. This is not some conceptual “pie in the sky” dream. This is feet on the ground, boots on, in the trench getting the work done content that the donor can hear about and say, “Now THAT is something that needs to happen, and I want to get on board with it.” Sadly, there are not many organizations that have this tied down tight, which is why the major gift program, or fundraising in general, does not work.

**A donor-centered culture**

We have [written quite a bit](#) about this topic. Donors need to be at the center of your mission and work. Donors need to be partners, **not sources of cash**. Donors need to be valued and respected. If you don’t have a donor-centered culture, it will be difficult to have a successful major gift program.

**A leadership culture that understands major gifts**

One of the core misunderstandings that leaders have about major gifts is how much time it takes to (a) get a major gift program started, and (b) build a relationship with a major donor. We had one situation several months ago where the manager was trying to “hurry up” the development of a relationship with a donor so that the ask could be made in time to reach fiscal year-end goals. What!?? This is insane. You really can’t hurry up a relationship. Try that in your marriage or your relationship to a significant other. Try that in your job. Try that **anywhere** and see what happens. It will get awfully messy and dirty really quick. Then you will see what your impatience and ulterior motives got you. It will get you nothing. And it will do damage. Leaders who truly understand the nature of a relationship will value how major gifts needs time.

**A finance department that understands and supports fundraising**

It’s a dream come true when a CFO (a) understands fundraising, and (b) knows how to organize his or her accounting to support fundraising. It is a nightmare when a finance department can’t even get their fingers on the right numbers for fundraising – something we have experienced more times that you can imagine. A truly enlightened and professional finance team understands that their role in the organization is to make sure that the financial underpinnings of program and fundraising are in place.

This means all the financial systems help make good program and good fundraising happen – program being the main reason we are here, and fundraising being the fuel that helps the program engine run. When the program and fundraising functions are forced to serve finance, rather than the other way around, there is trouble just around the corner. More and more professional CFOs and finance people are beginning to understand that donors are the key economic asset of the non-profit, and these donors must be outrageously served and protected.
A back office that values donors

The “back end” of fundraising is everything that happens after the gift is received. Sending receipts and thank yous, the timing of this receipting, reporting back, etc. You know what it feels like to go into a store or order a product online. You get the product. You love it. Life is good. And then you need to talk to someone in the back office to deal with a situation related to the product.

But when you reach out to do that talking, you enter a hall of mirrors and a dungeon of horrors. All the joy you felt when you took the company up on their promise to bring value to you, if you just bought their product, is suddenly lost – dashed by the manipulations, jargon and shuffling of the back office. Is this what happens to your donors? You promised some great things on the front end, but you treated them like dirt on the backend. You can’t let this happen. The backend – the back office – needs to be as good as the front office and your promise.

A program function that values measurable outcomes

“So, did anything actually happen as a result of my gift?” THAT, my friend, is the central question all donors are asking. And that is the question you and your program team need to answer. It can’t be some general statement. Savvy donors are looking for measurable results, and if they don’t get them they will go away. A good program person does good program, and she values measurable outcomes. “Good program” means that something actually happens that is good. And you can measure what happened.

These six must-haves for the organization that wants to have a successful major gift program are not easy. But not much that is good in life is easy. If you can get all of these points aligned in your organization, you will experience happy and fulfilled program people, donors, finance folks, managers, and you yourself will be happier.

The Structure of an Effective Fundraising Organization

Often, the reason a major gifts program doesn’t take hold in an organization is because the organization itself is not organized properly. Or the leaders in the organization don’t have a clear view of what the various functions in the organization are supposed to do.

At Veritus Group, we encounter this all the time. We ask an MGO, “What is the purpose of your job?” They answer, “To raise money.” We reply, “That’s half right. The purpose of your job is to fulfill donor passions and interests and, as a result, raise money.” There’s a huge difference.

Or take the question to a level higher with the Director of Development. “What is the purpose of your job?” Same answer. And we give the same reply.
These exchanges led us to consider organizational structure and its effect on fundraising. You’ll want to think this through before you start (or revitalize) your major gift program. The fundraising division of a non-profit has two major functions, illustrated by the chart below:

1. **To help people (donors and recipients).** This is 80% of the effort. Yes, the majority of the effort. Sorry, if you are in all the other work on the right side of the chart above. Here, the development function works with two major entities: individuals and organizations. The individual work, at the highest level, is accomplished through direct marketing, major gifts and planned giving.

