Recommendations for a Prospect Management System

PURPOSE:

The purpose of this document is to outline our view of best practice for prospect management. Good prospect management serves to ensure that donor relationships are well managed. By reviewing, researching, and assigning donors to Major Gifts and Mid-Level programs, each donor can be cultivated and stewarded appropriately.

USE OF NOMENCLATURE AND FIELDS:

A prospect management system has, as one goal, to identify the Types of Prospects in a donor data file.

Typically these “types” are put on by research following a sweep by WealthEngine or similar wealth overlay program or a combination of “triggers” such as gift size, cume giving, inclination (recency, frequency, and years of giving), or affinity (the donor’s relationship to the organization as shown through volunteering, Board service, or other forms of engagement). These are mutually exclusive fields, and while dynamic, don’t change often. They are:

- Major Gift Prospect,
- Planned Gift Prospect, or
- Major & Planned Gift Prospect.
- If a donor makes it clear that they do not want to give at higher levels, often “Not A MG Prospect” is appended as a type.

It is also important to append the Status of the phases of Moves Management in the system to ensure donors are handled appropriately. This is a mutually exclusive field, but is dynamic as well. The phases typically used are:

- Identification,
- Research,
- Qualification,
- Cultivation,
- Solicitation, and
- Stewardship.

Typically, the Director of Prospect Management & Research tags a donor to be in Identification, Research, or Qualification and then the process of assignment begins – a process which we will address a little later.

Once the donor has been assigned to a MGO and the MGO has established a relationship with the donor, the donor can be formally assigned to a gift officer with a Relationship Start Date and the status changed to Cultivation. From there, a MGO makes the flip between Cultivation, Solicitation, Stewardship and back to Cultivation during the course of the year, depending on the phase of the current relationship.
The value for this level of detail is that at any time in the year, a MGO can sort his or her caseload by the current status, thus helping to hone in on what actions are needed to be put in place to move to the next phase. This speaks directly to affinity and inclination – if those two are not in place, there is no quantitative reason for a donor to be assigned to a MGO.

Related to all of this, as MGOs create current and future Actions for donors on their caseload, there are two pieces of data that are really important to use consistently:

1. One is frequently called the Category Type or kind of action (phone, email, mail, visit, site visit – you can add a few more, but keep it simple; some organizations also use Research and Strategy as categories.
   - The Research category type is used if a MGO has requested specific Research on a donor, thus allowing for a date-stamped request to be logged in the system so that it is trackable and is closed when it is completed.
   - The Strategy category type can be used to put in an outline of what the MGO wants to accomplish in a full year. For strategy, it often is dated the last day of the fiscal or calendar year and can be updated each year by editing the end date to the end of the next fiscal/calendar year. The description can be as simple as: “Strategy to a Major Gift” or “Strategy to a Planned Gift.” In the note section for this action the MGO has the broad stokes of what he wants to accomplish. Usually this is used only when there is a large long-term goal in mind and MGO needs the pieces of the puzzle in one easily retrievable place.

2. The other is frequently called the Action Type which usually defines the purpose of the Action and mirrors the Moves Management phases of Qualification, Cultivation, Solicitation, Stewardship. Again, keep it simple. The beauty and power of being consistent comes in when the MGO looks at the chronological view of any one donor and she can see the clear trajectory of:
   - Gift & Stewardship actions - thanks, you made a difference touch-points, project reports
   - Cultivation actions - you made a difference touch-points, visit to learn more about donor, sending information on projects.
   - Solicitation actions - the actual ASK.
   - Stewardship actions - etc.

MANAGEMENT & OWNERSHIP:

Who owns the prospect management process and who gets to make the ultimate decision on who to research and where donors will reside or whether they should be removed?

We believe the VP/Director of Development should own the process, unless it is delegated, as in the case of the Veritus Group assignment to manage the major gift program. As the final authority of prospect management, the VP/Director of Development, or her delegated authority, should:
   - Convene prospect management meetings.
   - Approve prospect assignment/removal to MGOs.

The Prospect/Research Manager should:
- Identify prospects from the donor pool for consideration for assignment to Major Gift Program and/or Mid-Level Gift Program through regular review of gifts received and referrals from Board Members or other parties.
- Initiate wealth research and update records with findings.
- Recommend assignment of prospect to the manager of MGOs for Qualifying. Note that this is a recommendation only. Actual assignment to a MGO is the authority of the DOD or his delegated authority.
- After review and approval by VP/Director of Development or delegated authority, opens Relationship and Start Date for prospects.
- After review and approval by VP/Director of Development or delegated authority, closes Relationship and Stop Date for prospects assigned to MGOs.

The MGO:
- Qualifies donors to be a part of the Major Gift Program.
- Once qualified and assigned to the MGO, moves the donor through Cultivation, Solicitation, Stewardship cycles.
- Brings unresponsive donors from caseload or caseload prospect pool back to be considered to be coded “Not a Major Gift Prospect”

THE ASSIGNMENT AND REVIEW PROCESS:

Here is a chart that shows the assignment and review process:

Before getting into the process outlined here, there are several sources for NEW prospect assignment:

1. A monthly sweep of donors who have newly reached the $1k+ cume threshold (often from Direct Mail efforts) or any other threshold that has been set by the organization.
2. Donors who surfaced as having potential through a wealth screening process, and
3. Donors identified by MGOs, executive staff, Board members as having potential based on anecdotal information.
It is our belief that the manager of the MGOs, either internal or external, needs to be fully in control of the caseload size and quality of the MGOs under management. Therefore, any prospect management or assignment of donors needs to flow through them.