   Notice that the focus of ALL the employees and volunteers in this unit is **building relationships with donors and causing mutually satisfying transactions at an agreed upon and acceptable ROI**. That’s it. That’s all there is – nothing more. So the major activities in this category of work are building relationships and causing transactions at an agreed upon and acceptable ROI (return on investment). It’s important to note that it’s relationships that we are building and, in that context, we are causing transactions. But not just any transaction – a mutually satisfying one. And not at any cost. Nope, at an acceptable ROI. But not just any acceptable ROI – an ROI that all the parties agree on. All of this is important.
2. **To help the organization itself by minding the brand.** This is 20% of the effort. This is the lesser part of the effort – not any less important, since it is important, only that this category of work uses less of the organization’s resources of labor and budget. But the function is important in that the sole focus of these folks is *creating positive and memorable impressions about the organization with various publics*. They are building that brand. Notice that PR, events, marketing and branding are in this category. Some will say, “I thought an event was a fundraising thing.” Nope. Good events do raise money, but most, if not all events, are really brand raising, not fundraising. “But... but... the event raises money, so isn’t that fundraising?” Yes and no. Net revenue comes in, but all you have done is secure dollars, not donors. In fact, most events do that. They get dollars in the door, not donors. So really, by creating and managing the event, what the organization has done has been to pull off a self-liquidating or self-funding branding tactic, creating a positive, favorable and supportive impression of the organization. This helps fundraising and is a needed function, but not a primary or foundational fundraising activity. Never is and never has been.

So, why is all of this important and what does it have to do with major gift fundraising? Understanding the proper fundraising structure...

1. **Helps the MGO keep perspective on his role** – The major gifts function is to take individuals who come up through the direct marketing pipeline and build relationships with them for the purpose of fulfilling their passions and interests and funding organizational programs. This is a critical, very critical, and needed function in the organization. A non-profit organization cannot operate cost effectively, in my opinion, without a robust and well-run major gift program. Why? Because the economics and ratios will not work for the organization. If a non-profit only has a direct marketing program it will likely have an ROI of 1:3 or 1:4, which is OK, but not ideal. Adding a major gift program, with its higher ROI, positively affects the economics of an organization, increasing it by a point or two. So, that is good.

But even more importantly, a major gift program adds flesh and personality – a real human element – to the fundraising program. It puts a face to what could easily be a very impersonal transaction. This is the real value add and one that also has economic benefit. An MGO needs to keep these values clearly in mind. When an MGO can see that she is the face of the organization to a donor, it helps the MGO understand the critical role she plays and how important it is to the success of the organization. It is not just about reaching goals and providing resources to fund program. It is so much more than that.

**Helps the MGO understand how the other functions fit** – Knowing that the objective of events, PR, marketing, communications and branding is to increase awareness and cause positive impressions, helps the MGO value those functions as a necessary part of the entire enterprise. Too many MGOs do not understand or value these supportive roles. And too many MGOs miss the fact that an event is not an end in and of itself. It is a stepping stone toward developing relationship. And if it does not accomplish that, it is not worth the effort, nor should it be part of the MGO’s strategy.
Developing Your Budget: Major Gifts’ Return on Investment

For anyone starting (or revitalizing) a major gifts program, one of the biggest obstacles will be figuring out how much you can (and should) spend on the program. Well, here is how we think about it, and it is a pure economic formula.

One of the key principles of all fundraising is that there should be a return on investment (ROI) figure attached to every fundraising function. Why? Because the core objective of fundraising is to produce net revenue to do program – to accomplish the mission for which the nonprofit exists.

If you are spending $1 on fundraising, you should be getting back more than that dollar so that there is something left over to do good. This is true for all fundraising functions with the exception of donor acquisition – where money is lost in the first cycle in order to secure a donor who contributes much more in the future.

The major gift area, whether it is managing individuals or institutions (corporate, business, foundations, etc.), is an area that should always develop net revenue, because direct marketing has done the “heavy lifting” and delivered good donors from which a MGO can create a qualified caseload.

But what net revenue or what ROI is acceptable in major gifts? Here is how to think about it.

Most direct marketing programs are delivering a ROI of 1:3 or 1:4. For every dollar out, $3 or $4 comes back. So the first thing to do is get a fix on what ROI your direct marketing is delivering to the organization. That will set a baseline for how to think about major gift expenses and revenue and MGO pay.

The next step is to remember that good major gift programs take time to mature. You cannot expect a high ROI when you are just starting a program. Our rule of thumb for ROI by life stage of the program is as follows:

- **Starting out**: ROI should be around 1:2 or more, although we have seen them at a breakeven for the first year, which is acceptable. Remember, it takes time to develop relationships; if you are just starting a major gift program, the MGO’s all-in costs (compensation and operating expenses) need time to “catch up” to increasing revenue.
- **Developing toward maturity**: ROI should be in the 1:3 to 1:8 range – and it should certainly be equal to or better than your direct marketing ROI.
- **Mature**: ROI should be in the 1:6 to 1:10 or more range.
We sometimes get into some heated discussions with managers who want to argue that a major gift program, when starting off, should deliver substantially better value than a direct marketing program and that the initial ROI must be higher, like 1:5 etc.

We have to point out to these managers that their direct marketing file is losing value and donors every year at an alarming rate, resulting in a very poor ROI once you account for attrition and the need for additional donor acquisition. When managed by a MGO, donor attrition slows dramatically in a way that has significant real value, justifying a lower ROI starting out.

**Remember, just the reduction of loss in the first year is sufficient justification to allow for a low start up ROI in major gifts.** This is how a manager starting a major gift program should think about this.

### Getting Up and Running

So we’ve discussed how the organization needs to have its priorities in order, how an organization should be structured for good fundraising, and how to establish the funding that should be committed to the program. You’ve probably been chomping at the bit to get to the good stuff – how to actually get started.

While there is obviously a lot more to is, here is what you will need to do in broad terms:

1. **Make sure your leadership is committed to starting a major gift program** — We have seen too many programs founder because the organizational leadership never bought into them and did not support the development person or team. As we discussed earlier, leaders must be on board to invest in and support your efforts. They have to be willing to nurture relationships and see the program as vital to your overall mission. And ultimately, they have to be willing to ask.

2. **Create a caseload pool from your current database** — You’ll want to be able to go back four or five CALENDAR years to figure out who to choose for a caseload pool – the group of donors you will qualify for a caseload. In other words, go back about five years and find all the donors that
gave $1,000+ cumulatively in any one of those years from then to the present. You may even have to go down to $500+cume, depending on the size of your database. The important thing is to start somewhere. Select from among those donors and sort them by recency and amount. In other words, place the highest and most recent givers at the top of your list. Next, select out at least 450 of the highest and most recent donors from that list. Now, there is one nuance here you need to pay attention to. You may have 450 donors just in the most recent calendar year, but at the bottom of that list you may have donors who have less capacity than the top of LAST year’s list. A $1000 cume donor who gave last year, but has not given this year, may be more valuable than a $500 cume donor this year. Just keep this point in mind.

3. **See if there are donors on your board** — If you have a small number of donors, you will want to first look at your board as a source for major donors. They themselves may be your first major donors, along with their friends and connections. If you are really starting from ground zero, this could be your best source of potential major donors.

4. **Research and Qualify** — With your “caseload pool” of donors you will want to start qualifying the donors to select for your caseload. Start reaching out to this “pool” by introducing yourself and asking the donor if she would like to have a more personal relationship with the organization. You’ll want to meet as many donors as you can, or speak to them on the phone, with the intention of finding out who they are and what motivated them to give to your organization. Through your research and qualification process you will start to establish a qualified caseload of major donors that you can cultivate, as well as begin to gain some knowledge of their passions and interests.

5. **Understand your programs and projects** — You have to understand not only who your donors are, but you need to understand everything about your programs. How do you do what you do? What are all the different programs and projects that you carry out each day? What do those programs cost? What is the overhead for each of those projects? What do your program people need? What is the impact on the community because of these programs? Can it be measured? All of this is critical because major donors want to fund tangible, specific projects that will make an impact.