That said, prospect identification can happen one of several ways:

1. A MGO has a donor on his caseload that he wants researched. He approaches prospect management directly to secure that information.
2. Another party surfaces a prospect that they believe has potential. In this case, this party should approach the manager of the MGO, not the MGO directly. The reason for this protocol is to avoid putting pressure on the MGO to consider new prospects and thereby helping management keep the MGO focused on their caseload and to filter the ideas of those folks outside of major gifts. Let management filter and manage new potential. Do not waste the MGOs time with this.
3. Prospect research, while scanning donor data, surfaces potential additions to a MGO. This information should, as in point #2 above, be presented to the MGO manager, not the MGO, for all the same reasons stated in the above point.

Here is the process we recommend:

1. The prospect is identified in one or several of the three ways stated above. If the prospect is a donor on a current caseload the MGO and prospect management interact directly.
2. The prospect info and rationale for consideration is given to the MGO manager.
3. The MGO manager determines whether the prospect should go into the mid-level or major gift track. At this point the manager may consult with other managers and MGOs to secure more information or advice on (a) whether to “place” this prospect with a MGO, and (b) which MGO?
4. If the MG track, the prospect is assigned to a MGO for qualifying.
5. If qualified, then the prospect is added to a caseload.
6. If the MGO desires to have broader input into donor strategy with a particular donor he/she requests that this donor be added to a donor strategy review meeting, which the manager will organize.

THE INTERPLAY BETWEEN MID-LEVEL AND MAJOR GIFT PROGRAMS:

The chart above outlines the intersection and interplay of mid-level and major gift donor and prospect management.

When a Mid-Level Donor Program is in use, Prospect and MGO Management also makes assignments to create Mid-Level Caseloads. From there the caseload is Tiered A, B, C based on giving history (how much, how many years, and wealth ratings if they are on the record).

From there, the Mid-Level Representative manages the caseload and through the process, effectively pre-qualifies donors for the Major Gifts program by paying attention to Giving, Life, and Interest indicators.

When a donor hits a trigger, the Mid-Level Representative tells his or her Veritus Client Manager. The Client Manager then alerts the Major Gifts team and an assignment and handoff to a MGO is put in place.
Ongoing Prospect Management Process

1. **Twice Annual Review**: It is a good practice to review all donors assigned to gift officers at least twice a year to ensure the caseload is healthy: after close of December books and as part of budgeting and goal setting for the next year is recommended.

   **What to look for:**
   a. Note the current highest level of contact you have had with each donor in the most recent period. Be brutally honest. Are you still in two-way dialogue or is this donor “coasting” on your caseload. If just coasting, either make a plan to re-engage OR if the donor really does not want to be engaged, mark to remove from your caseload (some data system reporting requires the donor stay assigned until fiscal year end).
   b. Note donors who are off the giving plan. If there is a reason and the donor should no longer be managed, mark to remove from your caseload (some data system reporting requires the donor stay assigned until fiscal year end).
   c. Evaluate if your Tier A, B, and C ratios are healthy. In a caseload of 150 managed donors, ideally you want to see: Tier A – 25 to 30 donors; Tier B – 25 to 30 donors; Tier C – 90 to 100 donors. If you have too many Tier C donors, and they have not been responsive, maybe you need to remove them and make room for potential new donors coming in.

2. **Newly Identified Donors When MGO Caseloads Are Not Full**: Make as assignment for qualification to the most appropriate existing MGO.

   **What to look for:**
   a. Research – if you have the ability to run wealth ratings, do so and then depending on the rating, assign to the MGO with the appropriate experience to handle that level of giving potential.
   b. Geographical considerations – assign to the qualification pool of the most appropriate MGO based on a regional area.
   c. Capacity – assign to the MGO who has the most capacity to continue qualifying new donors.

3. **Newly Identified Donors When MGO Caseloads Are Full**: If you are rigorous in prospect management, you will likely always have space on an MGOs caseload to take on new donors to qualify, however, December giving can create a significant challenge to honor donors newly identified at the $1,000+ giving level.

   **What to look for:**
   a. Thank You Protocol – identify a staff member – possibly a person in the Development Office who aspires to be a gift officer – who is able to make year-end thank you calls and effectively “triage” donors newly giving at this level. Based on the receptiveness of the donor, assign the donor to an MGO, requesting the MGO to review his or her caseload to see if there is someone who has not been receptive to remove at the new Prospect Review.
   b. If you have a mid-level donor program, consider adding $1,000+ unassigned donors to be a portion of the caseload size as part of the program (e.g., if the caseload size is 600 donors, leave 50 to 100 slots open after Prospect Review and new assignments so the Donor Representative has the capacity to take on new donors as they are identified).
   c. Assign existing MGOs to make thank you calls on a rotating basis.
Veritus Group is a full-service mid and major gift consulting agency serving non-profits all over the world. Through our Major Gift Academy, we strengthen development professionals and non-profit major gift programs with a donor-centered philosophy that is focused on accountability.