6. **Goal Setting and Creation of Strategy** — Once you have qualified your “pool” and have a caseload of donors (no more than 150 per caseload), you will then want to begin creating revenue goals for each donor. This is important because it will give you something to attain and help you plan. Be reasonable, but don’t sandbag the goal either. Once you have a goal, you’ll need a strategy that outlines a whole year’s worth of communication, touchpoints and solicitations for each donor. In other words, you’ll be able to determine a plan, month by month, to reach your revenue goal

7. **Start Asking** — You can have the best goals and strategy, but if you don’t actually start meeting with donors and asking for their help, you’ll never get off the ground. Remember, your donors want to give. Your job is to establish solid relationships with these donors and provide opportunities for them to invest in your organization.

8. **Thank, and thank again** — Always be thanking your donors. Of course, thank them after they give a gift, but also during the course of the year to make them feel appreciated. You cannot thank enough.
9. **Tell your donors how their gift made a difference** — Don’t miss this step. It’s critical if you ever want another gift. And, YOU DO! Be creative, but be diligent about this point. Donors want to know they made an impact. **Tell them.**

10. **Have someone hold you accountable** — Whether you have 10 donors or 150 donors on your caseload, you need to be held accountable for executing your plan. Over and over again, we have seen failure in major gift programs because no one is holding anyone accountable to carrying out the plan. If you are a one-person shop, get someone on your board to do this, or find a trusted friend who will make sure you are on top of things. This is critical for success, so don’t overlook it.

Again, whether you have 10 donors or hundreds of major gift donors, this is how you need to go about establishing your major gift program in order to become successful. Over time, you will see the enormous benefits for your organization and for your donors. It will be so good!

**Playing Well with Others: How Major Gifts Interacts with Other Fundraising Activities**

Major gifts departments don’t work all on their own, isolated from other fundraising functions. In the best scenarios, your direct response program is finding new donors to add to your database, and regularly reminding them to give to a cause that they care about. As some of those people give more, they are handed off to a mid-level program, giving them a little more personal attention. Those that continue to respond will “graduate” to the major gifts program, where they’ll have the opportunity to relate in a face-to-face, personal way. And a few of those people will be committed enough to your organization that they will want to speak to an expert about planned giving opportunities.

But even when you’ve got this all figured out, there are many questions that get asked. Questions like:

- Where does direct marketing stop and midlevel take over? This is about donor selection criteria.
- Where does midlevel stop and major gifts take over? Selection criteria again.
- Who owns what real estate?
- Who gets to decide what strategy will be used, especially in the overlap situations?
- What criteria will be used to measure success of migrating donors upward?
- Who gets credit for migrating donors?

We’d love to give you the answers and operating principles you should use to answer each of these questions, as well as the other issues that arise out of mid and major donor pipeline management. But the answers are not easy, and not every solution would apply to your situation.
So here’s something that will be helpful. Consider creating a Pipeline Working Group made up of representatives from various fundraising areas like these (you may not have all of these in your organization):

- Mass or direct marketing.
- Midlevel Donor Services
- Major Gifts
- Planned Giving
- Data Analysis & Forecasting
- Data Processing / Finance
- A major gift consultant who can offer an outsider’s perspective.

You will ask this group to come up with a list of situations that need to be addressed and objectives to be reached. And they will want to determine some indicators which they would establish as measures of success.

Now, all of this sounds really technical. But this work is critical to accomplish if the donor in this non-profit is going to have a donor-centered, seamless and pleasant experience that makes sense economically to the organization.

There is one dynamic in this “pipeline” that you will need to manage very carefully. Often, the donors at the “top” of the direct marketing pyramid – those donors that are being passed off to mid-level – are treated poorly when they get to mid-level because they are at the bottom of the mid-level pyramid.

This same thing happens one level up. The donors at the top of the mid-level pyramid that are passing off up into major donor status are often treated poorly because they are at the bottom of the major gift pool. This valuing hierarchy can work within one pyramid, but not between them.

So, you need to watch this. And getting all the pyramid owners in one room to figure this out and create a seamless experience for the donor is what is needed.

**Unclog Your Major Gift Program — Invest in Mid-Level Donors**

More and more we are seeing donor files that have a great number of lower-dollar donors and quite a few mid-level donors (depending on the size of your organization, between $250-$9,999), but very few major gift donors.

It’s almost like once a donor gets in that middle range, they can’t move up. We’re seeing plenty of them moving down or going away entirely, but the funnel up to major gifts is clogged. Something is not happening, and they can’t get up and out.

Here are a few warning signs that you have a clogged pipeline to major gifts:
1. **Every year you see fewer large gifts from donors to your organization that could potentially be qualified a major gift.** What was once a reliable source of major donors is no longer helpful, and you are tempted to go out and “fish” for major donors.

2. **You see retention rates from your $250-$9,999 donor group declining.** Something is not right if you are not seeing retention rates in the 75-80% range, and each year they are declining.

3. **You see average gifts start to drop from this group of donors.** This often happens when mid-level donors are only cultivated by direct-response, and the offers are the same year after year.

4. **You see ROI’s in the 20-60:1 range from your mid-level donors.** Yes, that’s right, these ROI’s are way too high. Remember, these donors are giving you between $250-$9,999 a year! Why are you cultivating them just like your $10-$25 donor? Most non-profits spend on average $10-$15 a donor per year to cultivate a donor. If your donor is giving you $250 a year that a 25:1 ROI. If they are giving you $1,000 a year, that’s 100:1 ROI. We believe that if you spend a little more on this group and lower the ROI, you’ll actually bring in more net revenue because you’ll see more response, higher average gifts and higher retention. That’s more net revenue for your great programs!

That last point I make is the reason why you need to start a mid-level program now. If you want a future with a robust major gift program, investing in your mid-level program is mandatory. You cannot treat a mid-level donor like a new or small-dollar donor and expect that they will break through into a major gift program. It’s a very rare occurrence.

We are starting to see mid-level strategies work with non-profits. The funnel is starting to become unclogged. Here is what we are looking at to determine the success of a mid-level program:

1. Overall revenue is going up with these segments
2. Retention increases
3. Average gift increases
4. More donors are moved out and into major gift programs
5. More people raise their hand to inquire about planned giving opportunities.

If your donor file is full of smaller donors but you’re searching for bigger ones, once your major gift program is up and running, you should implement a mid-level donor plan and watch as you become inundated with potential major gift donors.

Look, with acquisition costs increasing every year and program needs growing, now is the time to look at your own file and figure out ways to stop the bleeding. This will help you keep your best future donors and re-engage them with a more personalized approach than the old strategies you’ve relied on for so many years.

Veritus Group offers another White Paper on [Cultivating Mid-Level Donors for Maximum Results](#) – take a look at that paper to learn just how to start your own program that will complement your major gifts efforts.
Major Gifts and Direct Response... What Do You Do?

Development Directors and MGOs often ask whether or not major donors should get regular direct-response appeals (mail and email) just like the rest of the donor file.

Our answer is always: Absolutely.

Okay, there were a lot of gasps out there. But where do you think most donors who are on major gift caseloads come from? Most major gift donors come from those first $25 checks that are sent in from either a direct mail or e-appeal campaign.

So, even though they are now giving at much higher levels, why would you want to remove them from receiving those appeals once they are in a major gift caseload?

You wouldn’t. Or, at least you shouldn’t. We have seen some disastrous results where organizations have lost hundreds of thousands of dollars because they decided for some reason that it was a good idea to stop mailing and e-mailing their major donors.

There are only two reasons why you would take them out.

1. The donor asked you to stop mailing or e-mailing appeals.
2. Your relationship with the major donor has developed to a place where you have a substitute communication and ask strategy to replace the direct response communication.

Now, you may be thinking, “Well, if we are just going to continue mailing these major donors, why do we even need major gift officers?”

Our answer to this is very simple. The combination of direct-response and MGO cultivation lifts all caseload revenue. When you take either out of the equation, you see a drop in revenue. Over time, because the MGO is continuing to build relationships with his or her donors, the communication strategy starts to skew more toward personal solicitation vs. mail or email.

This is an important point: over time, as the relationship builds, the communication strategy migrates or skews toward personal solicitation vs. mail or email. This sometimes takes years. It’s really up to the donor. We cannot assume that donors do not want to receive your appeals and e-mails until they tell you they don’t. This is what it means to be donor-centered, NOT fundraising program centered.

Now be sure that your MGOs don’t rely TOO much on the mail. It can be used as a crutch to NOT get to know donors as they should and therefore neglect to personally solicit donors, relying rather on direct-response income to make their revenue goals.

Great MGOs don’t worry about the mail or email unless a donor on their caseload specifically tells them they don’t wish to receive it. This is where the MGO needs to step in immediately on behalf of a donor.
and help fix the situation. It’s really up to the MGO to know the donor’s communication preferences and make sure they are honored.

If the major donor team and the direct-response teams are doing their work, there is harmony and consistency between both. They don’t worry about who gets credit for how the revenue comes in because each department knows they need each other and it’s the organization AND the donor that is important.

**Five Metrics for Measuring Success in Major Gifts**

There is quite a bit of chatter out in the marketplace about how to measure success in major gifts. Some managers feel the whole thing is about measuring activity, i.e., what is the MGO doing? The problem with measuring activity is that it doesn’t measure results.

We have seen many situations in which the manager of the major gift program is so obsessed with how many calls and visits an MGO makes that they don’t see that revenue per donor is dropping, which is a more important sign that things are not right.

We’ve been doing this work for many years and, when you boil it all down to the basic essentials, we believe that these five metrics are the critical measures to watch in your major gift program:

1. **Caseload Value**: Is the total value of the MGO’s caseload (a) at an acceptable ROI when starting, and (b) at a place where it’s growing? The caseload value needs to make economic sense. We come into situations where the total caseload value is $200,000 and we wonder how any manager can sit around and believe that is OK. We have seen other situations where the caseload value is $300,000 and it has been at that level for each of the 3 MGOs in the organization! Whoa! This is a serious problem. If you are starting a major gift program it is fine to start at those levels as you build a caseload, but by the end of the year you should be pushing $400,000+ and going up from there each year.

2. **ValueRetention**: We have analyzed hundreds of donor files and caseloads over the years. And the amount of money being lost each year from the same donors is unbelievable! These losses are often in the 40-60% range every year. If you are experiencing large losses from the same donors year to year, you have a value attrition problem.

3. **Five, Six and Seven Figure Gifts**: If the caseload your MGO is managing is not producing five, six and seven figure gifts then something is wrong. We’re not talking about multiple large gifts each year. How about just one? One large gift. Remember, buried in your donor file and in your caseload are donors that can and will give more. They aren’t doing it yet, because most likely you are not identifying and serving the interests and passions of the donor. If it’s the “same old same old” thing every year with each of the donors on your caseload, you are obviously not moving forward with your donors, which means YOU are not moving forward. Look at this.

4. **Return on Investment (ROI)**: Establish ROI criteria for all MGOs. This is about taking the total compensation of the MGO (salary and benefits) and adding in all operational costs, including the office, etc., and putting that total cost against the total caseload value for a return on
investment (ROI) figure. As we mentioned previously, there is no “right” ROI that applies to everyone. But as a general rule, the starting ROI needs to be at least 1:2 or 1:3, and the ongoing operating ROI of a mature program or MGO needs to be between 1:5 to 1:12.

5. **Connection to Program:** Every MGO needs to regularly stay in touch with program. If the MGOs are not personally engaged with what is being presenting to donors, they will not be effective. It just will not happen. And that engagement is not only about the head (facts, figures, details, outcomes) – it is also about the heart, personally experiencing the pain and hurt of others or, if you are in animal or environment causes, experiencing the abuse of animals and our planet. This is a must. That is why this is an important metric for us – asking the MGO the simple question, “Are you staying connected to program?”

All the other measures of activity are important – especially as they measure meaningful connections being made with donors. But at the end of the day, if these five things are not happening, the program and the donors are not going anywhere.

**Now Get Going!**

If you’ve read through this paper and your organization’s leadership is in the right place, then get going! There’s no better way to learn how to start a major gift program than by doing it. And remember, you don’t have to have everything perfectly in place to meet with donors. Great major gift programs know that the best way to get to know their donors is to talk to them face to face. This is why MGOs are away from their desks about 50% of the time. They are out there having meaningful meetings with donors. They are engaging them on what their passion and interests are. They are making real connections.

You don’t have to make major gift work complex. Keep it simple and do the real work – making meaningful connections face to face. Your preparation and hard work will pay off.

*For an in-depth explanation of these topics, get a copy of It’s Not JUST About the Money, available on Amazon.com.*

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**Veritus Group is a full-service mid and major gift consulting agency serving non-profits all over the world.**

We help create, build and manage major gift and mid-level giving programs by combining donor-centered strategy with solid management that is focused on accountability.

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